

# AGENDA

## Herefordshire Schools Forum

Date: **Friday 9 July 2010**

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Time: **10.00 am**

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

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

For any further information please contact:

**Paul Rogers, Democratic Services Officer**

Tel: 01432 383408

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# Agenda for the Meeting of the Herefordshire Schools Forum

## Membership

<b>Chairman</b>	<b>Mrs JS Powell</b>	
<b>Vice-Chairman</b>	<b>Mr NPJ Griffiths</b>	
	<b>Mr J A Chapman</b>	Anglican Church
	<b>Mr P Burbidge</b>	Roman Catholic Church
	<b>Mrs S Catlow-Hawkins</b>	Secondary Schools Headteacher (Voluntary Aided)
	<b>Mr N O'Neil</b>	Secondary Schools (Community)
	<b>Mrs S Woodrow</b>	Secondary Schools
	<b>Vacancy</b>	Secondary Headteachers
	<b>Mr S Pugh</b>	Primary Schools Headteacher (Community)
	<b>Rev D Hyett</b>	Voluntary Aided Primary School
	<b>Mrs J Cecil</b>	Primary Schools Headteacher (Voluntary Controlled)
	<b>Mr P Box</b>	Primary Schools
	<b>Mr S Matthews</b>	Primary Headteachers Small Schools
	<b>Ms T Kneale</b>	Primary Schools
	<b>Vacancy</b>	Primary Headteachers Small Schools
	<b>Mrs J Baker</b>	Secondary School Governor
	<b>Vacancy</b>	Special School Governor
	<b>Mr T Edwards</b>	Primary School Governor
	<b>Mrs S Bailey</b>	Special Schools
	<b>Mrs E Christopher</b>	Pupil Referral Unit Headteacher
	<b>Mr J Docherty</b>	Secondary Schools
	<b>Mrs A Pritchard</b>	Teaching Staff Representative
	<b>Mr M Harrisson</b>	Teacher Representative
	<b>Mr J Godfrey</b>	14-19 Representative
	<b>Mr A Shaw</b>	14-19 Representatives
	<b>Mrs A Jackson</b>	Early Years Representative
	<b>Mrs R Lloyd</b>	Early Years Representative
<b>Non Voting</b>	<b>Councillor PD Price</b>	Observer
	<b>Councillor WLS Bowen</b>	Observer

## AGENDA

		Pages
1.	<b>ELECTION OF CHAIRMAN</b> To elect a Chairman for the ensuing year.	
2.	<b>APPOINTMENT OF VICE-CHAIRMAN</b> To appoint a Vice-Chairman for the ensuing year.	
3.	<b>APOLOGIES FOR ABSENCE</b> To receive apologies for absence.	
4.	<b>NAMED SUBSTITUTES (IF ANY)</b> To receive any details of Members nominated to attend the meeting in place of a Member of the Forum.	
5.	<b>DECLARATIONS OF INTEREST</b> To receive any declarations of interest by Members in respect of items on the Agenda.	
6.	<b>CHAIRMAN'S ANNOUNCEMENTS</b>	
7.	<b>MINUTES</b> To approve and sign the Minutes of the meeting held on 17 May 2010.	1 - 10
8.	<b>LATE ITEMS/ANY OTHER BUSINESS</b> To consider any issues raised as either a late item or any other business.	
9.	<b>CONSTITUTION</b> To consider an amendment to the constitution to include an Academies representative.	11 - 22
10.	<b>REPORT OF BUDGET WORKING GROUP - 20 APRIL 2010</b> To consider the recommendations of the Budget Working Group.	23 - 86
11.	<b>DEDICATED SCHOOLS GRANT</b> To inform Schools Forum of the final Dedicated Schools Grant for 2010/11 and the Outturn for 2009/10.	87 - 100
12.	<b>PROPOSED PROCEDURE FOR APPROVING TRANSFER OF REVENUE BALANCES TO CAPITAL</b> To seek endorsement of the proposed process for the transfer of schools' revenue budgets to capital.	101 - 104
13.	<b>PROPOSAL TO FUND REQUIREMENT FOR 25 HOURS SHORT STAY/PRU PROVISION</b> To endorse recommendations to fund the requirement to provide pupils at Pupil Referral Units (PRUs) with 25 hours of provision.	105 - 118

**14. CHILDREN'S TRUST BOARD MANAGEMENT GROUP MEETINGS**

The Chairman will give a brief verbal report on her involvement with the Board on the Schools Forum behalf.

**15. WORK PROGRAMME 2010/11**

To consider the Schools Forum Work Programme 2010/11.

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# **HEREFORDSHIRE COUNCIL**

**BROCKINGTON, 35 HAFOD ROAD, HEREFORD.**

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HEREFORDSHIRE COUNCIL

**MINUTES of the meeting of Herefordshire Schools Forum held at Council Chamber, Brockington, 35 Hafod Road, Hereford HR1 1SH on Monday 17 May 2010 at 2.00 pm**

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

Mrs S Bailey, Mrs J Baker, Mr P Box, Mr P Burbidge, Mrs J Cecil, Mr J Docherty, Mr T Edwards, Mr M Harrisson, Rev. D Hyett, Mrs A Jackson, Ms T Kneale, Mrs R Lloyd, Mr N O'Neil, Ms A Pritchard, Mr S Pugh, Mr A Shaw and Mrs S Woodrow,

**In attendance:** Councillors PD Price and WLS Bowen

**75. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mr J Chapman, Mrs S Catlow -Hawkins, Mrs E Christopher and Mr J Godfrey.

**76. NAMED SUBSTITUTES (IF ANY)**

Mr T Leach substituted for Mr J Chapman.

**77. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**78. MINUTES**

The Minutes of the meeting held on 23 February 2010 were approved as a correct record and signed by the Chairman.

**79. CHAIRMAN'S ANNOUNCEMENTS**

There were no Chairman's announcements.

**80. LATE ITEMS/ANY OTHER BUSINESS**

The meeting agreed to include the Work Programme as an additional item no.14, Minute No.88 refers.

**81. SCHOOLS FORUM REGULATIONS UPDATE**

The Head of Improvement presented a report informing the Forum on updated Regulations which reconstitutes Forum membership to include representatives from Academies and non-school members as appropriate. The Department of Children Schools and Families had also reviewed Budget Shares and Finance Regulations in order to support the developing learning routes for children and young people as identified in the Apprenticeships, Skills, Children and Learning Act 2009. The amendments also enabled schools to pool resources with partner agencies and/or contribute to the work of the Children's Trust Board as well as facilitating

links between Schools Forum and the Children's Trust with the expectation that the Trust consults with the Forum in agreeing the Children and Young Peoples Plan priorities.

**RESOLVED: That the Schools Forum**

- (a) is reconstituted by 1 September 2010 to ensure that membership is fully compliant with the amended statutory regulations: The Schools Forum (England) Regulations 2010 No. 344 (appendix 1 to the report);**
- (b) Notes the amended School Budget Shares Regulations 2010 No. 190 (appendix 2 to the report) and the funding opportunities identified within;**
- (c) Notes the amended School Finance Regulations 2010 No. 210 (appendix 3 to the report) and the funding opportunities identified within; and**
- (d) Notes the enhanced links and responsibilities associated with the Children's Trust.**

**82. REVISED CONSTITUTION OF THE SCHOOLS FORUM**

The Democratic Services Officer presented a report which proposed a Member Code within the Forum constitution with regard to declarations of interest. He emphasised that currently, members were referred to Herefordshire Council's guidance on declarations of interests. However, Herefordshire Councillors and co-opted non elected members were bound by the Code but that Forum members were not bound by it.

**RESOLVED: That subject to the following amendments to Annex 2 attached to the report:**

- (a) the replacement of the word 'the headteacher' and 'headteacher's' with the words 'an employee' and 'employee's' respectively in paragraph one;**
- (b) the replacement of the words 'a headteacher/governor' be replaced with the words 'for example employed'**

**the Schools Forum approves**

- (i) the proposed amendment to the Schools Forum constitution as set out in paragraph 5 of the report; and**
- (ii) the requirement for members to complete a Notification of Interests form.**

**83. FORECAST SCHOOL BALANCES 2009/10**

The Head of Financial Services presented a report which updated Schools Forum on forecast school balances for 2009/10. Circulated at the meeting, a copy of which is attached to the Minutes, was a revised sheet of school balances at 2009/10 year end. She emphasised that in accordance with the year end figures, the deficit values for the schools shown in paragraph 6 of the report were revised as follows with the addition of one school:

Dilwyn (P)	£495
Broadlands (P)	£66,027
St Weonard's (P)	£9,807
Aylestone (S)	£139,862
Brookfield (S)	£12,819
Weobly (P)	£4,143

(P) Primary School  
(S) Secondary School

The Head of Financial Services informed members that the format of the forecast figures would be on the basis of the School Finance Regulations 2010.

In response to an issue raised by a member, the Head of Financial Services informed the Forum that none of the schools would be having monies taken back in line with clawback. This was due to most schools transferring revenue into capital.

A member expressed the view that this could be an appropriate time for the Forum to re-affirm its commitment to a fairer distribution of money to schools in Herefordshire.

In answer to a question by the Chairman, the Head of Financial Services informed members that the deficits set out in paragraph 6 of the report were sanctioned by The Director of Children's Services and the finance to support them. The Assistant Director of Improvement and Inclusion further informed members that the process followed was to discuss deficit recovery plans with schools and their Finance officer and these were then approved and signed off by the Director of Children's Services. The money to support the deficits was taken from Dedicated Schools Grant and is planned over the lifetime of the agreed financial action plan.

**RESOLVED: That the Schools Forum notes**

- (a) **the forecast school balances;**
- (b) **the aspirational commitment to provide fair and equitable funding for all schools and that the principle includes setting aside funding to fund consultant and headteacher time to carry out a full review of the funding formula.**

**84. CONSULTATION ON THE FUTURE DISTRIBUTION OF SCHOOL FUNDING**

The Head of Financial Services presented a report on the response to the Department of Children Schools and Families (DCSF) consultation paper on the future distribution of school funding from 2011. Circulated at the meeting, a copy of which is attached to the Minutes, were officers draft answers to the consultation questions contained in the report for the forum to consider.

**RESOLVED: That the response document as circulated at the meeting with answers to the DCSF consultation paper on the future distribution of school funding be approved subject to the following additional points or answer changes being included:**

**Response to  
Question**

1. **Add: Differentials between authorities require more examination.**
2. **Need to promote cluster working to ensure that local priorities are met.**
5. **Add: To take into account local needs in Herefordshire.**
9. **Add at the end of answer: With transparency and fairness.**
13. **Answer: No, more work needed to carry this out.**
14. **Add after the answer: Subject to formula revision.**
15. **Add: Requires LA to revise formula.**

**The Head of Finance will collate the responses to the consultation**

**85. EXTENDED SCHOOLS REVIEW - ALLOCATION OF FUNDING FOR 2010/11**

The Head of Operational Development presented a report which informed the Schools Forum of the Extended Services funding allocations for 2010/11 and monitoring arrangements and asked for the endorsement of these. She emphasised that it was proposed not to change the formula as agreed by the Forum in 2009/10 and money would be released termly to clusters instead of quarterly.

In response to a question, the Head of Operational Development informed members that officers had made the decision to hold an element of the disadvantage subsidy fund centrally for activities relating to Looked After Children because it was easier to administer. She emphasised that the subsidy was to be spent wholly on looked after children and could not be spent on staff or coaching as within the terms of the whole grant.

A member was of the view that schools would need to be informed that the subsidy money can be transferred to schools should there be a Looked After Child in need of such support. However, the view of Schools Forum was that the decision taken by the Enjoy and Achieve outcome group to fully delegate the fund into schools should be upheld.

A member expressed concern at the cost to schools to administer for Looked After Children.

The Chairman referred to the Dedicated Schools Grant (DSG) money referred to in paragraph 10 of the report and emphasised that this was not extended schools money and that the reference to the sum should be removed from the table. The Head of Operational Development advised that Extended Services would be informed that the DSG money was not part of the Extended Services funding allocation.

**RESOLVED: That the Schools Forum**

- (a) **Endorses the Extended Services funding allocation for 2010/11 subject to the DSG element being removed from the funding allocation, on the**

**basis of proportional increases of the base amount per partnership, per school and per pupil;**

- (b) Agree that the funding will be released upon agreement of a cluster delivery plan with progress targets on each of the performance measures on an annual basis with a termly monitoring update on a basis in line with Forum decision made in 2009/10; and**
- (c) Endorses the Extended Services Disadvantage Subsidy Funding allocation as was recommended by enjoy and achieve outcome in full group which delegated full funding to schools.**

## **86. PROPOSAL TO REVIEW SEN/AEN FUNDING**

The Head of Additional Needs presented a report which requested the Schools Forum to endorse the recommendations for further work on Special Educational Needs funding. He emphasised the reasons, as set out in paragraph 2, for the recommendations. He drew attention to Appendix B of the report and which informed the Forum that Herefordshire Council delegated a greater proportion of the Individual Schools budget to the SEN budget than the average proportion in England.

The Assistant Director Improvement and Inclusion emphasised that this was a very complex issue and it was the intention to carry out a thorough review of Additional Needs across the County. This would then inform a range of funding options for the Forum to consider.

The Head of Additional Needs suggested that it would be useful for the Forum to have an input to the review through a smaller group. The Chairman suggested that the Primary and Secondary Heads Forums would be the appropriate consultative groups.

### **RESOLVED: That Schools Forum**

- (a) endorses further work to produce a range of options for the delegation of SEN funding to mainstream schools to replace or modify the existing model of delegation/banded funding;**
- (b) endorses further work to produce a range of options for the funding of the County's maintained special schools;**
- (c) endorses further work to produce a range of options for the delegation of funding to allow schools to purchase learning and behaviour support services via a service level agreement;**
- (d) the Primary and Secondary Heads Forums be consulted with regard to (a), (b), and (c) above; and**
- (e) the review outcome in respect of (a), (b) and (c) above be completed and brought into effect in April 2011.**

## **87. TRADE UNION FACILITIES BUDGET - UPDATE REPORT**

The Head of Improvement presented a report which provided an update on the Trade Union facilities budget in terms of the mechanism to better control the budget. He reminded members that the Forum had previously considered the budget at its meeting

in February and the report before members was to draw attention to a more detailed report that would be brought to the Forum in July.

**RESOLVED: That the report be noted.**

**88. WORK PROGRAMME**

The Forum considered the Work Programme for 2010, a copy of which was circulated at the meeting and is attached to the Minutes.

**RESOLVED: That the following items be added to:**

- (a) July 2010 Work Programme**
  - (i) Funding to provide equitable and fairer formula funding for all schools review.**
- (b) October 2010 Work Programme**
  - (ii) SEN/AEN Funding Review.**

The meeting ended at 3.45 am

**CHAIRMAN**

FORECAST REVENUE CARRY FORWARD 2009/10

SCHOOL NAME	Uncommitted Revenue budget	Period 7	Period 8	Period 9	Period 10	Period 11	Period 12	Potential Clawback as at period 12 09/10	Est balance at year end 09/10	Transfer to capital in Period 13	Actual Year end Balance incl Extended schools (*)	Balance bnd from 08-09
	£	£	£	£	£	£	£	£	£	£	£	£
ALMELEY PRIMARY SCHOOL	12,990	22,942	2,865	9,312	19,149	17,631	18,023	0	18,023	0	20,172	36,541
ASHPERTON PRIMARY SCHOOL	21,466	11,366	5,734	8,003	24,402	29,600	29,600	0	29,600	0	40,993	48,748
BODENHAM ST MICHAELS CE PRIMARY	218	43,456	40,442	42,484	45,952	44,327	45,128	4,808	35,237	32,920	53,648	47
BOSBURY C E PRIMARY SCHOOL	36,663	41,563	57,723	71,044	72,171	80,216	78,159	35,834	42,325	0	48,207	41,024
BRAMPTON ABBOTTS CE PRIMARY SCHOOL	26,924	59,470	35,493	36,034	40,054	47,003	46,687	4,422	42,255	7,000	48,207	34,405
BRENDENBURY PRIMARY SCHOOL	72,444	120,609	106,382	116,615	119,371	105,480	110,561	70,782	39,779	70,898	38,765	34,905
BRISTOW CE PRIMARY SCHOOL	26,274	4,997	19,428	25,666	36,847	39,123	34,642	0	34,642	17,000	35,516	35,079
BROCKHAMPTON PRIMARY SCHOOL	6,236	10,155	17,142	27,855	37,099	51,120	53,444	11,708	11,708	0	41,216	45,494
BROMYARD ST PETERS PRIM SCHOOL	-21,915	6,389	-973	8,765	14,920	23,598	20,653	0	20,653	0	26,573	-32,112
BURGHILL PRIMARY SCHOOL	22,149	14,287	-14,635	5,264	24,373	24,168	26,324	0	26,324	0	25,929	36,229
BURLEY GATE CE PRIMARY SCHOOL	29,678	93,032	97,569	64,235	60,796	66,582	69,691	26,406	41,285	17,000	39,542	33,189
CANON PYON CE PRIMARY SCHOOL	25,953	34,997	-27,975	4,734	17,990	27,847	25,825	0	25,825	0	19,477	37,591
CLEHONGER CE PRIMARY SCHOOL	6,607	28,570	27,132	8,513	22,314	19,318	23,644	0	22,644	0	31,924	51,339
CLEFORD PRIMARY SCHOOL	8,163	38,631	10,767	16,445	22,511	26,715	25,776	0	25,776	0	32,076	27,854
COLWALL C E PRIMARY SCHOOL	3,680	90,963	26,766	32,014	41,910	42,434	41,063	0	41,063	0	39,066	20,103
CRADLEY CE PRIMARY SCHOOL	11,263	63,165	-24,590	12,237	11,184	17,969	15,101	0	15,101	757	24,094	37,392
CREDENHILL ST MARYS CE PRIMARY SCHOOL	74,931	54,785	19,342	21,526	33,520	49,995	44,904	0	44,904	0	37,734	22,610
DILWYN CE PRIMARY SCHOOL	797	13,526	-10,801	-5,897	-4,634	-3,974	-3,974	0	-3,974	0	-405	16,840
EARDSLEY CE PRIMARY SCHOOL	19,928	30,060	30,877	31,304	33,057	36,662	34,723	0	34,723	0	34,369	36,956
EASTNOR PAROCHIAL PRIMARY SCHOOL	25,595	43,355	38,663	25,672	23,483	26,606	32,064	0	32,064	0	31,959	37,160
EWYAS HAROLD PRIMARY SCHOOL	154	-42,165	-2,854	-10,044	4,218	15,228	9,470	0	9,470	0	5,417	5,487
FOWNHOPE ST MARYS CE PRIMARY SCHOOL	7,846	-15,090	-3,626	-3,668	9,322	11,687	11,687	0	11,687	0	11,989	15,958
GARWAY PRIMARY SCHOOL	23,090	65,270	40,928	45,843	49,752	49,001	46,354	8,776	37,586	5,100	39,678	37,033
GOODRICH CE PRIMARY SCHOOL	30,013	32,441	15,616	21,449	37,792	36,697	35,601	0	35,601	0	35,128	32,979
GORSLEY GOFFS PRIMARY SCHOOL	27,636	124,844	26,008	46,127	50,927	51,684	52,909	8,560	44,349	17,000	44,264	33,136
HEREFORD BROADLANDS PRIMARY SCHOOL	-89,569	-72,340	-101,430	-82,759	-70,648	-69,293	-73,950	0	-73,950	0	-66,027	-84,100
HEREFORD HAMPTON DENNE PRIMARY SCHOOL	48,781	4,300	31,061	49,642	74,764	71,716	69,498	0	69,498	0	69,926	80,956
HEREFORD HOLMER CE PRIMARY SCHOOL	2,306	67,000	35,555	61,631	60,632	63,665	65,197	2,637	62,560	0	64,302	80,836
HEREFORD LORDE SCUDAMORE	51,461	1	49,388	49,388	270,965	270,199	136,756	0	49,388	105,897	46,732	103,354
HEREFORD MARLBROOK PRIMARY SCHOOL	1	96,270	295,297	222,093	287,965	270,199	136,756	32,329	104,427	38,695	96,993	136,748
HEREFORD ST LAUDYS RC PRIMARY SCHOOL	41,532	27,187	46,513	70,829	65,143	94,136	92,775	43,405	49,370	38,021	49,469	61,833
HEREFORD ST FRANCIS XAVIERS PRIMARY SCHOOL	25,517	44,171	40,576	39,279	54,697	45,914	39,450	0	39,450	0	35,998	30,464
HEREFORD ST JAMES CE PRIMARY SCHOOL	12,338	7,616	2,073	-4,942	21,668	12,497	18,849	0	18,849	0	27,420	736
HEREFORD ST MARTINS PRIMARY SCHOOL	32,082	100,238	46,102	57,312	78,010	93,557	53,634	0	53,634	0	56,279	117,202
HEREFORD ST PAULS	37,443	-33,725	-95,466	148,194	148,194	148,194	148,194	57,344	90,650	0	56,431	113,595
HEREFORD TRINITY PRIMARY SCHOOL	9,998	1	19,469	19,469	49,440	57,735	52,767	0	52,767	0	49,676	70,860
HEREFORD ST THOMAS CANTILUPE PRIMARY SCHOOL	46,504	192,268	81,372	99,115	110,795	99,084	58,233	6,693	51,340	5,721	77,870	65,284
HOLME LACY PRIMARY SCHOOL	5,759	13,354	4,439	3,287	5,678	14,795	15,414	0	15,414	0	13,764	31,468
KIMBOLTON ST JAMES CE PRIMARY SCHOOL	21,092	32,995	22,226	23,420	34,844	37,164	42,756	4,679	38,077	0	34,027	36,464
KINGS CABLE PRIMARY SCHOOL	16,551	21,200	26,967	30,635	31,297	39,239	36,211	1,171	35,040	2,500	36,781	32,976
KINGSLAND CE PRIMARY SCHOOL	13,826	-34,033	8,655	1,426	47,056	37,802	37,742	0	37,742	0	43,942	32,784
KINGSTONE & THRUXTON PRIMARY SCHOOL	64,333	63,065	48,688	43,479	55,329	65,503	69,474	21,074	48,400	22,100	46,467	66,931
KINGTON PRIMARY SCHOOL	60,797	34,340	43,620	29,524	67,677	91,287	84,970	33,058	51,651	23,000	51,270	56,322
LEA CE PRIMARY SCHOOL	953	1,359	20,420	22,824	24,925	20,249	20,249	0	20,249	0	16,400	36,057
LEDBURY PRIMARY SCHOOL	92,752	76,259	126,246	129,888	159,028	168,322	149,486	38,253	111,153	40,679	110,755	135,457
LEIGHTWADNE ENDOWED PRIMARY SCHOOL	41,566	62,143	61,934	60,668	69,116	69,339	69,339	29,287	40,142	31,500	41,851	37,872
LEMINSTER INFANTS SCHOOL	30,470	179,428	25,338	40,625	45,446	46,165	46,165	0	46,165	0	49,370	6,792
LEMINSTER JUNIOR SCHOOL	131,582	140,976	152,799	166,651	171,350	160,107	160,200	73,021	87,179	0	154,564	101,582
LEMINSTER WINGTON CE PRIMARY SCHOOL	20,521	34,406	20,391	19,924	29,914	35,901	25,453	0	25,453	0	26,220	14,978
LITTLE DEWCHURCH CE PRIMARY SCHOOL	-4,343	39,561	-1,325	-29,776	6,616	18,023	20,013	0	20,013	0	16,625	4,330
LANGROVE CE PRIMARY SCHOOL	3,367	12,949	-13,739	2,005	9,202	10,742	30,598	0	30,598	0	32,569	26,834
LANGTOWN CE PRIMARY SCHOOL	50,056	31,755	39,329	33,369	35,106	35,929	44,420	7,921	36,489	4,200	40,908	25,839
LUGWARDINE PRIMARY SCHOOL	7,442	90,053	-3,120	5,368	9,668	316	19,924	0	19,924	0	27,912	24,914
LUSTON PRIMARY SCHOOL	11,863	68,165	-16,039	-11,230	4,981	12,204	17,327	0	17,327	0	16,362	14,536
MADLEY PRIMARY SCHOOL	34,983	16,230	14,047	23,519	40,666	45,601	41,955	0	41,955	0	33,692	36,519
MARDEN PRIMARY SCHOOL	16,190	6,631	6,636	14,624	24,741	33,222	37,759	0	37,759	0	29,490	29,192





FORECAST REVENUE CARRY FORWARD 2009/10

SCHOOL NAME	Uncommitted Revenue budget		Period 7	Period 8	Period 9	Period 10	Period 11	Period 12	Patrols as at period 12 09/10	Est balance at year end 09/10	Transfer to capital in Period 13	Actual Year end Balance incl Extended schools (*)	Balance bhd from 08-09
	£	£	£	£	£	£	£	£					
MICHAELCHURCH ESCLEY PRIMARY SCHOOL	33,238	54,560	41,457	47,051	41,023	40,293	34,515	34,515	0	34,515	34,071	34,071	34,080
MORDIFORD CE PRIMARY SCHOOL	37,393	66,480	34,332	54,710	46,858	56,451	31,339	54,710	0	31,339	31,221	31,221	38,284
MUCH BIRCH CE PRIMARY SCHOOL	7,971	-1,321	-11,555	-27,105	1,436	8,787	7,165	8,787	14,453	40,052	10,800	42,806	37,534
MUCH MARCLE CE PRIMARY SCHOOL	40,625	42,337	54,526	66,070	65,335	63,750	54,515	54,515	0	54,515	0	42,806	37,534
ORLETON CE PRIMARY SCHOOL	10,337	18,761	-79	32,175	37,801	36,769	30,461	30,461	0	30,461	27,839	27,839	24,935
PENBRIDGE CE PRIMARY SCHOOL	40,002	6,667	14,652	4,632	32,630	30,253	33,483	33,483	0	33,483	35,521	35,521	30,484
PENCOMBE CE PRIMARY SCHOOL	3,980	27,092	19,765	14,925	25,799	31,078	29,438	29,438	0	29,438	29,258	29,258	21,511
PETERCHURCH PRIMARY SCHOOL	5,131	-3,655	-25,959	-26,313	-3,891	30,783	30,834	30,834	0	30,834	36,531	36,531	14,274
ROSS ON WYE ASHFIELD PARK PRIMARY SCHOOL	-17,445	27,301	-14,927	5,050	48,467	51,280	50,900	50,900	0	50,900	48,059	48,059	24,748
ROSS ON WYE ST JOSEPHS RC PRIMARY SCHOOL	35,878	10,288	46,743	52,012	66,112	64,882	59,591	64,882	19,712	39,708	13,846	49,024	37,231
ST. WEDONARD S PRIMARY SCHOOL	-22,995	-3,798	-22,510	-28,866	-18,250	-13,287	-13,571	-13,571	0	-13,571	9,867	-9,867	-20,482
SHOBBON PRIMARY SCHOOL	22,932	52,515	50,942	57,103	62,242	51,249	49,951	49,951	13,278	36,605	9,000	37,011	35,313
STAUNTON-ON-WYE ENDWID PRIMARY SCHOOL	29,276	59,775	45,866	42,155	47,000	49,364	48,662	48,662	10,938	37,824	11,000	37,648	35,040
STOKE PRIOR PRIMARY SCHOOL	17,203	69,565	42,291	45,036	52,489	55,533	59,364	59,364	20,867	38,477	15,000	37,995	36,470
STRETTON SUGWAS CE PRIMARY SCHOOL	2,949	49,775	15,260	12,552	24,024	23,227	22,369	22,369	0	22,369	15,542	15,542	18,560
SUTTON PRIMARY SCHOOL	0	69,318	-3,588	11,646	-20,357	24,154	27,615	27,615	0	27,615	29,517	29,517	3,837
WALFORD PRIMARY SCHOOL	29,635	92,328	19,835	-29,773	34,562	51,105	48,629	48,629	2,839	45,790	500	45,563	50,881
WELLINGTON PRIMARY SCHOOL	27,342	24,270	10,438	11,205	33,480	27,249	36,539	36,539	0	36,539	31,583	31,583	42,480
WEDLEY PRIMARY SCHOOL	1,714	95,392	-59,265	19,056	23,614	27,879	11,749	11,749	0	11,749	-4,143	-4,143	15,481
WESTON-UNDER-PENYRD CE PRIMARY SCHOOL	14,309	16,285	-17,531	14,536	6,662	10,275	15,058	15,058	0	15,058	12,041	12,041	-1,765
WHITBOURNE CE PRIMARY SCHOOL	2,942	-1,669	14,713	18,052	26,675	32,044	30,916	30,916	0	30,916	29,576	29,576	36,556
WHITCHURCH CE PRIMARY SCHOOL	14,264	-3,811	15,000	10,647	39,079	49,370	41,129	41,129	10,008	1,500	42,952	42,952	29,267
WIGMORE PRIMARY SCHOOL	27,112	44,160	48,895	56,112	65,764	79,274	55,443	55,443	12,176	43,267	48,802	48,802	24,897
WITHINGTON PRIMARY SCHOOL	16,587	21,237	47	4,043	23,507	22,161	23,227	23,227	0	23,227	29,899	29,899	33,548
HEREFORD RIVERSIDE PRIMARY SCHOOL	48,126	114,861	75,977	89,647	128,140	113,741	101,491	101,491	8,344	93,147	20,069	89,843	76,166
QUEEN ELIZABETH HIGH SCHOOL	220,935	-	-	140,848	-	-	140,848	-	33,356	107,492	60,200	60,200	109,616
HEREFORD AYLESTONE SCHOOL	-368,365	26,172	-366,448	-136,654	-75,038	-75,473	-56,622	-56,622	0	-56,622	-138,862	-138,862	175,971
BISHOPS HIGH SCHOOL	78,352	-	-	549,035	-	-	549,035	-	182,968	366,047	177,727	333,382	247,878
HEREFORD ST MARYS HIGH SCHOOL	172,048	-	-	124,284	-	-	124,284	-	0	124,284	50,000	185,552	166,488
HEREFORD WHITECROSS HIGH SCHOOL*	153,772	123,593	74,402	147,128	221,033	261,202	276,410	276,410	0	276,410	234,706	234,706	166,820
KINGSTONE HIGH SCHOOL	36,048	-	-	134,634	-	-	134,634	-	0	134,634	67,427	169,005	155,987
KINGTON, LADY HAWKINS HIGH SCHOOL	97,979	-	-	187,691	-	-	187,691	-	26,805	160,886	143,131	143,131	166,536
LEDBURY, JOHN MASEFIELD HIGH SCHOOL	105,212	-	-	110,390	-	-	110,390	-	0	110,390	231,804	231,804	166,793
LEOMINSTER THE MINISTER COLLEGE*	-28,422	-424,551	77,230	151,618	152,828	213,866	167,669	167,669	0	167,669	135,188	135,188	67,013
PETERCHURCH, FAIRFIELD HIGH	5,571	-	-	52,575	-	-	52,575	-	0	52,575	2,044	2,044	37,027
ROSS ON WYE JOHN KYRLE HIGH SCHOOL	-325,916	895,860	626,852	579,711	694,567	655,166	406,427	406,427	104,597	385,830	60,000	305,663	310,806
WEDLEY HIGH SCHOOL	37,415	-249,065	-31,168	31,133	41,362	67,035	88,744	88,744	0	88,744	102,597	102,597	-5,979
WIGMORE HIGH SCHOOL	76,299	263,321	111,395	115,437	163,554	188,967	152,533	152,533	6,075	146,458	179,409	179,409	95,510
HEREFORD BARRS COURT SCHOOL	22,195	25,677	34,528	79,257	97,270	105,132	61,123	61,123	0	61,123	55,923	55,923	65,706
HEREFORD BLACKMARSTON SCHOOL	3,361	-54,668	-5,613	99,430	74,956	96,330	99,614	99,614	20,720	78,894	7,402	79,339	68,253
LEOMINSTER WESTFIELD SCHOOL	41,203	160,336	99,717	59,268	71,075	76,774	70,698	70,698	23,335	385,630	11,000	47,802	43,571
HEREFORD THE BROOKFIELD SCHOOL	-32,746	53,164	-6,354	-30,674	-3,609	-9,508	-7,586	-7,586	0	-7,586	-12,818	-12,818	-112,940
THE ACORNBY CENTRE	19,332	54,273	44,142	40,662	54,498	31,126	37,801	37,801	0	37,801	37,042	37,042	26,135
ST DAVIDS PRU	18,093	18,321	38,140	44,359	41,238	43,114	40,197	40,197	0	40,197	36,289	36,289	36,289
THE PRIORY PRU	6,304	36,916	23,853	38,526	45,940	47,606	46,475	46,475	8,652	37,623	46,513	46,513	24,461
Total	2,099,964	4,007,733	2,588,226	5,079,054	4,927,515	5,386,475	6,346,581	6,346,581	0	1,043,740	5,302,841	5,219,448	5,020,788

\* Whitecross and Minister buildings exclude Extended schools



<b>MEETING:</b>	<b>SCHOOLS FORUM</b>
<b>DATE:</b>	<b>9 JULY 2010</b>
<b>TITLE OF REPORT:</b>	<b>REVISED CONSTITUTION FOR SCHOOLS FORUM</b>
<b>OFFICER:</b>	<b>INTERIM ASSISTANT CHIEF EXECUTIVE – LEGAL AND DEMOCRATIC</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide – All Schools.

### **Purpose**

To consider an amendment to the constitution to include an Academies representative.

### **Key Decision**

This is not a Key Decision.

### **Recommendation(s)**

**That the Schools Forum approves the proposed amendment to the Schools Forum constitution, to include membership from Herefordshire Academies as proposed in paragraph 3 of the report.**

### **Key Points Summary**

- An amendment to the constitution to include an Academy representative.

### **Alternative Options**

There are no alternative options.

### **Reasons for Recommendations**

- 1 Whilst agreeing to make declarations of interest where appropriate using Herefordshire Council's Code for guidance, there should be provision for a specific Code regarding declarations of interest within the constitution of the Forum for its members to adhere to.
- 2 The current protocol does not ensure that Forum members are bound to disclose interests. The recommended protocol will ensure that members are duty bound to make disclosures in accordance with the Code as contained within the constitution.

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Further information on the subject of this report is available from  
Paul Rogers, Democratic Services Officer on (01432) 383408

## **Introduction and Background**

- 3 The Schools Forum (England) Regulations 2010 came into force on 1 April 2010 and a change which must be made in accordance with those Regulations is the requirement that the Forum must appoint a representative from Academies in the area as a full Forum member.
- 4 The Regulations state that at least one Academy member must be elected to the Schools Forum by the governing bodies of the Academies. To achieve a nomination from the Academies, such a nomination could be sought through the Academies Association/Group in the area. No such Group exists in Herefordshire with there being only two Academies. It is, therefore, proposed that the governing bodies be consulted with a view to one nominee representing both Academies. The attached Appendix shows in bold italics the proposed amendment to the constitution as it affects membership total and election arrangements for Academies.

## **Key Considerations**

- 5 There is a need to amend the constitution in accordance with the 2010 Regulations and the proposals in the report achieve this aim.

## **Community Impact**

- 6 None

## **Financial Implications**

- 7 None

## **Legal Implications**

- 8 None.

## **Risk Management**

- 9 There are no known risks.

## **Consultees**

- 10 None.

## **Appendices**

Copy of the Schools Forum constitution.

## **Background Papers**

Schools Forum constitution.

Schools Forum (England) Regulations 2010 .

# **HEREFORDSHIRE SCHOOLS FORUM MEMBERSHIP AND CONSTITUTION**

## **1. Introduction**

The Schools Forum is established by virtue of 47A of the School Standards and Framework Act 1998 (as amended by the Education Act 2002) and the School Finance (England) Regulations 2006.

## **2. Function**

The Schools Forum will have several main functions as listed below, but may also consult on other items that the Local Authority deems appropriate. Details are defined in the Schools Forum (England) Regulations 2002 and School Finance (England) Regulations 2006 as well as guidance issued by the Department for Education Skills, subsequently updated under the Department for Children Schools and Families (DCSF), including the School Finance Regulations 2008.

## **3. Purpose of the Forum**

Regulations prescribe three main functions on which the Local Authority must consult the forum as follows:

- a. On changes to the schools funding formula
- b. On the terms of contracts to be let by the Local Authority for services to schools, paid from the schools budget. (Subject to a de-minimis level)
- c. On issues relating to the management of the Schools Budget, including:
  - arrangements for the education of pupils with special educational needs
  - arrangements for the use of pupil referral units and the education of children otherwise than at school
  - arrangements for early years education
  - insurance arrangements
  - prospective revisions to the Local Authority's financing scheme for the financing of schools
  - administration of central government grants to schools
  - arrangements for free school meals

The Local Authority will consult the Forum on Local Authority Budget Issues.

## **4. Powers and Duties**

The schools forum is an advisory body, established to represent schools views to the Local Authority. In addition, the forum has decision-making powers in specific areas, as follows:

- Approving increases to the DCSF prescribed limits on centrally managed expenditure
- Formula changes during multi-year funding periods (in exceptional and limited circumstances)
- To agree the level of school specific contingency held

- Approving minor amendments to the Minimum Funding Guarantee – in limited circumstances (eg to remove anomalies), provided no more than 50% of pupils in schools are affected.
- To agree arrangements for combining elements of the centrally managed budget with elements of other services where there are resulting benefits for schools and pupils.

## **5. Membership**

The Herefordshire Schools Forum will have 26 members elected as follows:

School members:

- 6 Primary Schools Head teacher representatives
- 1 Primary School Governor representative
- 5 Secondary School Head teacher representatives
- 1 Secondary School Governor representative
- 1 Special School Head teacher representative
- 1 Special School Governor representative
- 1 School with a Nursery representative
- 1 Pupil Referral Unit (PRU) Management Committee representative
- 1 Business Manager representative

### ***Academy Member***

***1 Academy Head Teacher or Deputy Head Teacher representative***

Non School members:

- 2 Diocesan Representatives
- 2 Trade Union representatives, 1 Primary School and 1 Secondary School
- 2 Early Years representatives
- 2 14-19 Partnership representatives

26 Total Forum members

The members with observer status are as follows:

- Cabinet Member for Children's Services
- Cabinet Member for ICT, Education and Achievement.
- Children's Services Scrutiny Committee Chairman

## **6. Tenure of Office**

Each member will have a three-year term of office (unless they become Chair or Vice Chair). In the event that a member of the forum ceases to hold the office, the term of office ceases and another appointment must be made. The replacement will serve the remainder of the term.

## **7. Quorum and Substitutes**

The Forum shall not be quorate if less than 40% of the total membership is present at the meeting. Members unable to attend should therefore arrange cover from nominated substitutes, appointed in compliance with the arrangements below.

Substitutes are to be nominated in the same way as members. Democratic Services should be notified of the names of all substitutes.

Head teachers can be represented by senior school staff including principals, deputy Head teachers, bursars or other persons responsible for financial management of the school.

## **8. Election Arrangements School Members**

School members of the forum must be nominated via a process “determined by the constituents represented by members of that group”.

## **9. Primary Head Teacher Members**

Six Head teacher representatives (plus substitutes) to be appointed following expressions of interest and an election procedure concluded at the appropriate primary Heads meeting to which all primary Heads in that given area are invited.

To ensure appropriate representation within the primary phase, the following overriding criteria are established:

At least 1 primary head member must represent community schools

At least 1 primary head member must represent voluntary controlled/voluntary aided/foundation schools

There must be at least 2 members representing a school less than 105 pupils.

There must be at least 1 member representing a school more than 105 pupils.

## **10. Secondary Head Teacher Members**

Five High School head teacher representatives (plus substitutes) must be appointed via an election procedure concluded at the Herefordshire Association of Secondary Heads (HASH) meeting to which all secondary heads are invited. HASH will set the term of office for their representatives within the maximum term set out in paragraph 6.

The following overriding criteria must be applied:

At least 1 secondary head member must represent community schools

At least 1 secondary head member must represent voluntary controlled/voluntary aided/foundation schools

At least 1 head must represent 11-16 schools

At least 1 head must represent 11-18 schools

### **11. Head teacher of a school with a Nursery**

The member (plus a substitute) should be elected by the heads of the Herefordshire maintained schools with nurseries.

### **12. Special School Head teacher members**

One special school head (plus a substitute) will be elected by the special schools head teachers at a meeting to which all special school head teachers are invited.

### **13. Governor Members**

Three Governors (plus substitutes) must be appointed via an election procedure concluded at the Herefordshire Association of Governors (HAGs) meeting to which all governor representatives are invited (irrespective of whether they are members of HAG as follows:

Primary Governor:  
Secondary Governor  
Special School Governor

A maximum of one member from any one governing body may sit on the forum.

The representatives must also be the chair of their school governing body finance committee or equivalent.

A Head teacher may not sit as a governor representative.

The HAGs should seek to ensure an appropriate geographical and size of school representation.

### **14. PRU representative**

The forum member (plus a substitute) should be appointed by the Management Committee of the Pupil Referral Service.

### **15. Non School Members**

Diocesan representation (plus substitutes) should be one from each faith, membership to be secured through the Standing Advisory Council Religious Education.

Trade Union representatives will report back to the Teaching Union meeting, thereby representing all unions. The representative should be appointed via an election procedure concluded at the Teaching Unions meeting.

Early Years representatives (plus substitutes) should be appointed via the Early Years Steering Group and should represent the independent and voluntary sector, rather than school nursery provision.

The representatives from the 14-19 consortium (plus substitutes) should be appointed via an election concluded by the 14-19 consortium.



## **16. Academy representative**

***The Academy representative plus a substitute must be elected by the governing bodies of the Academies.***

## **17. Election of Chair and Vice Chair**

The Chair and Vice-Chair must be elected from the Forum's own members. The Chair and Vice-Chair will hold these positions for a maximum of two years. This extends the period of membership of Schools Forum beyond the period set out in 4.3. The Chair and Vice Chair should represent different sectors of the school community.

When the Chair and Vice-Chair are not present, the meeting can elect a Chair for that meeting only.

## **18. Declarations of Interest**

It is recognised that all Schools Group members will have an interest in at least one school. It is important that members should declare if the item under discussion could make a material difference to that school, or where they may have a personal or prejudicial interest. Notwithstanding this, a member may continue contributing to the discussion, but should not take any part in any decision made concerning that particular proposal which uniquely changes funding for their particular school/schools. (An advice note concerning declarations of interest is attached at Annex 2).

## **19. Managing the Business**

The following operational timescales and procedures are required to ensure that Schools Forum operates efficiently and has sufficient information and time to consider the issues.

## **20. Frequency of Meetings**

Schools Forum should meet at least six times a year including the following months:

September  
November  
January  
February  
March  
June

Dates must be set annually for the forthcoming year.

## **21. Forward Plan and Agenda Setting**

A forward plan must be established and reviewed by the Forum on an annual basis, usually in February of each year. The following should be considered through the annual cycle:

February – programme of work for the following financial year  
June outline proposals covering the areas of work contained in section 2  
September – details of work set out in June

November – sign off of work to be consulted with all schools, in time to inform budget setting and Cabinet decision making in February

Agenda must be agreed by the Assistant Director, Improvement and Inclusion in consultation with the Chair of Schools Forum one week after the last forum meeting. Democratic Services will provide the resource to facilitate the forum, including organising and sending out agenda and papers, Minutes and action sheets.

A common format for all reports must be followed, using the attached template, Annexe 1.

Papers for Schools Forum must be circulated seven working days before the Schools Forum date. They are required to be signed off by Herefordshire Council's Head of Finance, Assistant Chief Executive Legal and Democratic, Head of Risk Management and the Assistant Director, Improvement and Inclusion prior to circulation.

Briefing meetings for the Chair must take place at least three working days before each Schools Forum meeting.

Minutes and an action sheet from each Schools Forum meeting must be circulated seven working days after the Schools Forum meeting as draft, and the Minutes will be formally considered and confirmed at the following Schools Forum meeting.

## **22. Decision Making**

Schools Forum is an important body within the financial and service planning activities of Herefordshire Council, the Herefordshire Partnership and Children's Trust. As set out in section 2, Schools Forum is primarily a consultative body, with some decision making responsibilities. The Local Authority will take the views of Schools Forum into account before finalising arrangements on which the Forum has been consulted, at a Directorate Leadership Team and Lead Member, Cabinet and Council level.

Recommendations to the Council should normally be made through consensus. Majority voting should be used to decide any issues, with each representative casting one vote. The Chairman will have the casting vote in the event of a tie.

In the event of an urgent decision being required an email will be sent to all Schools Forum members fully explaining the issue on which a decision is required. Forum members will be required to submit their response via email to the date required. No decision will formally be made until a quorate number of responses has been received by the Assistant Director, Improvement and Inclusion. This process will be administered by Democratic Services.

Schools Forum should receive feedback on the decisions made by Herefordshire Council that have taken into account Schools Forum views as part of any consultation process. The Chair of Schools Forum can invite Council Members to provide feedback at Schools Forum meetings.

## **23. Working Groups**

Herefordshire Children and Young Peoples Directorate (CYPD) and schools should try to make use of existing working groups wherever possible, to minimise duplication and use existing expertise. In order to support and advise the work of the Schools Forum existing working groups can be approached to provide information on related activities. The Forum can also, if required, set up working groups for specific tasks. Such groups could be time-limited and would need to establish clear remits, appropriate membership and operating principles.

(i) The full Schools Forum remains the decision making body for the responsibilities covered in section 3. Working groups and other groups will provide information, advice and options.

(ii) Current Schools Forum Working Groups:

(a) **Budget Review Working Group:** This group is established as a permanent advisory sub-group of the full Schools Forum. Importantly it reports to Schools Forum (SF), and is not itself a decision-making body.

Remit:

To provide additional support and time to consider information and data in order to inform the development of key budgetary options, recommendations and decisions relating to Dedicated Schools Grant.

Membership:

Identified members of SF including Chair and Deputy CYPD Assistant Director, Improvement and Inclusion  
Finance officers

Operating principles:

To assess financial information prior to presentation to Schools Forum  
To consider implications of any financial proposal  
To draft papers for submission to full Schools Forum meetings  
To provide considered information and advice to support the work of the full Schools Forum.

(iii) Working groups that could support the work of Schools Forum:

The following working groups have been established to develop strategy for key priority areas and to ensure effective management and implementation of delivery. The financial element of this responsibility provides information to Schools Forum and supports SF processes.

(a) **Funding for Inclusion Group:** This group was established to develop a strategy for the delegation of Additional Needs funding direct to schools and settings.

Remit:

To design models for delegation of Additional Needs funding.  
To draft proposals for CYPD DLT, Schools Forum and Cabinet consideration.  
To carry out thorough consultation.  
To monitor implementation.  
To monitor and review impact.

Membership:

This group has a large membership consisting of school representatives, stakeholders, CYPD officers and Finance officers.

Operating principles:

- To assess information on delegated funding models
- To analyse Herefordshire requirements
- To analyse data on finance
- To analyse range of Additional Needs and pupil numbers
- To report back to all key decision making bodies
- To be accountable for model implementation
- To be responsible for monitoring of effectiveness.

(iv) Other such groups include:

- Service Level Agreement Group**
- Early Years and Extended Services**
- Connexions Working Group**
- Joint Agency Management Group**
- Children's Trust Management and Outcome Groups**

Schools Forum and CYPD aim to make the most of existing groups, rather than create new ones. The above list will develop and change according to work requirements.

AGENDA ITEM NO. ???

## HEADING

REPORT BY

**SCHOOLS FORUM**

**19 MARCH 2009**

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### **Schools Affected**

#### **Purpose**

*Choose one of the following:*

*for information*

*to update on progress*

*to highlight issues and agree next steps*

*for consideration and decision making*

#### **Financial Implication**

#### **Background**

*Including links to legislation, national and local initiatives, Herefordshire's Children and Young People's Plan*

#### **Issues or Risks**

## **Recommendations**

### **Background Papers**

### **ANNEX 2**

#### **ADVICE NOTES CONCERNING DECLARATIONS OF INTEREST**

There are many instances where a decision on an issue will have an effect on all schools, be it on a pro rata basis, and as such members would not declare an interest. Where a decision on an issue 'uniquely' affects one particular school, at which the member is, for example, the headteacher of that school, or where the head teacher's children attend, then it would be appropriate for an interest to be declared.

In considering the declaration of an interest, a Member of the Forum should apply the following test: would a member of the public, knowing the facts of the situation, reasonably think that the member might be influenced by the interest?

A prejudicial interest would include the situation whereby a proposal uniquely affects either a school at which they are a head teacher/governor or which their children attend.

Any member who requires advice/guidance concerning declarations of interest or any other issue concerning the Forum should contact the Clerk in the first instance on telephone number 01432 383408.

<b>MEETING:</b>	<b>SCHOOLS FORUM</b>
<b>DATE:</b>	<b>9 JULY 2010</b>
<b>TITLE OF REPORT:</b>	<b>REPORT OF BUDGET WORKING GROUP - 20 APRIL 2010</b>
<b>SCHOOLS FINANCE MANAGER</b>	<b>MALCOLM GREEN</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

To consider the recommendations of the Budget Working Group.

### **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 role of the Budget Working Group be agreed as set out in the report and included in the School Forum's constitution
- b The initial budget assumptions for 2011/12 be noted
- c That the Budget Working Group undertake further work on the local pupil premium and that a detailed report on social deprivation funding including a budget strategy that ensures achievement of the 100% funding target by 2014/15 be considered by Schools forum in the autumn as part of the 2011/12 budget preparation.
- d To approve the method of allocating the balance of the School Lunch Grant for 2010/11.

### **Key Points Summary**

The report is a summary of the Budget Working Group's meeting and presents proposals on

- The role of the group
- Initial assumptions on the 2011/12 Schools Budget
- Further work options on social deprivation funding

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

- Choices for allocating School Lunch Grant to schools in 2010/11.

## **Alternative Options**

1. There are no alternative options at this stage.

## **Reasons for Recommendations**

2. Recommendations of the Budget Working Group on 20<sup>th</sup> April 2010.

## **Introduction and Background**

3. The Budget Working Group (BWG) met on 20th April to consider the role and membership of the group, the preliminary budget information available for 2011/12 including the latest proposals for social deprivation funding and to make recommendations for the 2010/11 school lunch grant. . The agenda papers considered by the Budget working party are attached in the Appendices.

Present were

Julie Powell (Lugwardine), Nigel Griffiths (John Kyrle), Chris Barker (Fairfield), Peter Box (Lord Scudamore), Tracey Kneale (Marlbrook). Kathy Roberts, Malcolm Green, Louise Devlin.

### **Election of chair, role of group & membership**

4. The working party considered a report by Kathy Roberts (Appendix 1) and concluded
  - a. the membership of the BWG should be transparent and representatives elected by HASH and the Primary Heads Forum
  - b. appointments should be representative of their constituent schools
  - c. appointments should be for three years subject to re-election. Existing members can continue if they are re-elected by their respective group.
  - d. agreed that continuity of membership is important as representatives gain school finance expertise
  - e. small schools should be represented but it was recognised that it was difficult for Headteachers of small schools to be released from school.
  - f. special schools should be represented
  - g. nominated substitutes are permitted if a member couldn't attend.
  - h. the membership of BWG would be refreshed in September 2010 by the Heads groups.
  - i. Julie Powell was elected as Chair for the meeting
  - j. headteacher representatives would lead in feeding back a summary from the BWG to Schools Forum and preparing other reports.



### **2011/12 and 2012/13 school budgets (Lead headteacher - Peter Box)**

5. The Working Party considered a two page summary of the Department for Education (DfE) finance paper "Investing for the future, protecting the front line: school funding 2010-13". The two page summary (included in Appendix A) will be useful to Forum members as an overview as the DfE report is very detailed, complex and long.
6. The schools budget is expected to be based around a Minimum Funding Guarantee (MFG) of 1%, efficiency savings of 0.9% to meet cost pressures in schools estimated by DfE to be 1.9%. The headroom between the MFG and the per pupil budget settlement will be required to be allocated to social deprivation if the 100% target is to be achieved. Schools are expected to make 10% savings on procurement, 10% savings on back-office costs, between 5 and 15% on energy and savings through greater collaboration and federation. The budget settlement will assume that schools are achieving these savings and if not schools will have to make compensating budget cuts.

### **Social Deprivation funding - Local Pupil premium (Lead headteacher – Tracey Kneale)**

7. The local pupil premium will require the funding formula to be more explicit on the calculation of deprivation on a per pupil basis. The current model uses a "basket of indicators" but is over complex and also targets the available funding on the schools with the highest deprivation needs. As a result of this the amount of deprivation per free school meals pupil varies from £1,000 to £3,000. It will be necessary to bring all schools to the same £3,000 per pupil. This may mean that the social deprivation funding to those schools receiving the highest amounts per pupil are frozen whilst other schools catch-up.
8. School Forums and local authorities will have a choice to base their local pupil premium on free school meals, tax credits, Income Deprivation Affecting Children Index (IDACI) or a combination of indicators. Further announcements are due in the autumn from the Department for Education.
9. Initial calculations indicate that a payment of £3,000 per free school meals pupil to all schools would be broadly sufficient to meet the requirement to pass 100% of deprivation funding to schools by 2014/15. The BWG agreed that much more work was necessary and that the next step would be to consider a budget plan setting out how the deprivation target would be implemented by 2014/15.
10. Current progress against the deprivation targets was estimated at 72% (subsequently calculated as 82% in the Section 251 budget statement due to changes in the target figure), up from 49% in 2007/08. The 20% gap is equivalent to roughly equal to £2.0m. The deprivation budget plan would need to consider strategies for achieving an annual increase of between £0.4m and £0.5m in deprivation funding over the next four years.
11. More information is expected in the autumn when the outcome of the DSG review and the DSG funding rates are announced by government.
12. BWG comments included
  - Is advance information to schools necessary about the likely below inflation settlement in 11/12?
  - Not only schools with falling rolls will lose funding, schools in non-deprived affluent areas will potentially see a transfer of funding to schools in deprived areas and a below inflation settlement.

- Funding formula needs a drastic review so that it is more equal e.g. a “free school meals” pupil should be worth the same in all schools
- More up to date information on deprivation indicators such as IDACI and tax credits is needed before a choice can be made.
- How much Schools Development Grant can be used to fund social deprivation and hence count against the target?
- Savings can be made by managing supply costs within a cluster for example using pool staff across the cluster.
- Suggested schools federation but doubtful of financial savings

### **School Lunch Grant (Lead headteacher – Nigel Griffiths)**

13. Proposals for distributing the school lunch grant to schools were considered by the BWG. Schools Forum has previously agreed that all schools would receive an allocation equivalent to the former school meals grant i.e. primaries/special £1,000 plus 50p per pupil and highs £1,500 plus 50p per pupil.
14. Three proposals to distribute the remaining £112k in 2010/11 as follows;
  - Option A Devolve to schools to meet existing meal transport costs, retain £10k for light kitchen equipment and allocate the remainder to all schools at £2.50 per pupil
  - Option B – distribute all the £122k to schools at £5.35 per pupil ignoring any transport costs
  - Option C – Devolve to schools to meet existing meal transport costs, retain £10k for light kitchen equipment and allocate the remainder to those schools NOT receiving transport costs at £3.10 per pupil.
15. Schools Forum in December 2008 previously agreed that the grant should be devolved by a method that takes account of the hot meals strategy i.e. supplying primary schools from the local high school.
16. The BWG debated the options and as there was no consensus agreed that Schools Forum should be asked to make a decision at the next meeting. It is expected that the School Lunch Grant will be absorbed into DSG from April 2011 and that a local formula factor will be necessary to replicate the allocation method within the Herefordshire funding formula.
17. Detailed funding models of the various options A-C are set out in the BWG agenda papers and attached as an appendix.

### **Key Considerations**

18. The proposals represent very early considerations of the 2011/12 DSG budget and more work will be required by the Budget Working Group and Schools Forum particularly with regard to the social deprivation funding and the adoption of the local pupil premium. Much of this can only take place in the autumn after the publication of the DSG review and the new government’s per pupil funding rates.

## **Community Impact**

19. None assessed

## **Financial Implications**

20. The financial implications of the 2011/12 Schools Budget form a significant part of the work of the BWG this year.

## **Legal Implications**

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

## **Risk Management**

22. The Budget Working Group's proposals for the 2011/12 Budget will be fully considered by Schools Forum prior to final decisions by the Cabinet Member in March 2011.

## **Consultees**

23. 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**

Appendix 1- Schools Forum Sub Working Group Discussion Paper

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

## **Background Papers**

None



**APPENDIX 1**

9 April 2010

**Schools Forum Sub Working Group  
Discussion Paper  
20 April 2010**

It is a recognised feature of Schools Forum operation that specific working sub groups are established to carry out research and activity on behalf of Schools Forum business.

Such groups provide more in-depth consideration and analysis to the complex funding scenarios that arise. Their feedback and support to the work of Schools Forum is critical and enables informed discussion and debate which eventually shapes any recommendations made.

These groups can be transient in nature, i.e. to support activity around one key area for consideration or more long term; the Budget Working Group being an example of the latter.

Membership of these groups will need to bring in the expertise required related to the activity undertaken and is not restricted to the members of the Schools Forum. Indeed, a broader representation is often required in order to ensure full engagement and undertaking of the topics to be tackled. Such opportunities also offer wider engagement of school and local authority staff which will enable a broader understanding of the business and function of Schools Forum.

Terms of Reference for all such groups should be devised with the activity, commitment and timescale outlined so that any members joining the group are clear about the expectations, time commitment and outcomes required. It is expected that members of such groups will undertake activities in preparation for the formal meetings in order that the required information is available and recommendations can be devised and considered prior to submission back to Schools Forum.

Throughout this the Schools Forum remains the statutory body responsible for any recommendations put forward to Cabinet and all such sub working groups report into Schools Forum on completion of their research and activity.

**Key Questions for Consideration:**

- Membership
  - How should the groups be constituted.
  - Structure- Nomination of a chair
  - Structure- Administrative support
  
- TOR
  - Schools Forum to consider and outline
  - Framework/template
  - Management of meetings- minutes etc.
  - Timeframes

- Outcomes and expectations
- Communication
  - Reporting lines
  - Feedback at Schools Forum meetings
  - Publications/website
  - Minutes of meetings
- Published forward plan
  - To link with Schools Forum work plan
  - Identify topics for consideration
  - Establish calendar

#### Budget Working Group:

This sub working group is by necessity a long term sub group which focuses on key budget activities.

#### Membership:

Questions were asked at the last Schools Forum meeting about how do you become a member. The current membership reflects many Schools Forum members. The current Chair is also Chair of Schools Forum.

#### TOR:

These need to be clearly stated, detailed and agreed by Schools Forum.

#### Communication:

Minutes of meetings need to be available to all Schools Forum members in support and evidence of the work undertaken by the group. Reports for Schools Forum need to be in appropriate format and follow standard procedures. Presentation at Schools Forum should be undertaken by any member of the group or a nominated representative elected by the group.

#### Forward Plan:

The topics for consideration and timeline needs to be published as part of the Schools Forum Working Plan. The dates of meetings need to be plotted throughout an agreed period, i.e. financial/calendar/academic year.

#### Next Steps?

**Kathy Roberts**  
**Assistant Director: Improvement & Inclusion**







SCHOOL FORUM – BUDGET WORKING GROUP 20<sup>th</sup> April 2010

WRVS, Riverside, Hereford

1.30pm -4pm Note: Sandwiches available from 1pm

Agenda

1. Election of Chair, Role of Group & Membership
2. DCSF funding paper “Investing for the future, protecting the front line:school funding 2010-13”
3. Social Deprivation funding

Progress against target  
Current factors  
Local pupil premium

4. School Lunch Grant 10/11

Proposals to keep a small central amount for small equipment and to delegate remaining grant based on transport needs.

Provide a couple of options – 1 re transported meals and 1 for all schools.

5. Future Work Programme

Future meetings

June 25<sup>th</sup> meeting – schools specific funding factors including management flat rates, small schools protection and teachers pay grant.

Three further meetings need to be fixed for late September 10, mid- November 10 and January 11 to cover the budget preparation prior to full School Forum meetings.

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DCSF – Investing for the future, protecting the front line  
School Funding 2010-2013

Headlines

1 Overall DCSF Funding

75% of DCSF £63bn spending is protected i.e.schools, 16-19 participation and Surestart, but savings of £500m required from unprotected budgets i.e. 7% cuts from BECTA, TDA, Extended schools start-up, teacher training bursaries and DCSF back office services.

2 DCSF Priorities

- Protect frontline provision in schools
- Sufficient resources to make increased frontline investment in schools which need it most; particularly disadvantaged communities via local pupil premium
- Start to move to fair distribution of funding between authorities

3 Overall level of school funding 2010-13

Proposing to roll most core school grants into DSG from 2011/12.

Indicative increases based on current inflation assumptions and DCSF estimates of cost pressures

	2010-11	2011-12	2012-13	Average
Increase per pupil	4.3%	1.9%	2.3%	2.1%
Cost pressures	3.1%	1.9%	1.3%	1.6%

For Herefordshire, 4.3% national increase in 10/11 turned into a 3.3% Cash increase due to falling pupil numbers which in turn resulted in school budgets of less than 2.3% teachers’ pay inflation for almost half our schools.

Sufficient funding in 10/11 to

- Maintain one-to-one tuition in KS2 and expand to KS1
- Maintain subsidy for extended services
- New or improved provision e.g. Sir Jim Rose school place following child’s 4<sup>th</sup> birthday
- Continued protection of front line provision in schools
- 0.9% efficiency savings by schools

**All schools will need to make some level of savings to meet cost pressures and invest in their priorities. Schools that receive the Minimum Funding Guarantee will need to make more.**

## APPENDIX A

- The MFG will be set below cost pressures - we expect 1%. Will be announced in the autumn.
- MFG will apply to school budget and the grants now included in DSG but previously allocated separately.

### 4. Local Pupil Premium

- Pupil premium to determine exact amount of money attached to each and every deprived pupil – precise nature determined locally.
- Require local authorities to pass on 100% of deprivation funding by 2014/15
- Introduce local pupil premium by 2012/13 and to become the main vehicle for distributing deprivation funding
- Local authority working through Schools Forum to determine which deprivation factors the local pupil premium uses – and also how best to implement gradually.
- Progress towards the 100% target will be monitored through the annual S52 budget statement.

**Some redistribution of funding between schools within an authority is desirable over the next 5 years.**

### 5. School Efficiencies

Procurement - schools spend £6.5bn – DCSF looking for 10% savings on procurement i.e. £650m. Benchmarking shows that if schools that spent the most on goods and services improved to just the 75<sup>th</sup> percentile then the savings would be £700m

Back office costs - schools spend £2.5bn on back office staff and service. 10% savings would be £250m.

Energy - schools spend £500m on energy. Research suggests between 5 and 15% is achievable through changing behaviours of school occupants. 5% would save £5m. Loans are available to support energy reduction programme and free energy display meters will be provided and installed by British Gas.

Collaboration and federation - schools working together are stronger and can deliver better outcomes for their pupils. Many schools are discovering the significant savings that federations can deliver, in addition to the huge school improvement savings with savings of well over £300m if a third of all schools federated.

Malcolm Green  
19.04.2010

# Investing for the future, protecting the front line:

school funding 2010–13



# Ministerial foreword



Over the past 12 years, our education system has been rebuilt on foundations of inspirational teaching, great school leadership and sustained record investment.

We now have almost 3,500 Sure Start children's centres compared to none in 1997, nearly 4,000 schools have been rebuilt or refurbished, per pupil funding has more than doubled and over 42,000 more teachers and 212,000 more support staff have been recruited.

As a result, outcomes for children and young people have improved dramatically, we have many more outstanding schools and many fewer underperforming schools and our education system has gone from below average in the world to well above average.

But our ambition is to have a world-class schools system in which there is excellence not just for some but for all and where every pupil gets the support they need to overcome the additional barriers they face.

We set out the next stage of our reforms to achieve this ambition in our White Paper *Your child, your schools, our future: building a 21st century schools system*.

But we also know that we will have to do so in tougher times.

In the Pre-Budget Report, the Chancellor of the Exchequer said that he will protect front-line spending on the police, the health service and in our schools.

In the case of schools, we also know that we will have to make tough choices and identify savings across the Department for Children, Schools and Families (DCSF) budget.

And today I am setting out details of the savings that I have identified so far; providing more information about the real terms rises in school funding to help schools and local authorities plan for the next three years in advance of further details in the autumn; and launching a further consultation following our review of the Dedicated Schools Grant.

The Pre-Budget Report confirmed that from 2011-13 funding for Sure Start will continue to rise in line with inflation; funding for 16-19 learning will rise by 0.9 per cent year on year with an extra £202m this year to meet our September Guarantee; and funding for schools will increase by 0.7 per cent in real terms, which at current inflation levels will mean a cash increase of 2.7 per cent. This comes on top of real terms increases of 2.4 per cent, or cash increases per pupil of 4.3 per cent, in 2010-11.

This means that 75 per cent of the DCSF Budget has been protected and we can:

- deliver our pupil and parent guarantees including one-to-one tuition for all children in primary school and Year 7 who fall behind;

- ensure there is strong discipline and good behaviour in every school;
- meet our September guarantee to all school leavers of a place in college or training;
- maintain our additional teachers and support staff;
- and in addition, take forward our Building Schools for the Future pledge to rebuild or refurbish all secondary schools. We have announced a further tranche of BSF projects: £418.3m will be invested across Buckinghamshire, Cornwall, Gateshead, Lincolnshire, Oxfordshire and Sutton.

By 2013, the Chancellor also said that I will need to find £500m in savings from my non-protected spending, which leaving aside the teachers' pension scheme accounts for 8 per cent of the DCSF's £63bn resource budget.

This is equivalent to a 7 per cent cut and requires tough choices.

I have so far identified savings of over £300m, including: £135m from our NDPBs with significant reductions in funding for Becta and the TDA; £100m by ending start-up funding for extended services now that 95 per cent of schools already offer access to them; £50m by scaling back bursaries for initial teacher training now that we have a steady flow of new teachers; and £5m in savings from communications budgets including by moving Teachers' TV online. At the same time the Department will save a further £8m per year from the costs of its back office functions, by sharing services with other government departments.

We still have further work to identify savings without cutting into programmes such as short breaks for disabled children, music, sport or support for looked-after children because I am determined to do whatever it takes to protect the front line.

Real terms increases in schools funding of 0.7 per cent, or 2.7 per cent cash at current levels of inflation, mean we can resource increasing pupil numbers – a projected further 80,000 pupils – and still increase per pupil funding by 2.1 per cent in cash. This means we can resource our priorities:

- ensure one-to-one tuition can be maintained in KS2 and year 7 and expanded to KS1, delivering our "3Rs" guarantee;
- maintain the subsidy for extended services, supporting a richer and broader school experience for all pupils but particularly those from more deprived backgrounds;
- resource new or improved areas of provision, such as ensuring parents are able to secure a school place from the September following their child's 4th birthday, as recommended by Sir Jim Rose; and
- ensure continued protection of core frontline provision for children in schools and thus delivery of our pupil and parent guarantees.

For the same period, we expect average cost pressures of 1.6 per cent cash per pupil. This means that schools on average will be able to meet their cost pressures from within their overall increase.

The actual level of increase in funding for each individual school will vary. It will depend on each school's own particular needs; local decisions about how best to meet needs; and the conclusion of the consultation I am beginning today on the distribution of the Dedicated Schools Grant.

However, as in the past, we will protect schools by setting a minimum funding guarantee (MFG): a guaranteed per pupil increase in their like-for-like budget. We will, as usual, set the exact level of the MFG in the autumn, but it will certainly guarantee all schools increasing per pupil budgets in cash terms. Of course, the majority of schools will receive higher funding increases than the MFG – as is the case with three quarters of schools this year.

Every school faces different challenges and some schools face greater challenges than others.

We know that results have been rising fastest of all in schools in the areas with the greatest deprivation and the gap has been narrowing.

But we have much more to do and we are determined to tighten the link between deprivation and school budgets so that schools with the greatest proportion of pupils from disadvantaged backgrounds get the additional resources they need.

We have been reviewing the Dedicated Schools Grant to ensure that funding is distributed fairly, transparently and responds to the needs of children and young people, and today have published the *Consultation on the future distribution of school funding*.

Currently, around £3bn is allocated to local authorities as additional deprivation funding through the Dedicated Schools Grant, rising to nearly £4bn including other grants.

In the past, local authorities have not always passed on all of this funding to schools on the basis of deprivation and we have already made it clear to local authorities that we expect them to do so in the future.

But to ensure that all schools who take on pupils from disadvantaged backgrounds get the additional resources they need and still have the flexibility to decide how they use deprivation funding, it is also our intention to require local authorities to use a Local Pupil Premium to distribute deprivation funding, based on their own local decisions of how best to measure deprivation, and to increase it gradually before 100 per cent of deprivation funding is passed on appropriately by 2014-15.

During our review, we received some representations that a nationally-set pupil premium should be implemented.

However, a nationally-set pupil premium would not take account of local need, would prescribe a single amount of funding to overcome deprivation across the whole country and would, according to the Institute of Fiscal Studies, require severe and immediate cuts to school budgets or other public services to pay for it.

So it is also our intention that the definition and therefore the level of the pupil premium is agreed locally so that it can properly reflect local need, circumstances and challenges.

It is however vital that all schools make savings to enable schools collectively to meet all cost pressures, ensure investment in our key priority areas, allow progress to be made on delivering a fairer funding system without creating damaging instability for schools funded at the MFG, and use their resources to best effect to maximise investment in improving outcomes for their pupils. So alongside a real terms rise in school funding of 0.7 per cent, (a cash increase of 2.7 per cent), we have also set schools challenging but achievable efficiency targets of 0.9 per cent or £650m



across the school system as a whole which will enable them to meet cost pressures and continue to deliver improved outcomes for pupils.

It should be possible for schools, across the piece, to save in excess of this. We believe schools could go further and potentially make efficiency savings of up to £950m, providing up to £300m extra savings which could be recycled by schools to spend themselves on their priorities to support every child.

We published a discussion document on efficiencies – *Securing our future: using our resources well* – in November last year setting out the areas where we believed schools would be most able to achieve efficiency savings.

I know that school leaders around the country have recognised the progress that needs to be made and are responding vigorously to the challenge of identifying efficiency savings in order to switch resources to the frontline. Around 1,800 schools have already taken up the offer of free financial consultancy support that we have made available to all maintained schools and we expect many more schools to attend one of the conferences that we have arranged with the National College, the LGA and other organisations.

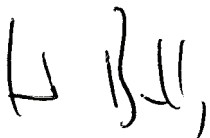
We also announced last week that we will fund 1,000 more primary school bursars.

There is no doubt that this is a tougher settlement than in the past and tough choices have to be made by schools, by local authorities and by government.

I have chosen to protect frontline budgets, pass on real terms increases to schools, make tough choices to find savings in the DCSF unprotected budget and support schools to make efficiencies.

I have also chosen not to create excess places that would deprive existing schools of funds they need and not to introduce a national pupil premium that would require severe and immediate cuts to school budgets.

And I believe those are the right choices for our schools and for the future of our country.



**Ed Balls MP**

Secretary of State for  
Children, Schools and Families

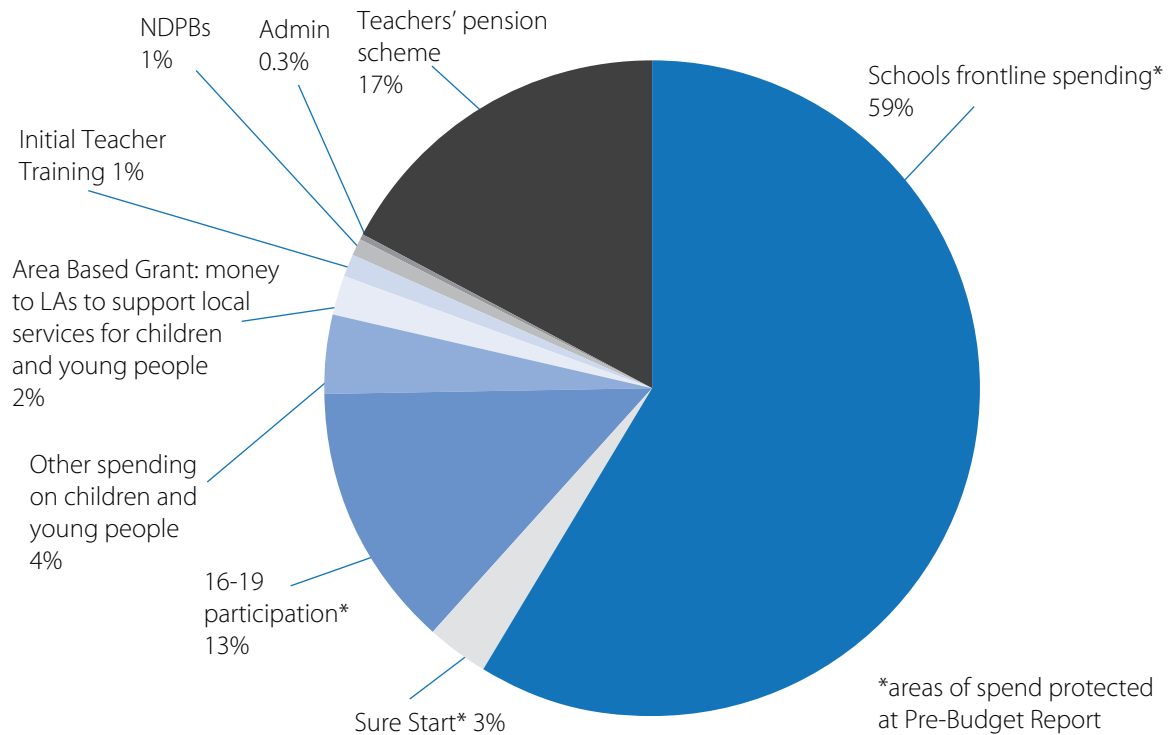
# 1. Overall DCSF funding – maximising resources for the frontline

- 1.1** We are committed to ensuring that every child enjoys their childhood, does well at school and turns 18 with the knowledge, skills and qualifications that will give them the best chance of success in adult life. It is because we are committed to securing the very best for children that this Government has pledged to protect frontline investment in children's outcomes across all ages. The Pre-Budget Report (PBR) announced that in 2011-12 and 2012-13:
- funding for schools will rise by 0.7 per cent in real terms;
  - funding for provision for 16-19 year olds will rise by 0.9 per cent in real terms; and
  - funding for Sure Start will be maintained in real terms.
- 1.2** In addition the PBR announced an extra £202m in 2010-11 for the September School Leavers Guarantee ensuring the costs of funding a place in education or training for every 16 and 17 year old who wants one are met in full.
- 1.3** In this way, the PBR established real terms protection for 75 per cent of the DCSF budget. Excluding teachers' pensions, which make up a further 17 per cent of the budget<sup>1</sup>, funding for the remaining 8 per cent of the budget will be determined at the time of the Spending Review. This includes central resources to drive school improvement, such as the city challenge programmes; resources for teacher training and resources to support families. These are also key areas of investment to support schools in their role. A full breakdown of DCSF resource spending is set out below:

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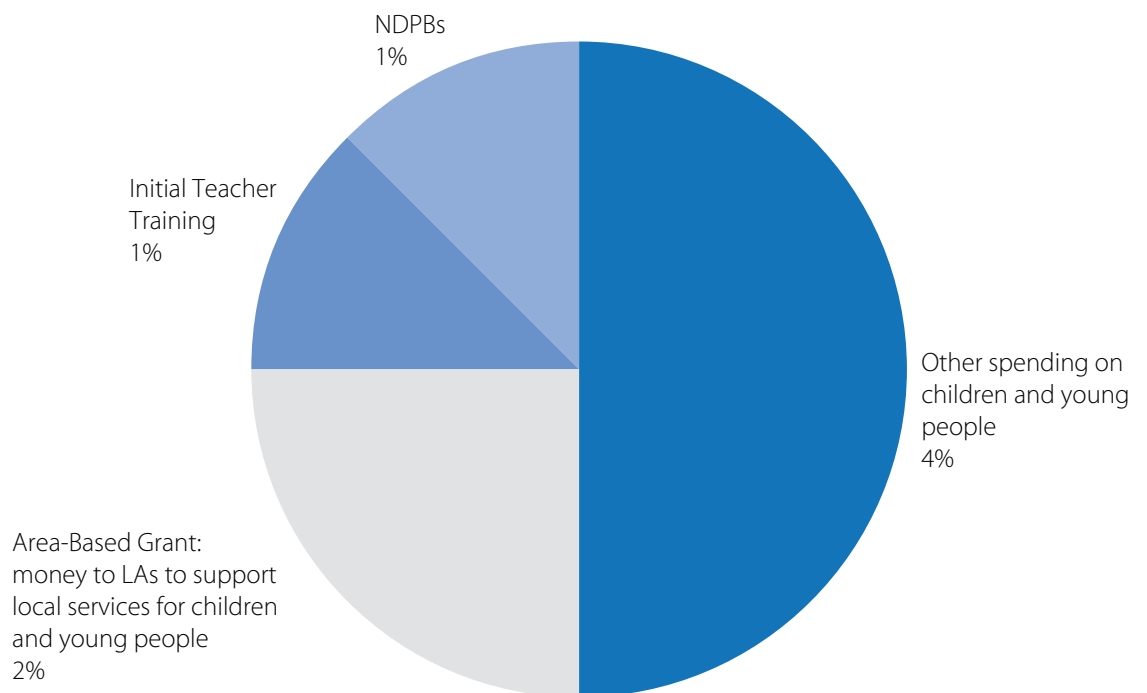
<sup>1</sup> 17 per cent relates to the teachers' pension scheme. Of this £11bn component, £2bn relates to the net current cost for pensions and the remainder is a reflection of the interest on the future liabilities of the scheme and therefore a necessary accounting provision.

**Breakdown of spending: total = £63bn**



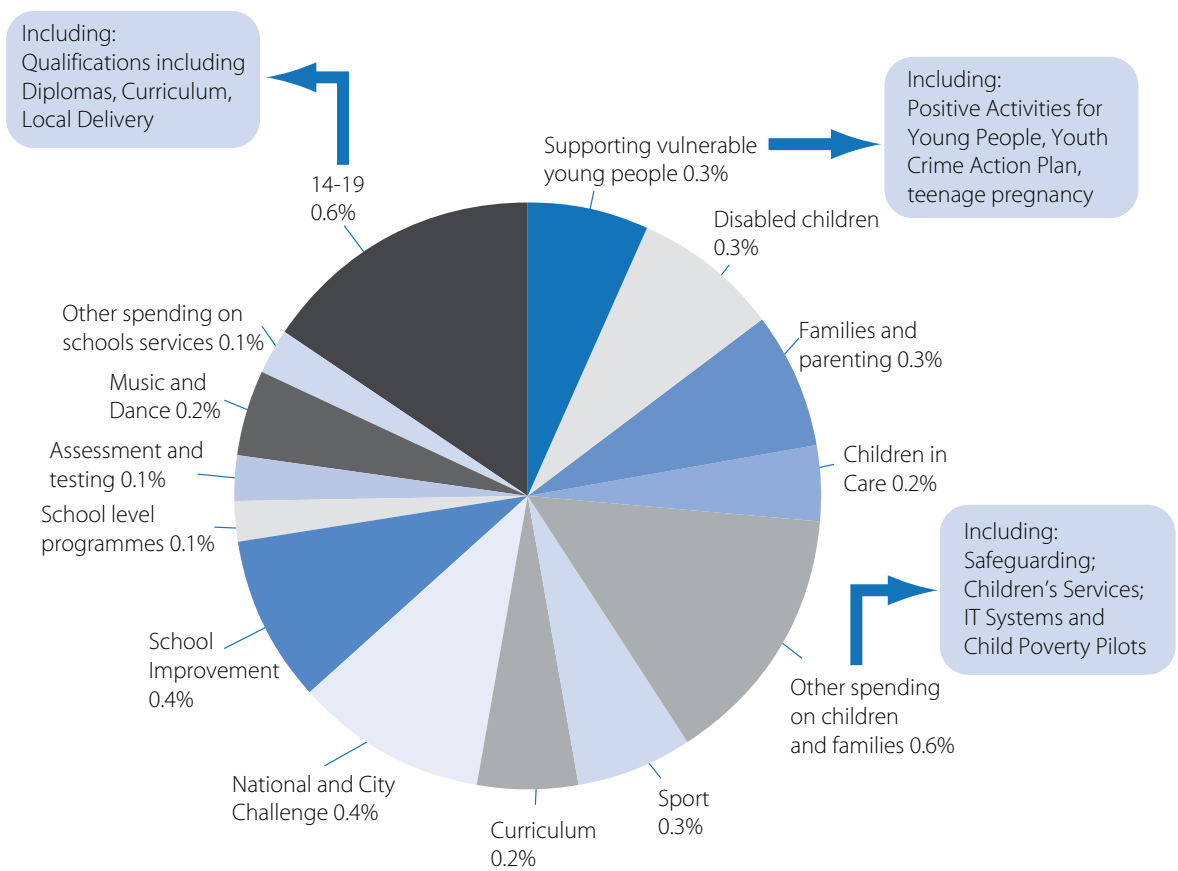
**1.4** The charts show that the 75 per cent of DCSF spending goes straight to frontline services – to schools, colleges, Children’s Centres and early years providers. 17 per cent reflects the teachers’ pension scheme.

**Breakdown of unsettled (8%)**

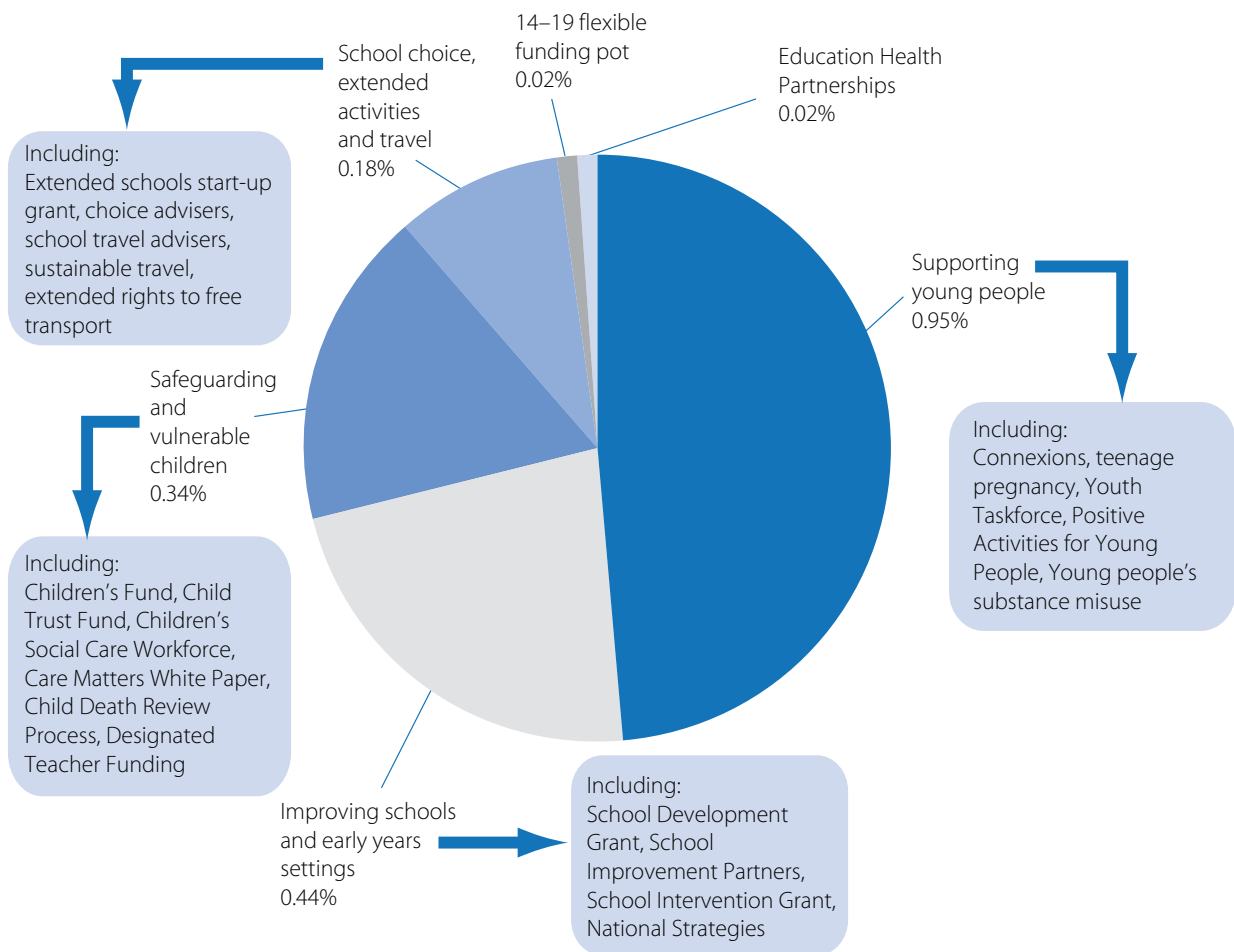


Of the remaining 8% of the budget, 1 per cent of our budget goes towards supporting teachers, through initial teacher training to make sure we have the teachers we need in the future. A further 2 per cent of our budget goes directly to local authorities in Area-Based Grant to be spent on local services for children and young people – for example information, advice and guidance services for young people through Connexions, positive activities for young people, and support services for children in care. Only around 5 per cent of the DCSF budget is spent directly by the DCSF and its arms-length bodies (NDPBs). This breakdown is illustrated in the diagrams below.

**Further breakdown of the ‘other spending on children and young people’**



### Breakdown of Area Based Grant (2%)



**1.5** We know that if in tough times we are to protect the frontline and ensure it can continue to deliver high-quality services to children and young people, we need to drive efficiencies and make tough choices about reducing direct spending by DCSF and its partners. At the PBR we committed to finding £500m savings across 2011-12 and 2012-13 from these unprotected areas, (£150m in the first year and £350m in the second which equates to a 7 per cent cut to non-settled budgets in the second year) and we now set out more details of this below.

**1.6** To make the most of our investments in the frontline, over the past 5 years we have had a relentless focus on reducing our own costs. This has involved a range of activity, looking at our staff numbers, procurement, facilities and estates and how our NDPB and inspection partners work. Between 2004 and 2009 we have reduced DCSF staff numbers by 1,465 so that we work in an effective and focused way, concentrating our resources where they have the most benefit and impact. In order to ensure that our workforce offers the best value for money we have relocated 1,130 jobs out of London and the South East. We have made significant savings on our estate costs through reducing in 2008 to one building in London, which does and will continue to save £12m a year. We have made significant reductions of £36.3m on our back office costs.

- 1.7** We know though that we must continue to scrutinise our costs and make significant savings in the future, and have recently introduced a corporate services transformation programme which will save us £8m per year going forward from our HR, finance and procurement costs.

### Arms length bodies

- 1.8** As well as looking at our own department we have also looked to our partners to offer increased value for money, whilst maintaining their frontline work. We have rationalised inspectorates and reduced the cost of inspection, which is now 30 per cent less than it was in 2004, and Ofsted has also reduced its staff numbers in this period by 743. We have also pushed our NDPB partners to meet us in this drive for efficiency and have asked them to make 5 per cent administration savings year on year. These reductions in admin budgets have led to savings of over £88.5m so far.<sup>2</sup>
- 1.9** To go further, a key part of the £500m package will therefore come from significant reductions in our NDPB budgets alongside reductions in many areas of central provision, consistent with the White Paper *Your child, your schools, our future: building a 21st century schools system* which seeks to devolve more control to schools.
- 1.10** Over the last 12 years, it has been necessary to support schools in specific areas, such as workforce reform, developing the use of technology and delivering the curriculum. Improvements in schools have been underpinned by the Workforce Agreement, which has contributed to raising standards and tackling workload. The Government remains committed to the agreement and to implementing it, working closely with social partners and schools.
- 1.11** But the next phase of reform, building on the widespread excellence that now exists, needs to be based largely upon schools learning from one another. So we will be looking at the functions of our NDPBs to ensure that they focus on their particular specialist expertise and scale back their fieldforces. At the same time, we will build capacity within our schools for them to take control of their own improvement, drawing on NDPB expertise as meets their needs.

### DCSF central spending

- 1.12** The department is looking very closely at the remainder of its budget to find further savings in order to protect the frontline and other key areas of provision. It will require tough choices about the activities we will be able to support in future. We will save £100m over 2011-12 and 2012-13 by ending the start-up funding available to local authorities and schools for extended services. This funding was always meant to be time-limited, as a means of helping schools to develop their services. Over 95 per cent of schools now offer extended services and we expect all to be doing so later this year. Core funding for extended services (over £300m per year) is protected in real terms so that

<sup>2</sup> This includes NDPBs that were part of the DFES group and are now based in BIS

schools can continue to run after school clubs and services and subsidise children from low-income families to participate in the activities on offer.

- 1.13 We have had huge success in making teaching a profession of choice and we have the best generation of teachers ever in our schools. We will continue to protect core funding for initial training and the recruitment of teachers to secure the best in the future. However, given the very buoyant recruitment market in many areas, we have made reductions to the level of some bursaries for recruits to initial teacher training which will generate savings of the order of £50m in the 2011-13 period. These changes will come in for postgraduate students starting in September 2010, the basic bursary of £4,000 will still apply to all postgraduate courses and some subjects will continue to be eligible for bursaries of £6,000 and £9,000 as before.
- 1.14 We will also save £5m from our communications expenditure over the two years 2011-12 and 2012-13, almost half of which will come from changes to the way we operate Teachers TV. We want to close down the TV channel element and move – what has become a popular resource for teachers – into an online, on-demand service.
- 1.15 In total, so far, we have identified from unprotected budgets savings of over £300m out of the £500m needed, so there is more work to be done. At the same time the Department will save a further £8m per year from the costs of its back office functions, by sharing services with other government departments.

<b>Savings towards the £500m target (£m)</b>	<b>2011-12</b>	<b>2012-13</b>
NDPBs	48.5	86.5
<i>Of which</i>		
<i>Becta</i>	20	25
<i>Training and Development Agency</i>	15	40
<i>National College</i>	2	5
<i>School Food Trust</i>	0	3
<i>QCDA/Ofqual</i>	7.5	12
Extended schools start-up funding	30	71
Reduction in the levels of some bursaries for Initial Teacher Training	19	29
Central admin and communications	10.5	10.5
<i>Of which</i>		
<i>Teachers TV becoming an online, on demand service</i>	1	1
<b>Total</b>	<b>108</b>	<b>197</b>
Total left to find	42	153

## 2. The case for continued investment on a strong foundation

- 2.1** By combining extra real terms investment, in the core services of early years, Sure Start, schools and colleges, with efficiency savings we will be able to meet frontline spending needs and deliver our guarantees to pupils, parents and school leavers to meet our Children's Plan commitments.
- 2.2** World class schools and world class standards are central to achieving our ambitions for children. This means having schools that are well resourced; that have excellent leadership and teaching; that utilise a broad mix of staff able to play their part in helping children develop, working effectively with other services as necessary; that have excellent facilities; and are able to provide a wide-ranging and full curriculum offer. The entitlements which we have set out in our pupil and parent guarantees are fundamental to ensuring every child has the opportunity to achieve their potential, which is vital for the economic success of our country.
- 2.3** We have only been able to move to this comprehensive set of entitlements because of the foundations we have laid in the last 12 years, delivered through the sustained increases in investment:
- revenue funding per pupil between 1997-98 and 2009-10 rose by £2,410 per pupil (83 per cent) in real terms;
  - total funding, including capital, has more than doubled per pupil in real terms between 1997-98 and 2009-10 and will rise to £6,290 per pupil in 2010-11.
- 2.4** Through these resources, we have been able to greatly increase the status, reputation and quality of the teaching profession. Schools have been able to recruit 42,000 additional teachers since 1997 allowing smaller class sizes, more personal attention through small group and one-to-one provision, and a greater range of curriculum provision. The wider school workforce has also expanded significantly with now over a million people in schools or other settings working to support children in their education and development, allowing teachers to concentrate on teaching. Schools now receive much greater certainty and stability in their funding levels to assist them in planning their budgets efficiently through the creation of the Dedicated Schools Grant, multi-year settlements and guaranteed minimum funding increases (the Minimum Funding Guarantee).



- 2.5** This investment has been critical for securing the improvements in provision and in outcomes that we have seen in the last 12 years:
- since 1997, school standards, measured by the average attainment of the pupil cohort, have risen steeply, with strong improvement in national tests and examinations. In primary schools, the rise has been sustained and consistent. In 2009, 80 per cent of pupils achieved at least Level 4 (national expectations) in Key stage 2 English, and 79 per cent in mathematics, whereas in 1997 these figures were 63 per cent and 62 per cent respectively.
  - there is a similar picture for secondary schools. In 1997, 45 per cent of 15 year olds achieved 5 A\*-C grades at GCSE or equivalent, and an estimated 36 per cent achieved the tougher measure of five A\*-C grades including both English and mathematics. By 2009, these figures had risen to 70 per cent and 50 per cent respectively.
  - over 20,000 schools (95 per cent) are now providing access to the core offer of extended services based on the needs of their local community, ensuring the necessary focus on healthy and successful child development as well as strong educational outcomes.
- 2.6** Independent international evidence endorses this national progress. The 2007 *Trends in International Mathematics and Science Study* (TIMSS) reported that children in England have made significant gains in mathematics since 2003/04 and are continuing to achieve excellent results in science. In both subjects and at age 11 and 14, children in England perform in the top ten of the 59 countries studied.
- 2.7** However, the challenges ahead are significant. Children will need a greater range of skills and knowledge to succeed in the modern economy. They will need to be more flexible and resilient to manage in an economy which places ever-evolving demands on the workforce. And collectively, we still need to go further to ensure that children from disadvantaged backgrounds are able to fulfil their potential. These challenges come at a time where the importance of ensuring maximum value is delivered from every pound invested has never been greater.
- 2.8** Because of the significant investment in the school system, schools are well placed to respond to these challenges. The increased investment in resourcing over the last 12 years has created the platform for the world-class education set out in our pupil and parent guarantees. These include ensuring a comprehensive range of support for children falling behind through one-to-one tuition and other dedicated catch-up programmes; individual personal tutors in secondary schools; opportunities to learn across a wide-ranging curriculum and to participate in activities outside the school day. The same platform has allowed us to set out the wider measures included in the White Paper *Your child, your schools, our future – building a 21st century schools system*<sup>3</sup>, such as spreading the impact of great leaders, developing greater collaboration and co-operation between schools and between schools and other services, and strengthening school accountability and improvement.

<sup>3</sup> <http://www.dcsf.gov.uk/21stcenturyschoolssystem/>

- 2.9** These steps are all underpinned and enabled by the level of resourcing for schools. This means for the pupil and parent guarantees to be delivered and for the school system to be further improved, there needs to be certainty about the level of resourcing that schools will have combined with steps to optimise the use of this resource. Only through both securing the future level of investment and using these resources effectively can we continue to further enhance the experience our children receive and the outcomes they achieve and thus realise our ambition to make England the best place in the world for children and young people to grow up.

## The priorities for school funding 2010-13

**2.10** The Government's priorities for school funding are three-fold:

- to ensure that frontline provision in schools is protected and that schools benefit from a multi-year planning horizon, thus allowing continued progress on the quality of education given to children and young people and the outcomes they achieve. We will do this through delivering much greater savings from non-frontline services and helping schools ensure that maximum value is gained from every pound spent within the schools system, so that public money has the greatest effect it can in improving outcomes for children;
- to ensure that there are sufficient resources to make increased frontline investment in schools which need the most: particularly those serving more disadvantaged communities within each local authority, delivered through a locally-agreed pupil premium. This Local Pupil Premium will ensure that the funding to meet the needs of pupils from more deprived backgrounds is transparent and responsive so schools can be confident that they will be resourced appropriately; and
- to start to move towards a more equitable and fair distribution of funding between local authorities, recognising that the current system of funding is largely based on historical allocations rather than present need.

## 3. The overall level of school funding from 2010-13

- 3.1** Since 2004-05, schools and other front-line services have had multi-year budgets to enable them to plan ahead with more confidence. This is particularly important in schools as academic years span two financial years and schools take resourcing decisions largely on an academic year basis.
- 3.2** Schools will already be receiving their budgets for 2010-11. The PBR confirmed that announced levels of funding for 2010-11 would be maintained and therefore overall schools will benefit from an increase in school budgets (through the Dedicated Schools Grant) of a 2.4 per cent in real terms or a 4.3 per cent per pupil cash increase.
- 3.3** The PBR announced an average annual 0.7 per cent real terms increase for schools across 2011-13. This will be applied to all the core school grants that schools receive and other key areas of pupil provision such as resources for one-to-one provision and extended schools provision. These grants total £37.2bn in 2010-11 and are listed below. We are proposing to roll the majority of these into the Dedicated Schools Grant from 2011-12 to streamline the number of grants to local authorities. The grants covered by the PBR announcement are:
- Dedicated Schools Grant
  - School Standards Grant and School Standards Grant (Personalisation)
  - School Development Grant
  - Ethnic Minority Achievement Grant,
  - Early Years: Extending and increasing the flexibility of the entitlement for 3-4 year olds
  - School Lunch grant
  - Extended Schools grants within the Standards Fund
  - General Annual Grant for all academies
  - Resources devolved to schools for school improvement
  - Funding for one-to-one provision and Every Child interventions.
- 3.4** Schools primarily receive funding according to the number of pupils they have, so the key determinant of the actual budget received by a school is the number of children on roll. This means that schools can more clearly plan on the basis of understanding the increase

they will receive in cash terms and on a per pupil basis which they can then set against their own local assessment of pressures and pupil numbers.

**3.5** The average annual 0.7 per cent real terms increase announced at the PBR is equivalent to an average annual cash increase for 2011-12 and 2012-13 of 2.7 per cent at current projected rates of inflation<sup>4</sup>. The cash increase will be confirmed later in the year: if inflation increases, the cash amount available to schools will increase in proportion to maintain the 0.7 per cent real terms increase announced and vice versa.

**3.6** The table below sets out the indicative increases for each of the three financial years based on current inflation assumptions, and our estimate of cost pressures, discussed below.

	2010-11	2011-12	2012-13	Annual average across 2011-13
Total resources for core school funding £m	37,268	38,099	39,300	
Overall increase in cash terms	4.0%	2.2%	3.2%	2.7%
Increase per pupil in cash terms <sup>1</sup>	4.3%	1.9%	2.3%	2.1%
Estimate of Cost pressures	3.1%	1.9%	1.3%	1.6%

This is based on the Department's projection of pupil numbers on a like-for-like basis. It does not include an estimate of the growth in the full-time equivalent pupil numbers arising from increased take-up of early years provision.

## What this means for individual schools

**3.1** There are a number of calls on the 2.7 per cent cash increase in schools budgets. The first priority for funding is the increase in pupil numbers that are projected over the next few years: over 80,000 more full-time equivalent children by 2012 compared to 2010 due to the increased birth rate since 2001. Even after allowing for demographic projections, this funding would still allow cash increases of 2.1 per cent per pupil.

**3.2** Per pupil increases of 2.1 per cent for 2011-12 and 2012-13 on top of the 4.3 per cent per pupil increase in 2010-11 means that there is sufficient funding to:

- ensure one-to-one tuition can be maintained in KS2 and year 7 and expanded to KS1 delivering our "3Rs" guarantee;
- maintain the subsidy for extended services, supporting a richer and broader school experience for all pupils but particularly those from more deprived backgrounds;
- resource new or improved areas of provision, such as ensuring parents are able to secure a school place from the September following their child's 4th birthday, as recommended by Sir Jim Rose; and

<sup>4</sup> As measured by the GDP deflator set out at the PBR.

- ensure continued protection of core frontline provision for children in schools and thus delivery of our pupil and parent guarantees.

- 3.3** This funding also includes resources for other pupil provision which is organised by the local authority, for example, early years provision in the Private, Voluntary and Independent sector; provision for pupils with special educational needs, resources for alternative provision and other areas of provision such as catering and insurance. It is for local areas to decide which services are best provided on an authority wide basis and which should be for individual schools to deliver. Schools Forums are, rightly, the place where such decisions should be taken and as a result there is considerable variation reflecting local decisions and organisation, with between 6 per cent and 18 per cent of funding spent by the local authority on direct pupil provision on behalf of its schools. Going forward, we would expect an equally strong focus on ensuring efficiencies are found within this area, to ensure resources are used to maximum effect.
- 3.4** For the same period, we expect average cost pressures of 1.6 per cent per pupil in cash terms, as set out in the table below. This means that schools on average will be able to meet their cost pressures from within their overall increase. The pressures are higher in the first year due to the increase in National Insurance contributions which employers (i.e. schools) have to pay and because the September 2010 pay award for teachers is higher than what can be expected in the next Spending Review period. The PBR announced that the Government would seek a 1 per cent cap on basic pay uplifts across the public sector for 2011-12 and 2012-13. On this basis, and subject to the usual pay review body and negotiation processes, the table below shows the maximum possible pressure from pay uplifts. Subject to evidence of the recruitment and retention levels and other factors within the school workforce awards could be lower.

<b>Cost pressures for 2011-13</b>		<b>2011-12</b>		<b>2012-13</b>	
<b>Figures are year-on-year</b>					
	<b>% of total expenditure (a)</b>	<b>Estimated uplift (b)</b>	<b>Overall Budget impact</b>	<b>Estimated uplift (b)</b>	<b>Overall Budget impact</b>
<b>Teachers' Pay:</b>	55.0%	2.3%	1.3%	1.2%	0.7%
<b>Other Pay</b>	23.0%	1.5%	0.3%	1.0%	0.2%
<b>Non-pay Costs</b>	22.0%	1.5%	0.3%	2.0%	0.4%
<b>TOTAL</b>	<b>100%</b>		<b>1.9%</b>		<b>1.3%</b>

Figures are based on headline pay awards where known and the expectation that pay awards will not be higher than the 1% cap set out in the PBR, although final awards will be subject to the usual pay review body and negotiating processes. They incorporate the 1% increase in employer's National Insurance for April 2011 and an estimate of salary drift for teachers. Non-pay inflation is based on CPI projections.

The overall budget impact is a weighted average of the various pressures and is calculated by multiplying column (a) by column (b) for each year

- 3.5** It is however vital that all schools make savings to enable schools collectively to meet all cost pressures, ensure investment in our key priority areas, allow progress to be made on delivering a fairer funding system without creating damaging instability for schools funded at the MFG and to use their resources to best effect to maximise investment in improving outcomes for their pupils. We have already said at the PBR that we want all schools to make savings of 0.9 per cent on average over 2011-12 and 2012-13. All schools should consider improving the way they procure goods and services; looking at whether they can share back office functions with other schools; exploring federation and other partnership options with other schools in order to deliver a broader range of provision more efficiently and make savings on leadership costs; and using benchmarking to evaluate their overall use of resources. With a planning horizon from 2010-11 to 2012-13, schools will be able to look across all three financial years to help them make savings and planned changes to their use of resources to secure better value for money, including using moderate school balances to smooth their funding to meet cost pressures.
- 3.6** Through making these efficiency savings, schools will be able to ensure further investment in their provision for pupils, for example through more catch-up provision, additional specialist staff or expanded extended services provision: whatever they feel will be of most benefit to their children. There are many ways in which schools are being supported to make efficiencies, which are discussed further below.
- 3.7** It is absolutely right that schools, like other services and the rest of local and central government, look at all aspects of their budget to identify ways to make savings. All schools will need to make some level of savings to meet cost pressures and invest in their priorities, and the minority of schools that receive the Minimum Funding Guarantee – schools that have historically been receiving higher levels of funding than their local formula suggests – will need to make more. This document sets out our ambitions on the level of savings which we think can be made and through these savings, we will be able to ensure both that funding can move to those areas that need it most, particularly responding to the needs of pupils from more deprived backgrounds, and that schools free up resources to reinvest locally to improve the provision which they offer to their children.

## Ensuring frontline protection for all schools

- 3.8** While the overall increase in funding for schools will average 2.1 per cent cash per pupil based on current levels of inflation, increases for individual schools will vary depending on their particular circumstances and due to changes in both national and local distribution of funding to better reflect relative needs. It is right that funding should reflect need, but schools also need certainty with which to plan. That is why since 2003 we have set a minimum funding guarantee, which guarantees a minimum increase in per pupil funding that any school will receive on a like-for-like basis. This minimum increase is set below the level of the average increase so the majority of schools will receive a higher increase – for example in 2009-10, 75 per cent of schools received an increase above the minimum funding guarantee – thus allowing re-distribution of resources to meet need.

- 3.9** From 2008-09 to 2010-11, the MFG has been set at a level below our assessment of cost pressures, reflecting our expectation that relatively higher funded schools can and should make efficiency savings to help them meet these pressures and in this way, schools on the MFG can still protect frontline provision whilst allowing resources to be recycled to other schools in the local area.
- 3.10** For 2011-12 and 2012-13, the MFG will continue to be set below cost pressures to reflect our expectation that all schools should both make efficiency savings and are able to protect their frontline provision. And whilst all schools will need to make efficiency savings, it is right that those, that have historically had higher levels of funding than their local formula implies, i.e. have in the past been relatively generously funded, should be expected to make more.
- 3.11** Following the completion of the DSG review, as usual, the level of the MFG will be set in the autumn once the overall cash envelope is confirmed, but it will guarantee that all schools will receive a cash increase in their per pupil budget, with most receiving above the MFG level. The MFG will apply to a school's total budget, including both money from the DSG and additional funds previously allocated through specific grants that we are rolling into the DSG.
- 3.12** By setting the MFG below cost pressures in this way, we can ensure there is room for redistribution both locally, through the local pupil premium, and nationally through the new DSG formula, but still ensure that all schools are able to protect the frontline. Moving more quickly to revise the distribution of funding through lowering or abolishing the MFG would mean significant reductions in resources for many schools.
- 3.13** The combination of the PBR announcement of real terms increases in schools funding of 0.7 per cent, or 2.7 per cent cash at current levels of inflation (2.1 per cent cash per pupil) and our intentions with respect to the MFG means schools now have a good planning basis for the next three years. They will have secure budgets for 2010-11 and can use their own local estimate of cost pressures and circumstances combined with the knowledge of the average increase of 2.1 per cent per pupil and continuation of the MFG to draw up realistic budget scenarios across 2011-13 so that they can efficiently plan their resource across a three year period. In doing so, they can look at the scope for efficiency savings to ensure they take into account opportunities to reinvest resources into frontline provision.
- 3.14** This will mean schools flexing their budgets across the three years and using their modest in-year balances to help them. However, this does not mean excess balances should be amassed by schools. Whilst a school that is planning effectively across the three year period may wish to accrue a small surplus to flex over the three year period, local authorities should continue to claw back excessive balances. Alongside this document, we have issued guidance<sup>5</sup> to help local authorities to do that, clarifying the circumstances when a school can justify defining a surplus as committed. Strong action should be taken by local authorities to claw back excessive, uncommitted balances. These can then be used collectively within the authority to fund invest to save priorities such as pump-

5 The school balances guidance can be found at <http://www.teachernet.gov.uk/schoolbalances/>

priming federations or partnership arrangements, or resourcing school business managers.

### What this means for local authorities

- 3.15** In parallel with this document we have launched a consultation on the principles that should underpin the future distribution of the DSG between local authorities (the *Consultation on the future distribution of school funding*<sup>6</sup>). Final decisions will be taken following this consultation which will set the actual increase that each local authority will receive. However, just as schools need a basis to plan, local authorities also need to be confident that they will have sufficient resource to deliver the MFG; be able to meet the cost of policy expansions such as on early years and to make progress on improving their local targeting of deprivation. For this reason there will be a minimum per pupil increase for each local authority in 2011-12 and 2012-13 and this will be set above the level of the MFG.
- 3.16** Opportunities for further efficiencies should be explored through schools membership in Children's Trust arrangements. These arrangements allow schools to pool budgets and share other resources with other partners in the Children's Trust including the PCT, police and local authority itself in the interests of promoting children's wellbeing and educational achievement. Through their representation on the Children's Trust Board schools will be more actively engaged in strategic decision making and this should enable better coordination of commissioning. .

### Ensuring funding can move to where there is greatest need

- 3.17** The funding which any individual school receives is dependent on their own circumstances, for example the change in the number of pupils on their roll, distributional decisions made locally through the local formula and the national allocation of funding through the Dedicated Schools Grant received in their authority. This means some schools will see increases above the average increase, and some below.
- 3.18** A fair funding system, and one which allows the movement of resource between schools is vital: resources should be targeted where there is greatest need and that is why we are consulting on the distribution of the DSG between local authorities. But as we set out in the White Paper *Your child, your schools, our future: building a 21st century schools system*, it is important that local authorities support schools in most need by passing on to schools all the funds made available to them that are aimed at tackling deprivation, and we are therefore asking all local authorities to introduce a Local Pupil Premium to support this objective as discussed below and set out in detail in the consultation document. This means some re-distribution between schools within a local authority is desirable over the next 5 years. Therefore the actual increase per pupil each school receives will depend on decisions taken on the local formula, in conjunction with the local Schools Forum; the

<sup>6</sup> The *Consultation on the future distribution of school funding* can be found at <http://publications.dcsf.gov.uk/default.aspx?PageFunction=productdetails&PageMode=publications&ProductId=DCSF-00251-2010>



particular nature of the school; and the final distribution methodology of the DSG on which we are consulting in principle.

## The Local Pupil Premium

- 3.19** Our proposals for 2010-13 need to balance these different priorities carefully. In particular we need to ensure that all schools are able to protect their frontline provision whilst also ensuring that funding moves responsively to those areas that need it most. As we enter the next phase of education reform, we have set out not only higher expectations for the experience each child should have, but also a stronger focus on the need to ensure no child falls behind. We have already invested very significant resources for deprivation in the system, but we know that not all of it gets to the pupils who need it. Delivering our ambitions for all children requires a tighter association between the existence of need and the distribution of resources, particularly for children from more deprived backgrounds, so schools can be confident that they will be resourced to meet the needs of these pupils.
- 3.20** One way to do this would be to have a nationally defined pupil premium. This would essentially specify the exact amount of money attached to each and every deprived pupil, defined through a single national measure. However, there are a number of problems with this idea. First, if it is introduced from existing resources it will result in substantial redistribution among schools. The recent Institute for Fiscal Studies report concludes that without additional resources 1 in 10 schools could experience cuts in excess of 10 per cent. But the alternative of substantial extra resources for schools (perhaps in excess of 5 per cent, as in the IFS modelling) is not realistic in current circumstances – it would require very substantial sums to be taken from elsewhere, such as resources for music, sport, and other support for children. Second, the national funding system already allocates significantly higher resources for deprivation – almost £4bn, and it would make little sense simply to pile a pupil premium on top of what the IFS describes as the existing implicit pupil premium, so taking no account of what is already there. Third, it would presume that there was a single appropriate definition of deprivation for use across the country and that the same level of resource was needed to meet each deprived pupil's needs, taking no account of local circumstances and local variations. It is for these reasons that we believe a national pupil premium is not the right approach to resourcing schools.
- 3.21** Local areas – through local authorities working with their schools – are best placed to understand the needs of their pupils and schools. But it is also important that the money allocated nationally for deprived pupils reaches them and that money follows the pupil when and if they move school: local authorities have different approaches to distributing money for deprivation, but most do not pass it all on to deprived pupils. Therefore, we want to ensure that local authorities have mechanisms in place that ensure the money reaches the pupils who need it.
- 3.22** To achieve this, we will both require local authorities to pass on 100 per cent of the funding for deprivation by 2014-15 and to introduce a Local Pupil Premium from 2012-13. Within this clear and robust national framework, local authorities and schools will have

the flexibility to decide how best to meet those needs and ensure that schools locally can see the resources attached to pupils from more deprived backgrounds through a transparent and responsive system. This will allow local areas to agree their own, tailored definitions of deprivation and agree the amounts that should be attached to pupils with different needs associated with deprivation. This will mean the very significant sums which are already allocated for deprivation in the system are sharply focused on the children who need them and schools can be more confident of getting the resources they need, as money will follow pupils more closely.

**Local Pupil Premium Worked Example  
Poole and East Dorset (imaginary local authority based on real data)**

Poole and East Dorset is a relatively low deprived local authority that has some particular pockets of deprivation. In 2009-10 they received around £16.5m of deprivation funding in their DSG and other grants. Around 75 per cent of this is allocated using various deprivation factors in the local formula, yet the system is not transparent, and schools that have few deprived pupils in particular do not see clearly that they are receiving additional funding to support those pupils.

The local authority recognises that it would be beneficial, for its schools and pupils, both for all the money for deprivation to be passed on towards deprived pupils, and for it to be distributed more transparently. So they need to develop proposals to increase the proportion of deprivation money being passed on, and to develop a Local Pupil Premium so that the funding is linked to deprived children more closely.

They need to explore the options available to them for indicators to use, the numbers of children that would benefit, what support different levels of premium would afford, and the impact on all schools. They can work all of these issues through with their schools forum, with whom they already have experience of discussing the local formula and ways to target deprivation. They know they will receive funding increases over the next few years that they can put into increasing the Local Pupil Premium without creating losses for their other schools.

They use a baseline of 75 per cent of their deprivation funding (£12.3m), as that is what they are currently distributing towards deprivation, and suppose that rather than it being distributed through the current formula, it is distributed through a Local Pupil Premium. Only 6.6 per cent of their pupils are eligible for free school meals – 3,465 pupils. They calculate therefore, that by using FSM, the premium would be around £3,600 per pupil. They see this as a potential option that would tightly focus the pupil premium on a relatively small number of children. They recognise it would need to be built up over time so as not to result in cuts to other schools.

But they also look at alternatives. A measure of eligibility for out of work tax credits would cover 6,750, or 13 per cent, of pupils. So they could develop a Local Pupil Premium which would cover this wider group of pupils, which would equate to around £1,800.

They could also explore an even wider option – one that covers not just pupils from families with out of work tax credits but also those on low incomes who receive the working tax credit. This would add another 10,200 pupils. Yet they recognise that the most deprived pupils may need additional support, so apply some differentiation to the pupil premium mechanism. One option they explore results in £1,300 being distributed for each pupil from a family on out of work tax credits – 13 per cent of pupils, and £350 for each pupil from a family on working tax credit – benefiting another 20 per cent of pupils.

Over time the local authority can use growth in their budget to increase the level of the premium without cutting the budgets of other schools. And if they were to choose to put 100 per cent of their deprivation funding through the premium, the premium totals would increase to £4,750 if they use FSM, £2,500 if they use out of work tax credits, or £1,700 and £500 for both out of work tax credits and working tax credits. So they can clearly see how the amounts could grow over time as they move to all deprivation money being targeted towards deprived pupils by 2015.

The local authority can discuss all these options, work up alternatives and discuss them with their Schools Forum. They develop the options themselves, and have choices and decisions to make about which work best for them to meet the needs of their pupils. They can also agree locally how best to implement the premium gradually, perhaps focussing first of the pupils with the greatest need.

It is of paramount importance of course that the money is spent wisely to ensure the greatest impact, and schools will have views about how they could use different amounts of money to support deprived pupils, including by pooling budgets or drawing down support from the local authority and other sources. Through this pupil premium mechanism, schools will be able to identify clearly the additional resources that they receive to support deprived children.

- 3.23** We are committed to ensuring that all deprivation funding is passed on towards deprived pupils by 2014-15. Local authorities will be required to have their Local Pupil Premium in place by 2012-13 and over time we expect these Local Pupil Premiums to become the main vehicle for distributing deprivation funding. In order for the pupil premiums to grow, we expect a significant amount of the headroom that local authorities receive in future settlements to be put towards them. We expect this to make a major difference to the transparency and targeting of deprivation funding. This can be done without creating instability in budgets, because the Local Pupil Premium is built up over time.
- 3.24** This flexibility and transitional period will enable local authorities to introduce their Local Pupil Premiums gradually over time, so that they can target the greatest locally-agreed needs first. By combining this Local Pupil Premium with a new formula for distributing resources between local authorities and maintaining a minimum funding guarantee, we can ensure that resources are better directed to those schools and pupils who need them, whilst protecting frontline provision in all schools.

## 4. How schools can make efficiencies

- 4.1** Savings of £650m are essential for all schools collectively to meet all cost pressures; ensure investment in our key priority areas; allow progress to be made on delivering a fairer funding system without creating damaging instability for schools funded at the MFG and for schools to invest in their priorities and improving outcomes for their pupils. We believe it is vital that all schools look at their use of resources in order to ensure maximum outcomes are achieved for the very significant investment made. In November 2009, we published the discussion document *Securing our future: using our resources well* in order to stimulate debate among schools about making the best use of their resources and to help by giving examples of what other schools have done. Schools have responded vigorously to the challenge in a series of conferences: further regional and local conferences will be taking place over the next few months. Governing bodies have a key role here in both supporting and challenging school leaders with this important task.
- 4.2** At the time of the PBR, we set out our aim that schools should make achievable efficiency savings totalling £1bn over 2011-12 and 2012-13, equivalent to 0.9 per cent. This means that in 2012-13 schools will need to make savings across the school system as a whole amounting to £650m compared with 2010-11. As such, the PBR aims represent the minimum level of ambition, with most schools able to make more savings for local reinvestment.
- 4.3** Schools have told us and the evidence suggests that the most promising areas for schools to make efficiency gains are procurement, back office functions, reducing the use of energy, collaboration and federation. It will be for individual schools to examine their own budgets and find the best way forward for their circumstances, but the paragraphs below illustrate how substantial savings might be achieved by schools collectively.

### Procurement

- 4.4** In 2008-09, schools spent around £6.5bn on services and goods which they procure from others (apart from back office services). It should be possible for schools to make 10 per cent savings, delivering savings of £650m. While this is a challenging level of savings, we are providing strong support for schools, discussed further below, through our procurement programme and through extending the influence of school business managers. And we know that the proportion spent on procurement varies considerably from school to school, so for example our benchmarking work has shown that if the schools which spent the most on these items reduced their spending to match that of

similar schools just on the 75<sup>th</sup> percentile, savings across the system could total some £700m.

Schools in the North of England are saving thousands of pounds after benefiting from Procurement Health Checks as part of the DCSF's Educational Procurement centre work.

In Northumberland, a review of staff absence insurance policies resulted in total savings to schools of £155,800. And schools in Newcastle have recently benefited from a new photocopying contract award by Newcastle City Council to Oce UK Limited which has already led to savings of over £40,000.

Lyn Johnson, Advanced Schools Business Manager for the Haydon Bridge Partnership of Schools and North Pennine Learning Partnership, which has benefited from both these strands of work, says:

"The service offered by the Procurement team has been first class, and continues to be so. I have asked for their assistance on several occasions now in relation to staff absence insurance quotes, photocopier contract prices, and a range of other procurement advice. They have been able to provide a brilliant level of service and support".

## Back office

- 4.5** In 2008-09, schools spent around £2.5bn on back office staff and services. These staff provide important support to schools and school leaders in delivering improved outcomes for children and young people. However, through collective use of staff in schools within federations and other forms of collaborations, many schools are making significant savings in this area. A 10 per cent saving here would generate around £250m.

Devon County Council has provided guidance to its schools on various methods of working together, including one school procuring goods and services on behalf of a Learning Community or cluster, a number of schools moving to foundation status and acquiring a joint Charitable Trust, and a group of schools setting up a single school company. Devon thinks that 10 per cent of its primary schools will have gone as far as federating within the next 12 months.

## Energy

- 4.6** Schools spend over £500m on energy each year. Through lowering their energy usage, many schools are making further savings beyond those achievable through procurement. Research suggests that schools can achieve a reduction of between 5 and 15 per cent through changing behaviours of school occupants. 10 per cent savings would generate £50m. To support schools in the reduction of energy use, DCSF has begun the process of creating a co-ordinated national energy reduction programme, involving key partners

such as DECC, Carbon Trust and Salix. DCSF is also offering all schools the opportunity to apply for a free energy display meter, which will be provided and installed by British Gas. These meters are designed to raise energy awareness in all school users, and to be used as a tool within the curriculum – as well as offering the potential for facilitating energy reduction, and providing essential management information for school business managers and others.

#### **Norfolk County Council**

The Energy Busters scheme in Norfolk primary schools connects with key elements of the National Curriculum and applies energy management concepts in the real world of the school environment. The aim is to engage the whole school community in thinking about energy and climate change through the process. The scheme has shown an average of 10.25 per cent in energy savings from schools involved since September 2008.

#### **Warwickshire, Worcestershire and Coventry Councils**

Worcestershire, Warwickshire and Coventry local authorities have worked on a Switch it Off campaign. The campaign is delivered through a two-week programme in schools. The first week involves “undercover” audits and checks by a pupil-led eco team, leading to general awareness raising about the issues and possible solutions. The second week is “Switch it Off” week, with a focus on actively reducing energy use. Participating schools have evidenced energy reduction across a wide range, with some cutting electricity consumption within the week by a third and one school by 50 per cent.

## **Collaboration and federation**

- 4.7** Schools working together are stronger and can deliver better outcomes for their pupils. Schools supporting one another provides the best means to raise standards by spreading best practice, particularly through sharing excellent teaching and leadership. At the same time collaboration and federations can release significant savings for reinvestment through joint procurement arrangements, sharing staff and back office functions and more effective leadership structures. Effective federations need to be locally driven, rather than centrally mandated, and hence an overall savings assumption or target is not appropriate. But many schools are discovering the significant savings that federations can deliver, in addition to the huge school improvement benefits that they bring with possible savings of well over £300m in total if a third of all schools federated. More details of successful federations are set out in *Securing our future: using our resources well*.

In September 2009 the Department published a research report on exploratory case studies of formal collaborations between small rural primary schools, based on work in Norfolk, Cornwall and Northumberland. The exploration of potential future arrangements was hypothetical, but suggested that a federation of two small rural primaries could save a net £15,000 on leadership costs, while a federation of three such schools could save around £50,000.

- 4.8** Taken together, these measures could save schools around £950m by 2012-13 with the majority of these savings being recycled locally.

### Supporting our schools to make efficiencies

- 4.9** We have studied the issues and challenges emerging from the conferences and discussions around *Securing our future: using our resources well*, and have also held discussions with schools, local authorities and national partners as part of a Public Value Programme project to assess how well schools currently use their resources and the scope to improve this.
- 4.10** The Department and its partners in the school and local authority world are fully committed to supporting our schools through the challenges of managing their resources over the period up to 2013. We have established a joint group to manage the programme of support that we are putting in place, and to react swiftly to strengthen and flex the programme as necessary. We want to ensure that every school is conscious of the need to plan its use of resources strategically, and knows where it can find tools, advice and other support.
- 4.11** With partners we have reviewed the sources of support available to schools in planning their resource use, and strengthened it where necessary. There is already a range of tools schools can use, but we are extending this to give a comprehensive programme of support. Partners will work together to give consistent messages and help to schools.
- 4.12** Some of the main elements of our programme of support are described below. The Department has a “landing page” for schools at <http://www.teachernet.gov.uk/management/schoolfunding/schoolfinance/letstalkresources/> which is a first point of call for information.

### Free consultancy

- 4.13** Many schools will welcome advice from experienced professionals to help them identify scope for efficiencies and explore how their resources can be used better to secure improvements in outcomes. Schools can access free value for money consultancy advice from Avail. This is usually provided through experienced school leaders such as former headteachers or school business managers and 96 per cent of schools who have received this consultancy would recommend it to other schools. Our experts in the DCSF Educational Procurement Centre (EPC) helps schools secure electronic procurement and can give schools in some areas a procurement health check. From 2011 we intend to combine these offers to provide a single comprehensive source of advice for schools to help them make savings.

The Value for Money consultancy programme managed by Avail consulting offers free, personalised and independent support directly to schools. Lethbridge Primary School had a one-day consultancy visit in October 2009. The school was keen to build on efficiency work already implemented by discussing the effective deployment of teaching assistants, reviewing the role of a learning leader and developing measurable success criteria in relation to the school improvement plan.

The consultant was able to make a series of suggestions and the outcomes for the school were that the visit encouraged a greater focus on training and development issues, improved the links between the senior leadership team and the teachers, and increased the focus on resourcing – particularly on the school development plan and prioritising activities.

Cathy Millan, Bursar, Lethbridge Primary School, said: “The quality of the information provided by the Consultancy for Schools programme and the consultant was excellent. The visit really helped us realise that well managed staff give the best value for money. I would definitely recommend this programme.”

### Getting skilled school business managers into schools

- 4.14** There is compelling evidence that well deployed and skilled school business managers (often called bursars) realise significant savings in terms of both headteachers’ and teachers’ time and school resources – savings which can be reinvested in teaching and learning. The National College’s demonstration projects, commissioned by DCSF, provide further strong evidence that these benefits are also realised when schools come together and share a skilled school business director/manager.
- 4.15** We estimate that only a third of primary schools have access to a qualified school business manager. We are encouraging all schools to work together in clusters, with support from the National College, to recruit and deploy school business managers. Working with headteachers, local authorities and school governors, we aim to ensure that all schools can access the skills of a school business manager.
- 4.16** As a first step, in 2010-11 we will provide grant funding to help groups of primary schools to work together supported by a school business manager. We will support 250 such groups each year with the aim that by March 2011 each local authority in England will benefit. These groups will then act as a catalyst for others to form, and realise the benefits of well deployed and skilled school business managers, supported and promoted by their local authority.
- 4.17** In addition to grant funding, groups of schools will also receive:
- targeted support, provided through the National College, from highly skilled and experienced school business managers, and from groups of schools which are already realising the benefits;
  - continuous professional development from the National College for the appointed school business directors/managers; and



- a range of appropriate consultancy including advice on achieving better value for money; and changing models of school organisation and leadership.

**4.18** We will also allow local authorities to retain money centrally to assist schools with the upfront costs of school business managers.

#### **Case Study: Withernsea School Business Director Demonstration Project, East Riding of Yorkshire**

The Withernsea School Business Director Demonstration Project commenced in January 2009, consisting of a cluster of one junior school and four primary schools within the East Riding area of Yorkshire.

The main focus of the demonstration project is to pilot an initiative to demonstrate how Advanced School Business Manager roles can support headteachers in allowing them more time and resources to effectively lead teaching and learning, as well as the business aspects of the schools, by developing innovative approaches to current issues.

A light touch strategic business management service for the cluster schools has been offered, as well as the further development of an induction programme for newly qualified headteachers, which embeds the benefits that can be achieved from a high quality school business management service.

For the 2009-10 financial year this project has already achieved projected estimated financial gross savings of £116,000 across the cluster of five schools (Oakleigh Consulting, Dec 2009), which includes a projected £10,000 saving in streamlining and increasing the effectiveness of school administrative systems. In addition, the project has achieved savings of £2,000 in one school by moving to managing cleaning services in-house, and additional income and financial savings totalling £39,357 have been realised across the cluster by improving ICT service level agreements.

The East Riding of Yorkshire Local Authority is strongly committed to the long-term sustainability of the demonstration project and will use its findings to inform the introduction of a wider model of school business management provision across the authority.

### **Local authorities supporting schools**

**4.19** Local authorities have a key role in supporting schools to make efficiencies and many schools, especially primaries, will look to their local authorities for support. Many local authorities, working with the full range of local partners, already provide first-class support through finding savings through collaborative provision of services; helping schools to benchmark their expenditure; helping schools to secure financial expertise on their governing bodies; facilitating shared access to school business managers and identifying and supporting schools early that are facing difficulties with their resources.

**4.20** We need to make sure that this sort of support is available to schools in every local authority. Working with the Local Government Association and the Association of Directors of Children's Services, we will ensure that local authorities provide appropriate support for schools and will help them to do so. We are planning a small, dedicated and

responsive unit to support local authorities in this. Its role will be to offer tailored support to local authorities to enhance their capacity to support their schools.

### National partners supporting schools

- 4.21** Our partners including NASUWT, the Association of School and College Leaders (ASCL), National Association of Head Teachers (NAHT) and National Association of School Business Management (NASBM) will provide support and help for their members, for example through newsletters, conferences and materials. Examples are given in the box below.

#### NASUWT

NASUWT is encouraging its teacher and school leader members to engage actively in the *Securing our Future* debate. It has sent bulletins into every school to school leaders and NASUWT representatives briefing them on the document, providing a link to it and advocating within school discussions to review all of the school's financial activity. Further information is being prepared.

In addition, NASUWT has held a national briefing of all local secretaries with a full presentation of the financial background, the aims of the discussion document and suggested areas of expenditure to target for review. They are advised to submit this as an item for discussion in their local authority consultative forum. They should also brief local NASUWT representatives on schools forums to engage in the debate.

At every event organised by NASUWT teachers' attention is drawn to the document: there is also information for members on the website.

#### ASCL

ASCL are developing an interactive tool to enable heads and school business managers to model quickly the impact of different deployment of their resources and models of curriculum delivery on their financial planning.

#### NAHT and NASBM

The NAHT and NASBM are currently working together to develop materials based on the School Business manager Competence Framework. This is designed to deepen the understanding of the relationship between school business managers, head teachers and others on the senior leadership team of the school. Some half day workshops on efficiency and best value are also being planned jointly and are likely to be offered in a number of different regions.

### Other resources for schools

- 4.22** Schools need ready access to deals which will give them procurement savings. Through our Educational Procurement Centre, we will negotiate an increasingly wide range of new contracts which will give schools access to such savings, and spread the use of electronic procurement which also saves time and money. We will also continue to give grants that assist schools to save money by reducing energy use.

- 4.23** The Department will fund a series of short case studies made by Teachers TV on how schools have made best use of resources and reduced costs. These will go inside case study schools, and hear directly from those involved how they did it and how they overcame any difficulties of implementation. The case studies will also show how successful collaboration between schools can work. They will be available to schools through the internet and readily reachable from relevant websites.
- 4.24** The National College will ensure that enough courses on managing resources are available for serving heads, and will work urgently with the Training and Development Agency (TDA) and Becta on improved toolkits and materials for schools. The Audit Commission has already published a toolkit called *Managing school resources* to help schools evaluate their use of resources, providing examples of good practice drawn from research and sign-posting further information. DCSF and the National College will also ensure that School Improvement Partners (SIPs) have appropriate training and simple data on schools so that as part of their role to support overall school improvement, they can discuss the use of resources with their schools, provide challenge and act as a gateway to support.

### Removing barriers to securing efficiencies

- 4.25** During the conferences and other discussions that have taken place in the last few months, schools and local authorities have raised areas which can limit schools in their ability to make savings. The Department's role is to remove barriers and facilitate schools in making savings wherever possible and thus we will be taking a number of further actions in response to these concerns. These include:
- helping authorities to change their financial schemes so that schools can hire shared staff with confidence, use charge cards for procurement and sign up collectively to procurement deals;
  - making it easier for schools to collaborate and federate, and allowing local authorities to retain money centrally to assist schools with the upfront costs of federations;
  - changing the Financial Management Standard in Schools (FMSiS), which all schools are required to meet by 2010, so that it concentrates more on value for money than on processes; and
  - improving the financial benchmarking website so that schools can benchmark their expenditure even more effectively.

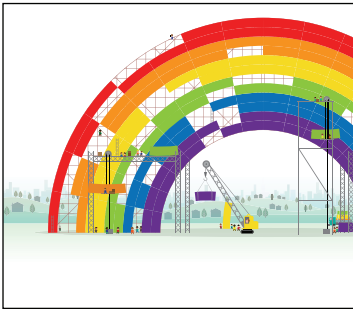
### Schools going forward with confidence

- 4.26** The programme of support described here, together with the existing roles which local authorities play to support schools in the effective use of resources and to foster collaboration means that there is a wide variety of support available to schools. This includes expert consultative advice; collaborative approaches led by schools themselves; support and challenge from the local authority; access to improved purchasing options and the ability of schools to compare themselves with other schools to identify areas for savings, as illustrated in the diagram opposite.

# School Toolkit



- 4.27** We and our partners will carry on doing everything we can to support schools and local authorities in using their resources to optimum effect. We will continue the national discussion started in November so that schools can raise issues or concerns with us and so we can jointly develop solutions and spread the best practice. On this basis, schools will be able to go forward with confidence through the next three years.



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**SCHOOLS FUNDING FORMULA – SOCIAL DEPRIVATION 10/11**

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**Schools Affected**

All schools

**Purpose**

To provide an overview of the current social deprivation funding formula as preparation for the introduction of the local pupil premium from April 2012.

**Report**

**Social Deprivation Funding. £2.8m – 3.3% of Individual Schools Budget( incl sixth form funding)**

**1. Free School Meals            £318k**

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.

**2.        FSM per Pupil            £318k**

Equated to £138.82 per FSM pupil

**3.        IDACI (Income Deprivation Affecting Children Index) £312k**

IDACI Ofsted proportion data is multiplied by pupil numbers to find the estimated number of pupils affected and £103.13 per pupil affected was then allocated.

**4.        Low Prior Attainment        £309k**

LPA score multiplied by number of pupils to find number of pupils in this category to which £87.81 per pupil is allocated.

Additional headroom allocated by Schools Forum is allocated equally to the four factors above and the funding rates per pupil are adjusted to ensure that each factor broadly accounts for 25% of the total available.

**5.        Personalised Learning FSM %    £1,456k**

Calculation is the same as that for Free School Meals (without the 10% threshold) – Primary schools are allocated £23.24 and High schools £85.20.

The use of FSM% means that there can be big changes in the annual allocation as FSM numbers fluctuate particularly for those schools with a high percentage of free meals. The potential for significant swings in funding from say the initial December estimated budget and the final budget can be significant. The potential for big differences has grown over the years as the amounts allocated have increased by the budget headroom available.

Personalised Learning funding was allocated **within DSG in 2007/08 (?)** to primary and high schools in accordance with ministerial priorities. The budget has been increased annually as the number of free school meals has risen.

## **6. Free School Meals provision £827k**

The number of free school meals pupil multiplied by £361.10 per year. The annual rate is calculated as 179 days at £2 per meal plus £3.10 for the Christmas meal. Only 180 days are funded.

### **Local pupil premium**

**Proposals for a local pupil premium are set out in the DCSF school funding consultation papers. Implementation will be announced in the autumn following the consultation period. A first analysis of the implications are set out below.**

7. Our current social deprivation formula is based on a basket of deprivation indicators e.g. IDACI, Low prior attainment, free school meals pupils and free school meals percentages. Contrary to DCSF suggestions that local authorities “flatten” the deprivation funding across all schools, the Herefordshire model is highly targeted to the schools with the greatest deprivation need.
8. For example using the free school meals indicator, primary schools receive between £1,000 to £2,000 per fsm pupil. High schools receive more due to the greater percentage allocation of personalised learning monies, £1,720 to £3,111 per fsm pupil. Schools in the more deprived areas receive the higher amounts of per fsm pupil funding. This is set out in the appendix.
9. The DCSF funding consultation paper suggests that authorities should explore a range of deprivation indices such as free school meals, eligibility for out of work tax credits, working tax credits or possibly a combination of indicators. Schools Forum Budget working party will need to consider these options and the availability of reliable data for schools so that Schools Forum can consider which factor will be best.
10. For example, if we chose free school meals, then bringing every school up to the current maximum deprivation allocation of £3,111 per fsm pupil would allocate £6.5m (based on £3,111 per pupil x 2,095 fsm pupils) which is very close to the £6.95m target. This suggests that the amount of £3,111 per free school meal pupil is marginally below the correct funding level.
11. If the DCSF proposals have to be implemented, it is suggested that the budget strategy should initially seek to bring all schools’ deprivation funding up to a common amount per pupil, e.g. £3,111 per fsm pupil (i.e. the existing maximum) but not increasing the maximum any further.



12. This will require a local pupil premium factor for April 11 and a strategy of allocating available funding based on closing the gap from the maximum amount. This will allocate funding widely across most schools. This principle would be the same whatever deprivation indicator is chosen.



Authority	Year	Number
Herefordshire	2007/08	884

	LA deprivation %
Primary & Nursery eligible FSM	7.2%
Secondary eligible FSM	7.5%
Other Authority measure (optional)	

Authority
Herefordshire

Total DSG	Primary Schools = 1	81
90,294,165	Secondary Schools = 2.4	14

Deprivation	
%	Value
7.69%	6,945,797

Categories assigned are for basic categorisation only. Where a LA has more factors in that category than there are rows, the additional lines will be placed in Other. This is for no other reason than to keep this on two pages!

Some lines could be considered in more than one category - it makes no difference  
COMMENTS

Formula factor	£ total delegated		2010/11		2007/08		
Free School Meal Provision and Eligibility							
2007/08							
A1	1	Provision of FSM - Primary	501,936	100%	501,936	100%	285,861
A2	2	Provision of FSM - High	324,989	100%	324,989	100%	197,125
A3	3	Free School Meals (1.4.2)	16,180	100%	16,180	100%	18,744
A4	4	-	-	0%	-	0%	-
Social Deprivation / Social Inclusion							
B1	5	Free School Meal % - Primary	326,635	100%	326,635	100%	201,417
B2	6	Free School Meal % - High	108,890	100%	108,890	100%	108,263
B3	7	FSM SD - Primary	192,960	100%	192,960	100%	
		FSM SD - High	124,938	100%	124,938	100%	
		IDACI - Primary	166,578	100%	166,578	100%	
		IDACI - High	145,614	100%	145,614	100%	
		Social Inclusion FSM - High				100%	13,039
B4	8	-	-	0%	-	0%	-
SEN			1,065,615				322,719
C1	9	SEN - Banded Funding Primary	313,258	100%	313,258	100%	416,061
C2	10	SEN - Banded Funding High	197,849	100%	197,849	100%	320,609
C3	11	SEN - Band 3 & 4 Primary	625,995	22%	137,719	22%	
C4	12	SEN - Band 3 & 4 High	753,277	22%	165,721	22%	
C5	13	Central Band 3 & 4 new	477,000	22%	104,940	22%	
C6	14	Special Schools	39,025	100%		0%	-
C7	15	-	-	0%	-	0%	-
Personalisation distributed by methods for deprived pupils (as per)			919,487				736,670
D1	16	Personalised Learning - FSM % - Prin	545,900	100%	545,900	100%	205,323
D2	17	Personalised Learning - FSM % - High	910,199	100%	910,199	100%	304,565
D3	18	Personalised Learning - Low Attain - F	132,271	75%	99,203	75%	220,106
D4	19	Personalised Learning - Low Attain - H	176,490	75%	132,368	75%	326,588
Prior Attainment / Ethnic Minority / EAL / EMAG / Mobility / LAC			1,687,670				1,056,582
E1	20	SEN Support Services	1,355,000	22%		0%	-
G1	21	Brookfield	1,117,000	22%		0%	-
G2	22	PVI	2,944,000	10%		0%	-
H1	23	-	-	0%	-	0%	-
I1	24	-	-	0%	-	0%	-
O1	25	-	-	0%	-	0%	-
Authority		Year	Number		LA deprivation %		Authority

Authority
Herefordshire





privation.

Total for distribution 138,000

COST CENTRE	SCHOOL NAME	Total Social Deprivation funding 10/11 £	Jan 10 PLASC Free School Meal pupils	Social Deprivation Per pupil £	Difference from Maximum Max per pupil £	Shortfall from Total Budget at Diff From Max £	Possible 2 increases Soc Dep Alloc £	New Total amount £	Social deprivation 11/12 per pupil £
E0114	Clifford Primary School	2,330	1	2,330	781	781	37	2,367	2,367
E0142	Kimbolton St James CofE Primary Scho	4,425	2	2,213	898	1,796	85	4,510	2,255
E0185	Riverside Primary School	185,440	92	2,016	1,095	100,740	4,767	190,207	2,067
E0104	Brampton Abbots CofE Primary School	60,276	30	2,009	1,102	33,060	1,564	61,840	2,061
E0178	Weobley Primary School	68,302	35	1,951	1,160	40,600	1,921	70,223	2,006
E0151	Leominster Junior School	150,882	78	1,934	1,177	91,806	4,344	155,226	1,990
E0132	Marlbrook Primary School	214,374	112	1,914	1,197	134,064	6,344	220,718	1,971
E0136	St Martin's Primary School	152,444	80	1,906	1,205	96,400	4,562	157,006	1,963
E0150	Leominster Infants' School	136,938	73	1,876	1,235	90,155	4,266	141,204	1,934
E0123	Garway Primary School	1,868	1	1,868	1,243	1,243	59	1,927	1,927
E0152	Ivington CofE Primary School	34,662	20	1,733	1,378	27,560	1,304	35,966	1,798
E0149	Leintwardine Endowed Primary School	3,461	2	1,731	1,380	2,760	131	3,592	1,796
E0171	Shobdon Primary School	20,518	12	1,710	1,401	16,812	796	21,314	1,776
E0124	Goodrich CofE Primary School	3,128	2	1,564	1,547	3,094	146	3,274	1,637
E0120	Eastnor Parochial Primary School	4,659	3	1,553	1,558	4,674	221	4,880	1,627
E0105	Bredenbury Primary School	20,147	13	1,550	1,561	20,293	960	21,107	1,624
E0109	St Peter's Primary School	55,163	36	1,532	1,579	56,844	2,690	57,853	1,607
E0140	Holme Lacy Primary School	13,755	9	1,528	1,583	14,247	674	14,429	1,603
E0146	Kington Primary School	45,838	31	1,479	1,632	50,592	2,394	48,232	1,556
E0126	Broadlands Primary School	36,547	25	1,462	1,649	41,225	1,951	38,498	1,540
E0147	Lea CofE Primary School	11,545	8	1,443	1,668	13,344	631	12,176	1,522
E0162	Much Birch CofE Primary School	7,192	5	1,438	1,673	8,365	396	7,588	1,518
E0182	Wigmore Primary School	28,713	20	1,436	1,675	33,500	1,585	30,298	1,515
E0113	Clehonger CofE Primary School	15,554	11	1,414	1,697	18,667	883	16,437	1,494
E0108	Brockhampton Primary School	7,024	5	1,405	1,706	8,530	404	7,428	1,486
E0155	Longtown Community Primary School	2,801	2	1,401	1,710	3,420	162	2,963	1,481
E0112	Canon Pyon CofE Primary School	7,005	5	1,401	1,710	8,550	405	7,410	1,482
E0139	St Thomas Cantilupe CofE Primary Sch	39,125	28	1,397	1,714	47,992	2,271	41,396	1,478
E0181	Whitchurch CofE Primary School	9,738	7	1,391	1,720	12,040	570	10,308	1,473
E0173	Stoke Prior Primary School	6,942	5	1,388	1,723	8,615	408	7,350	1,470
E0145	Kingstone and Thruxton Primary School	22,114	16	1,382	1,729	27,664	1,309	23,423	1,464
E0144	Kingsland CofE School	6,900	5	1,380	1,731	8,655	410	7,310	1,462
E0168	Ashfield Park Primary School	46,666	34	1,373	1,738	59,092	2,796	49,462	1,455
E0106	Bridstow CofE Primary School	10,913	8	1,364	1,747	13,976	661	11,574	1,447
E0157	Luston Primary School	10,764	8	1,346	1,765	14,120	668	11,432	1,429
E0183	Withington Primary School	10,737	8	1,342	1,769	14,152	670	11,407	1,426
E0133	Our Lady's RC Primary School	17,447	13	1,342	1,769	22,997	1,088	18,535	1,426
E0174	Stretton Sugwas CofE Primary School	2,682	2	1,341	1,770	3,540	168	2,850	1,425

Total for distribution 138,000

COST CENTRE	SCHOOL NAME	Total Social Deprivation funding 10/11 £	Jan 10 PLASC Free School Meal pupils	Social Deprivation Per pupil £	Difference from Maximum Max per pupil £	Shortfall from Total Budget at Diff From Max £	Possible 2 increases Soc Dep Alloc £	New Total amount £	Social eprivation 11/12 per pupil £
E0163	Much Marcle CofE Primary School	11,901	9	1,322	1,789	16,101	762	12,663	1,407
E0111	Burley Gate CofE Primary School	13,188	10	1,319	1,792	17,920	848	14,036	1,404
E0165	Pembridge CofE Primary School	5,255	4	1,314	1,797	7,188	340	5,595	1,399
E0110	Burghill Community Primary School	6,533	5	1,307	1,804	9,020	427	6,960	1,392
E0169	St Joseph's RC Primary School	11,737	9	1,304	1,807	16,263	770	12,507	1,390
E0138	Trinity Primary School	80,652	62	1,301	1,810	112,220	5,310	85,962	1,386
E0176	Walford Primary School	7,801	6	1,300	1,811	10,866	514	8,315	1,386
E0137	St Paul's CofE Primary School	20,694	16	1,293	1,818	29,088	1,376	22,070	1,379
E0131	Lord Scudamore Primary School	87,750	68	1,290	1,821	123,828	5,860	93,610	1,377
E0148	Ledbury Primary School	66,492	52	1,279	1,832	95,264	4,508	71,000	1,365
E0167	Peterchurch Primary School	7,671	6	1,279	1,832	10,992	520	8,191	1,365
E0121	Ewyas Harold Primary School	8,946	7	1,278	1,833	12,831	607	9,553	1,365
E0128	Holmer CofE Primary School	46,757	37	1,264	1,847	68,339	3,234	49,991	1,351
E0103	Bosbury CofE Primary School	17,687	14	1,263	1,848	25,872	1,224	18,911	1,351
E0172	Staunton-On-Wye Endowed Primary School	10,076	8	1,260	1,851	14,808	701	10,777	1,347
E0125	Gorsley Goffs Primary School	8,812	7	1,259	1,852	12,964	613	9,425	1,346
E0158	Madley Primary School	23,756	19	1,250	1,861	35,359	1,673	25,429	1,338
E0179	Weston-Under-Penyard CofE Primary School	8,532	7	1,219	1,892	13,244	627	9,159	1,308
E0156	Lugwardine Primary School	7,263	6	1,211	1,900	11,400	539	7,802	1,300
E0119	Eardisley CofE Primary School	6,057	5	1,211	1,900	9,500	450	6,507	1,301
E0135	St James CofE Primary School	16,913	14	1,208	1,903	26,642	1,261	18,174	1,298
E0102	St Michael's CofE Primary School	14,465	12	1,205	1,906	22,872	1,082	15,547	1,296
E0134	St Francis Xavier's Primary School	14,411	12	1,201	1,910	22,920	1,085	15,496	1,291
E0101	Ashperton Primary School	14,348	12	1,196	1,915	22,980	1,087	15,435	1,286
E0177	Wellington Primary School	11,924	10	1,192	1,919	19,190	908	12,832	1,283
E0127	Hampton Dene Primary School	17,775	15	1,185	1,926	28,890	1,367	19,142	1,276
E0170	St Weonard's Primary School	4,720	4	1,180	1,931	7,724	366	5,086	1,271
E0115	Colwall CofE Primary School	8,153	7	1,165	1,946	13,622	645	8,798	1,257
E0117	St Mary's CofE Primary School (Creden	19,519	17	1,148	1,963	33,371	1,579	21,098	1,241
E0116	Cradley CofE Primary School	5,691	5	1,138	1,973	9,865	467	6,158	1,232
E0118	Dilwyn CofE Primary School	2,241	2	1,121	1,990	3,980	188	2,429	1,215
E0122	St Mary's CofE Primary School	6,706	6	1,118	1,993	11,958	566	7,272	1,212
E0161	Mordiford CofE Primary School	5,580	5	1,116	1,995	9,975	472	6,052	1,210
E0180	Whitbourne CofE Primary School	3,345	3	1,115	1,996	5,988	283	3,628	1,209
E0175	Sutton Primary School	5,366	5	1,073	2,038	10,190	482	5,848	1,170
E0164	Orleton CofE Primary School	10,649	10	1,065	2,046	20,460	968	11,617	1,162
E0143	King's Caple Primary School	2,019	2	1,010	2,101	4,202	199	2,218	1,109
E0100	Almeley Primary School	3,073	0	0	3,111	0	0	3,073	0



						Total for distribution		138,000	
COST CENTRE	SCHOOL NAME	Total Social Deprivation funding 10/11 £	Jan 10 PLASC Free School Meal pupils	Social Deprivation Per pupil £	Difference from Maximum Max per pupil £	Shortfall from Total Budget at Diff From Max £	Possible 2 increasesupple Soc Dep Alloc £	New Total amount £	Social eprivation 11/12 per pupil £
E0159	Marden Primary School	2,821	0	0	3,111	0	0	2,821	0
E0160	Michaelchurch Escley Primary School	3,017	0	0	3,111	0	0	3,017	0
E0153	Little Dewchurch CofE Primary School	879	0	0	3,111	0	0	879	0
E0154	Llangrove CofE Primary School	834	0	0	3,111	0	0	834	0
E0166	Pencombe CofE Primary School	751	0	0	3,111	0	0	751	0
Steiner	Steiner Academy								
<b>82</b>	<b>PRIMARY TOTAL</b>	<b>2,111,779</b>	<b>1,345</b>	<b>1,570</b>	<b>146,189</b>	<b>2,083,861</b>	<b>98,612</b>	<b>2,210,391</b>	<b>1,643</b>

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E0400	HEREFORD ACADEMY	432,386	139	3,111	0	0	0	432,386	3,111
E0309	LEOMINSTER, THE MINSTER COLLEGE	205,221	84	2,443	668	56,112	2,655	207,876	2,475
E0300	(BROMYARD) QUEEN ELIZABETH HIGH SCHOOL	111,395	47	2,370	741	34,827	1,648	113,043	2,405
E0301	HEREFORD, AYLESTONE HIGH	184,146	85	2,166	945	80,325	3,801	187,947	2,211
E0307	KINGTON, LADY HAWKINS	100,752	47	2,144	967	45,449	2,151	102,903	2,189
E0312	WEOBLEY HIGH	110,347	53	2,082	1,029	54,537	2,581	112,928	2,131
E0306	KINGSTONE HIGH	114,400	57	2,007	1,104	62,928	2,978	117,378	2,059
E0308	LEDBURY, THE JOHN MASEFIELD HIGH SCHOOL	123,270	67	1,840	1,271	85,157	4,030	127,300	1,900
E0311	ROSS-ON-WYE, THE JOHN KYRLE HIGH SCHOOL	167,397	91	1,840	1,271	115,661	5,473	172,870	1,900
E0305	HEREFORD, WHITECROSS HIGH	116,578	64	1,822	1,289	82,496	3,904	120,482	1,883
E0313	WIGMORE HIGH	76,211	42	1,815	1,296	54,432	2,576	78,787	1,876
E0310	PETERCHURCH, FAIRFIELD HIGH	44,714	26	1,720	1,391	36,166	1,711	46,425	1,786
E0302	HEREFORD, BISHOP OF HEREFORD HIGH SCHOOL	91,672	54	1,698	1,413	76,302	3,611	95,283	1,764
E0304	HEREFORD, ST MARY'S R.C. HIGH SCHOOL	54,702	33	1,658	1,453	47,949	2,269	56,971	1,726
	<b>TOTAL HIGH SCHOOLS 11 - 16</b>								
	<b>TOTAL HIGH SCHOOLS 11 - 18</b>	<b>1,933,191</b>	<b>889</b>	<b>2,175</b>	<b>14,838</b>	<b>832,341</b>	<b>39,388</b>	<b>1,972,579</b>	<b>2,219</b>
	<b>14 TOTAL HIGH SCHOOLS</b>								
	<b>TOTAL ALL SCHOOLS</b>	<b>4,044,970</b>	<b>2,234</b>	<b>1,811</b>	<b>161,027</b>	<b>2,916,202</b>	<b>138,000</b>	<b>4,182,970</b>	<b>1,872</b>
	<b>TOTALS EXCLUDING ACADEMIES</b>								

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School Lunch Grant – Proposals for 2010/111. Allocation in 2009/10

	£'000
Grant available	239
All schools (net of cfwd £15k)	104
Schools with transport	29
Light kitchen equipment	15
Balance distributed to all Schools at £2.79/pupil	61

2. Proposals for 2010/11

	£'000
Grant	230
All schools	118
Balance available	112

Additionally there is £20,000 of expenditure in DSG re primary catering without a budget mainly for transport of meals for Scudamore and Leominster Infs/Junior and some direct payments to catering suppliers.

Two proposals for 2010/11 are set out for consideration. DCSF intend to transfer the lunch grant into DSG possibly from April 2011 and it is likely that the current grant restriction re expenditure on transport will be removed.

Proposal A – as previously agreed by Forum.

- Schools with transport 29
- Central transport re school 20
- Light kitchen equipment 10
- Distribute remainder to  
all schools at approx £2.50 53  
per pupil.

This proposal recognises the additional costs incurred by primary schools in receiving transported meals. Schools Forum in December 2008 agreed that the grant should be devolved by a method that takes account of the hot meals strategy i.e. supplying primary schools from the local high school.

Proposal B – alternative basis

Distribute all balance to all Schools at approx £5.35 per pupil	112
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Proposal C – modified from A above

Proposal C devolves the transport funding to those schools currently incurring Transport costs but then delegates the remainder at £3.10 per pupil.

This would seem the fairest approach.

All the proposed models and the devolved amounts to each school are set out on the appendix.

Version:

COST CENTRE	SCHOOL NAME	(16) TOTAL FTE NOR Excluding nursery/sixth form	Proposal A		Proposal B		Proposal C	
			Transport	2.50	5.35	3.10 Transport	Total	
			£	£	£	£		
E0100	Almeley Primary School	69		173	369	214		214
E0101	Ashperton Primary School	160	1,744	400	856	0	1,744	1,744
E0105	Bredenbury Primary School	81	2,132	203	433	0	2,132	2,132
E0108	Brockhampton Primary School	110		275	589	341		341
E0109	St Peter's Primary School	197		493	1,054	611	0	611
E0110	Burghill Community Primary School	84	1,734	210	449	0	1,734	1,734
E0114	Clifford Primary School	62.4		156	334	193		193
E0121	Ewyas Harold Primary School	119		298	637	369		369
E0123	Garway Primary School	53		133	284	164		164
E0126	Broadlands Primary School	201		503	1,075	623		623
E0127	Hampton Dene Primary School	236		590	1,263	732		732
E0131	Lord Scudamore Primary School	571	4,039	1,428	3,055	0	4,039	4,039
E0132	Marlbrook Primary School	401		1,003	2,145	1,243		1,243
E0136	St Martin's Primary School	307		768	1,642	952		952
E0138	Trinity Primary School	565		1,413	3,023	1,752		1,752
E0140	Holme Lacy Primary School	61		153	326	189		189
E0143	King's Caple Primary School	32		80	171	99		99
E0145	Kingstone and Thruxton Primary Sch	164		410	877	508		508
E0146	Kington Primary School	191	1,938	478	1,022	0	1,938	1,938
E0148	Ledbury Primary School	451	1,744	1,128	2,413	0	1,744	1,744
E0150	Leominster Infants' School	245	3,286	613	1,311	0	3,286	3,286
E0151	Leominster Junior School	313	3,286	783	1,675	0	3,286	3,286
E0155	Longtown Community Primary Schoo	45		113	241	140		140
E0156	Lugwardine Primary School	178	1,455	445	952	0	1,455	1,455
E0157	Luston Primary School	94	3,315	235	503	0	3,315	3,315
E0158	Madley Primary School	185		463	990	574		574
E0159	Marden Primary School	83		208	444	257		257
E0160	Michaelchurch Esceley Primary Schoo	55		138	294	171		171
E0167	Peterchurch Primary School	64		160	342	198		198
E0168	Ashfield Park Primary School	295		738	1,578	915		915
E0171	Shobdon Primary School	49		123	262	152		152
E0173	Stoke Prior Primary School	78	1,163	195	417	0	1,163	1,163
E0170	St Weonard's Primary School	48		120	257	149		149
E0175	Sutton Primary School	66		165	353	205		205
E0176	Walford Primary School	175		438	936	543		543
E0177	Wellington Primary School	93	765	233	498	0	765	765
E0178	Weobley Primary School	140		350	749	434		434
E0182	Wigmore Primary School	133.8		335	716	415		415
E0183	Withington Primary School	70		175	375	217		217
E0103	Bosbury CofE Primary School	129		323	690	400		400
E0111	Burley Gate CofE Primary School	90.4		226	484	280		280
E0112	Canon Pyon CofE Primary School	77	1,773	193	412	0	1,773	1,773
E0113	Cleghonger CofE Primary School	119	969	298	637	0	969	969
E0115	Colwall CofE Primary School	168		420	899	521		521
E0117	St Mary's CofE Primary School (Cred	179	1,637	448	958	0	1,637	1,637
E0118	Dilwyn CofE Primary School	31	1,269	78	166	0	1,269	1,269
E0119	Eardisley CofE Primary School	61		153	326	189		189
E0120	Eastnor Parochial Primary School	74		185	396	229		229
E0124	Goodrich CofE Primary School	122		305	653	378		378
E0125	Gorsley Goffs Primary School	168		420	899	521		521
E0128	Holmer CofE Primary School	301		753	1,610	933		933
E0153	Little Dewchurch CofE Primary Schoo	51		128	273	158		158
E0161	Mordiford CofE Primary School	131		328	701	406		406
E0162	Much Birch CofE Primary School	192		480	1,027	595		595
E0164	Orleton CofE Primary School	200		500	1,070	620		620
E0174	Stretton Sugwas CofE Primary Schoo	106		265	567	329		329
E0180	Whitbourne CofE Primary School	49		123	262	152		152
E0102	St Michael's CofE Primary School	99.64	765	249	533	0	765	765
E0104	Brampton Abbots CofE Primary Sch	107		268	572	332		332
E0106	Bridstow CofE Primary School	94		235	503	291		291
E0116	Cradley CofE Primary School	111	1,483	278	594	0	1,483	1,483
E0122	St Mary's CofE Primary School	99		248	530	307		307
E0133	Our Lady's RC Primary School	200	1,454	500	1,070	0	1,454	1,454
E0134	St Francis Xavier's Primary School	205		513	1,097	636		636
E0135	St James CofE Primary School	207		518	1,107	642		642
E0137	St Paul's CofE Primary School	429		1,073	2,295	1,330		1,330
E0142	Kimbolton St James CofE Primary Sc	84		210	449	260		260
E0144	Kingsland CofE School	140		350	749	434		434
E0147	Lea CofE Primary School	76	969	190	407	0	969	969
E0149	Leintwardine Endowed Primary Scho	96	3,315	240	514	0	3,315	3,315
E0152	Ivington CofE Primary School	84		210	449	260		260
E0154	Llangrove CofE Primary School	46	969	115	246	0	969	969
E0163	Much Marcle CofE Primary School	101		253	540	313		313
E0165	Pembridge CofE Primary School	96		240	514	298		298
E0166	Pencombe CofE Primary School	55		138	294	171		171
E0169	St Joseph's RC Primary School	106	969	265	567	0	969	969
E0172	Staunton-On-Wye Endowed Primary	69.6	2,009	174	372	0	2,009	2,009

COST CENTRE	SCHOOL NAME	(16) TOTAL FTE NOR Excluding nursery/sixth form	Proposal A		Proposal B	Proposal C		Total
			Transport	2.50	5.35	3.10	Transport	
			£	£	£	£	£	
E0179	Weston-Under-Penyard CofE Primar	90		225	482	279		279
E0181	Whitchurch CofE Primary School	105	969	263	562	0	969	969
E0139	St Thomas Cantilupe CofE Primary S	192		480	1,027	595		595
E0185	Riverside Primary School	335		838	1,792	1,039		1,039
Steiner	Steiner Academy	0		0	0	0		0
E0300	(BROMYARD) QUEEN ELIZABETH I	297		743	1,589	921		921
E0305	HEREFORD, WHITECROSS HIGH	898		2,245	4,804	2,784		2,784
E0301	HEREFORD, AYLESTONE HIGH	760		1,900	4,066	2,356		2,356
E0306	KINGSTONE HIGH	616		1,540	3,296	1,910		1,910
E0307	KINGTON, LADY HAWKINS	416		1,040	2,226	1,290		1,290
E0309	LEOMINSTER, THE MINSTER COLI	576		1,440	3,082	1,786		1,786
E0310	PETERCHURCH, FAIRFIELD HIGH	395		988	2,113	1,225		1,225
E0312	WEOBLEY HIGH	463		1,158	2,477	1,435		1,435
E0313	WIGMORE HIGH	459		1,148	2,456	1,423		1,423
E0308	LEDBURY, THE JOHN MASEFIELD	746		1,865	3,991	2,313		2,313
E0311	ROSS-ON-WYE, THE JOHN KYRLE	1065		2,663	5,698	3,302		3,302
E0302	HEREFORD, BISHOP OF HEREOF	1181		2,953	6,318	3,661		3,661
E0304	HEREFORD, ST MARY'S R.C. HIGH	690.5		1,726	3,694	2,141		2,141
E0400	HEREFORD ACADEMY	0		0	0	0		0
E0500	BARRS COURT SPECIAL	80	1,130	200	428	0	1,130	1,130
E0501	BLACKMARSTON SPECIAL	56		140	300	174		174
E0502	WESTFIELD SPECIAL	30	1,163	75	161	0	1,163	1,163
E0503	THE BROOKFIELD SPECIAL	65		163	348	202		202
E0700	ACONBURY CENTRE PRU	13		33	70	40		40
E0701	ST. DAVIDS PRU	27		68	144	84		84
E0702	THE PRIORY PRU	19	1,163	48	102	0	1,163	1,163
		21440.34	48,607	52,133	111,565	52,297	48,607	100,905



<b>MEETING:</b>	<b>SCHOOLS FORUM</b>
<b>DATE:</b>	<b>9 JULY 2010</b>
<b>TITLE OF REPORT:</b>	<b>DEDICATED SCHOOLS GRANT</b>
<b>OFFICER;</b>	<b>SCHOOLS FINANCE MANAGER</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

To inform Schools Forum of the final Dedicated Schools Grant (DSG) for 2010/11 and the Outturn for 2009/10 .

### **Key Decision**

This is not a Key Decision.

### **Recommendation(s)**

**THAT Schools Forum:**

- (a) to note the final DSG settlement and the increase of 3.5% in the Individual Schools Budget;
- (b) to comment on the Section 251 Budget Statement as appropriate.
- (c) to retain the 2009/10 DSG underspend of £128k to help meet the forecast overspends in out county placements and school business rates.

### **Key Points Summary**

- The Individual Schools Budget (ISB) is the amount distributed direct to schools and has increased overall by 3.5%. Primary budgets have increased by 3.2%, high school budgets by 3.6% and special school budgets by 5.8%.
- The total 2009/10 DSG underspend is : £727k comprising of
  - Prior commitments of
    - £186k for rates rebates which Forum has already agreed to distribute to schools over the three years from April 2010

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

- £413k which is the balance of the 2008/09 underspend allocated to schools over three years and yet to be drawn down.
- An underspend of £128k in 2009/10 on central expenditure

## Alternative Options

- 1 No alternative options or projects have been identified at this stage. Schools Forum can propose initiatives to be developed and considered alongside those identified in this report.

## Reasons for Recommendations

- 2 The recommendations seek to ensure considered decisions for the use of the Dedicated Schools Grant underspend from 2009/2010.

## Introduction and Background

- 3 The report provides a full breakdown of the DSG carry-forward balances from 2009/10. It also updates Schools Forum on the final amount of DSG for 2010/11 and provides some background information on the school budgets for 2011/12 and 2012/13.
- 4 The report is in two parts as follows;
  - A The Budget 2010/11
  - B The DSG Outturn for 2009/10

## Key Considerations

### A. The Budget 2010/11

- 5 Three year budgets (final for 2010/11 and draft for 2011/12 and 2012/13) have been completed and issued to schools. The Section 251 Education Budget Statement has been completed for financial year 2010/2011 and submitted to the Department for Children, Schools and Families (DCSF) prior to the deadline of 30<sup>th</sup> April 2010. Full details of all the Section 251 (previously section 52) tables will be published on the Council's website. Table 1 setting out an overview of school and central expenditure is attached as Appendix 1. Of particular note is the deprivation annex which indicates an 82% achievement against the 100% target for passing deprivation funding through to schools. This is a significant increase on the 49% in 2007/08 and meets the Department for Education (DfE) target of 80% by 2010/11. Further work is in hand through the Budget Working Group to meet the requirement for 100% of deprivation funding to be passed through to schools by 2014/15.
- 6 The Schools Budget is based on pupil numbers of 22,561.6 and a Dedicated Schools Grant of £90.294m. Recoupment for the Hereford Academy is expected to be £2.987m including a deduction of £136k for LA services (but excluding bands 3 & 4 which are paid to the Academy by the Council from DSG). SEN banded funding costs for the Steiner Academy are expected to be £28k compared to a budget allocation of £32k within DSG.
- 7 School budgets have been calculated on the following pupil numbers (excluding nurseries and sixth forms but including Hereford Academy).



Pupil Numbers	2010/11	2009/10	Difference	%
Primary	12,001	12,119	-118	-1.0%
High	9,209	9,266	-57	-0.6%
Special	231	219	+12	+5.5%
Total	21,441	21,604	-163	-0.75%

8. Confirmation of the final grant allocation for DSG and final pupil numbers are still awaited from the DfE and is expected prior to the 9<sup>th</sup> July.
9. The Individual Schools Budget (ISB) is the amount distributed direct to schools and has increased overall by 3.5%. Primary budgets have increased by 3.2%, high school budgets by 3.6% and special school budgets by 5.8%. The overall ISB increase of 3.5% compares favourably with the expected cash increase of 3.1% although in reality schools will use any budget increase to meet the extra costs incurred by Key Stage 1 class size funding, banded funding, free school meals and upper pay scale teachers. The DSG increase per pupil is 4.5% however the cash increase is 3.1% compared with the latest Consumer Prices Index published in April 2010 at 3.7%. Due to falling pupil numbers almost half our schools received budgets of less than 2.3% teachers' pay inflation and considerably less than general inflation as measured by the Consumer Price Index.
10. Indicative funding increases for 2011/12 and 2012/13 based on current inflation assumptions and DfE estimates of cost pressures published prior to the general election are set out below. It is likely that the Minimum Funding Guarantee will be set at 1% and that all schools will be expected to have to find 0.9% efficiency savings. Announcements on DSG funding allocations are not due until the autumn however it is clear that all schools face a much tighter settlement and that for schools with falling rolls budget reductions will be inevitable.

	2010-11	2011-12	2012-13	Average
Increase per pupil	4.3%	1.9%	2.3%	2.1%
Cost pressures	3.1%	1.9%	1.3%	1.6%

Table: DfE published Indicative DSG increases and cost pressures

11. Due to increasing numbers of out county placements within the Joint Agency Management budget for children with complex medical, social and educational needs an £248k overspend in the cost allocated to DSG is forecast in 10/11. Additionally, revaluations of school business rates (after school budgets had been issued) has resulted in increased costs of £198k. It is proposed that the £128k under spend in DSG from 2009/10 is retained to help meet these unexpected costs.

## **B. DSG Outturn 2009/10**

12. DfE have confirmed DSG at £84.526 million for 2009/10 following the agreement of a late

reduction in recoupment costs of £7k for the Hereford Academy.

- 13 School balances of £5,497k have been carried forward to the new financial year – this is an increase of £21k from the previous year. Primary school balances are £2,882k (a net reduction of £54k), high school balances are £1,853k (a net reduction of £139k), special school balances are £179k (a net increase of £115k). Pupil Referral Units and Extended schools account for the remaining increase of £99k. At the end of 2009/10 six schools were in deficit and the total deficit was £233k compared previously with 6 schools and a total deficit of £262k at the end of 2008/09. Recovery plans will be agreed with those schools newly entering a deficit position
14. As required by DSG grant regulations, an underspend of £727k has been carried forward to 2010/11. This comprises
- Prior commitments of £186k for rates rebates which Schools Forum agreed would be distributed to schools over the three year period from April 2010,
  - Prior commitments of £413k which is the balance of the 2008/09 underspend yet to be drawn down by schools over the agreed three year period.
  - £128k representing the actual underspend on central DSG services in 2009/10. The main year end variances in central DSG funded services are as follows:

<b>Over spends</b>	<b>Amount</b>	<b>Reason</b>
Banded Funding - Primary	£121k	Increased applications for Bands 3 & 4
Inter Authority recoupment	£170k	reduced numbers of pupils from other authorities in Herefordshire schools
<b>Underspends</b>		
Early Years	£117k	offsetting Sure start grant at year end
Out of County placements	£139k	underspends on Joint Agency Management of places (with the PCT) (£87k) and education placements (£52k)
SEN support services	£99k	staffing vacancies
LEA Pool	£55k	savings following closure of the pool

- 15 As set out in paragraph 11 above it is proposed to retain the underspend of £128k to help meet the additional cost of out county placements and school business rates revaluations. The schools funding formula requires that schools are allocated additional budget to meet any in-year increases in rates. The legal agreement with the Primary Care Trust (PCT) for out county placements requires overspends to be shared in proportion to the budget i.e. 3/7<sup>th</sup> to DSG, 3/7<sup>th</sup> to the local authority and 1/7<sup>th</sup> to the PCT.
- 16 Additionally, £70k was carried forward for Governor Services and a deficit of £160k for the Music Services. The Music Service is currently identifying a recovery plan to address the

deficit. The recovery plan includes offering group tuition, increasing prices to schools and selling surplus instruments.

### **Community Impact**

17 No direct impact

### **Financial Implications**

18 As set out in the report. The allocation of DSG carry forward to one-off projects will have no impact on future year's allocation of DSG.

### **Legal Implications**

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

### **Risk Management**

20 A recovery plan for the music service must be implemented to ensure a recurrent balanced budget is in place by 31<sup>st</sup> March 2011

### **Appendices**

Section 251 Budget Statement 2010/11

### **Background Papers**

None



**TABLE 1: FUNDING PERIOD 3 (2010-11)**

**Children, Schools and Families Financial Data Collection**

**Table 1 - Local Authority Information**

<b>Year</b>	2010-11	<b>Local Authority Name</b>	Herefordshire	<b>Local</b>	884	<b>Email Address</b>	<a href="mailto:ldevlin@herefordshire.gov.uk">ldevlin@herefordshire.gov.uk</a>
<b>Contact</b>	Louise Devlin	<b>Tel No.</b>	01432 261859	<b>Version No.</b>	3	<b>Completion Date</b>	09/06/2010

**1 SCHOOLS BUDGET**

- 1.0.1 Individual Schools Budget
- 1.0.2 School Standards Grant - Maintained Schools
- 1.0.3 School Standards Grant - Pupil Referral Units
- 1.0.4 School Standards Grant (Personalisation) - Maintained Schools
- 1.0.5 School Standards Grant (Personalisation) - Pupil Referral Units
- 1.0.6 School Development Grant
- 1.0.7 Other Standards Fund Allocation - Devolved
- 1.0.8 Threshold and Performance Pay (Devolved)
- 1.0.9 Expenditure on the Free Entitlement in PVI providers (funded by the LA)
- 1.0.10 Central expenditure on education of children under 5

	Early Years (a)	Primary (b)	Secondary (c)	Special (d)	Gross (e)	Income (f)	Net (g)
	0	40,023,175	37,399,179	4,006,026	81,428,380		81,428,380
	0	2,537,407	1,513,499	164,572	4,215,478	4,215,478	0
	0	0	48,388	0	48,388	48,388	0
		295,947	570,912	21,284	888,143	888,143	0
		0	5,427	0	5,427	5,427	0
	0	3,555,895	3,221,627	397,383	7,174,905	7,174,905	0
	0	87,178	346,376	16,610	450,164	450,164	0
	0	0	0	0	0		0
	2,913,300				2,913,300	0	2,913,300
	478,900	0	0	0	478,900	0	478,900
	0	0	0	0	0	0	0
	0	87,731	115,903	9,139	212,773	0	212,773
	30,838	0	0	0	30,838	0	30,838
	0	264,981	273,390	0	538,371	0	538,371
	0	740,702	568,754	13,227	1,322,683	0	1,322,683
	0	200,639	189,879	21,974	412,492	0	412,492
	0	0	352,361	1,294,982	1,647,343	292,571	1,354,772
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	26,022	173,291	158,225	357,538	263,464	94,074
	0	0	0	0	0	0	0
	0	0	897,628	0	897,628	0	897,628
	0	26,496	26,025	2,760	55,281	0	55,281
	0	101,238	88,171	12,319	201,728	0	201,728
			0	0	0	0	0
	0	0		0	0	0	0
	0	9,251	7,103	166	16,520	0	16,520
	0	0		0	0	0	0
	0	0		0	0	0	0
	0	0	0	0	0	0	0
	0	3,513	0	0	3,513	0	3,513
	0	101,446	77,896	1,812	181,154	0	181,154
	0	9,022	6,928	161	16,111	0	16,111
	0	22,761	0	0	22,761	0	22,761
	0	2,553	2,500	266	5,319	0	5,319
	0	19,803	15,206	353	35,362	0	35,362
	0	0	0	0	0	0	0

1.5.9 Termination of employment costs

0	0	0	0	0	0	0
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1.6.1 School Development Grant - Non-Devolved

0	0	0	0	0	0	0
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1.6.2 Other Standards Fund Allocation - Non-Devolved

1,182,557	2,081,402	968,236	45,071	4,277,266	4,277,266	0
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1.6.3 Other Specific Grants

0	0	0	0	0	0	0
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1.6.4 Performance Reward Grant

0	0	0	0	0		0
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1.7.1 Capital Expenditure from Revenue (CERA) (Schools)

0	0	0	0	0	0	0
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1.7.2 Prudential borrowing costs

0	0	0	0	0	0	0
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1.8.1 **TOTAL SCHOOLS BUDGET**

4,605,595	50,197,162	46,868,679	6,166,330	107,837,766	17,615,806	90,221,960
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**2 OTHER EDUCATION AND COMMUNITY BUDGET****SPECIAL EDUCATION**

2.0.1 Educational Psychology Service

464,401	0	464,401
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2.0.2 SEN administration, assessment and co-ordination

379,073	0	379,073
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2.0.3 Therapies and other health related services

0	0	0
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2.0.4 Parent partnership, guidance and information

51,362	0	51,362
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2.0.5 Monitoring of SEN provision

26,276	0	26,276
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2.0.6 **Total Special Education**

921,112	0	921,112
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**Learner Support**

2.1.1 Excluded pupils

0	0	0
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2.1.2 Pupil support

0	2,386	2,336	249	4,971	0	4,971
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2.1.3 Home to school transport: SEN transport expenditure

0	0	0	0	0	0	0
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2.1.4 Home to school transport: other home to school transport expenditure

0	222,587	217,950	23,186	463,723	0	463,723
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2.1.5 Home to post-16 provision transport: SEN/ LLDD transport expenditure (aged 16-18)

0	0	0	0	0	0	0
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2.1.6 Home to post-16 provision transport: SEN/ LLDD transport expenditure (aged 19-25)

0	0	0	0	0	0	0
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2.1.7 Home to post-16 provision transport: other home to post - 16 transport expenditure

4,823,166	0	4,823,166
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2.1.8 Education Welfare Service

227,679	0	227,679
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2.1.9 School improvement

1,139,728	0	1,139,728
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2.1.10 **Total Learner Support**

6,659,267	0	6,659,267
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**ACCESS**

2.2.1 Asset management - education

756,743	0	756,743
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2.2.2 Supply of school places

0	0	0
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2.2.3 Music services (not Standards Fund supported)

0	0	0
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2.2.4 Visual and performing arts (other than music)

25,380	0	25,380
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2.2.5 Outdoor Education including Environmental and Field Studies (not sports)

0	0	0
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2.2.6 **Total Access**

782,123	0	782,123
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**3 YOUNG PEOPLE'S LEARNING AND DEVELOPMENT**

3.0.1 16 - 18 Further education

0	0	0	0	0
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3.0.2 16 - 18 Provision other than schools and FE

0	0	0	0	0
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3.0.3 14 - 19 Reform

6,276	0	6,276	0	6,276
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3.0.4 **Total Young people's learning and development**

6,276	0	6,276	0	6,276
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3.1.1 **Capital Expenditure from Revenue (CERA) (Young people's learning and development)**

0	0	0	0	0
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**Services for young people**

3.2.1 Positive activities for young people

90,961	0	90,961
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3.2.2 Youth Work

1,135,083	0	1,135,083
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3.2.3 Connexions

0	0	0
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3.2.4 Discretionary Awards

0	0	0
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3.2.5 Student Support under new Arrangements and Mandatory Awards

84,720	0	84,720
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3.2.6 **Total Services for young people**

1,310,764	0	1,310,764
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3.3.1 Capital Expenditure from Revenue (CERA) (Services for young people)

0	0	0
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**4 Adult and Community**

4.0.1 Adult and Community learning

0	0	0
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**4.0.2 Total Adult and Community Learning**

0	0	0
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**4.1.1 Capital Expenditure from Revenue (CERA) (Adult & Community)**

0	0	0
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**5 YOUTH JUSTICE**

5.0.1 Secure accommodation (youth justice)

0	0	0
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5.0.2 Youth Offender Teams

351,682	0	351,682
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5.0.3 Other Youth Justice Services

0	0	0
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**5.0.4 Total Youth Justice**

351,682	0	351,682
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**6 CHILDREN'S AND YOUNG PEOPLE'S SERVICES**

**Children Looked After**

6.0.1 Residential care

2,922,480	0	2,922,480
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6.0.2 Fostering services

2,914,806	0	2,914,806
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6.0.3 Other children looked after services

369,436	0	369,436
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6.0.4 Secure accommodation (welfare)

14,170	0	14,170
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6.0.5 Short breaks (respite) for looked after disabled children

34,730	0	34,730
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6.0.6 Children placed with family and friends

155,180	0	155,180
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6.0.7 Advocacy services for children looked after

38,060	0	38,060
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6.0.8 Education of looked after children

0	76,824	75,224	8,003	160,051	0	160,051
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6.0.9 Leaving care support services

215,110	0	215,110
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6.0.10 Asylum seeker services - children

0	0	0
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6.0.11 Unaccompanied asylum children: assessment and case management

0	0	0
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6.0.12 Unaccompanied asylum children: accommodation

0	0	0
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**6.0.13 Total Children Looked After**

6,824,023	0	6,824,023
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**Children and Young People's Safety**

6.1.1 Child death review processes

0	0	0
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6.1.2 Preventative services (formerly the children's fund)

0	0	0
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6.1.3 LA functions in relation to child protection

0	0	0
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6.1.4 Local safeguarding children's board

97,700	0	97,700
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**6.1.5 Total Children and Young People's Safety**

97,700	0	97,700
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**Family Support Services**

6.2.1 Direct payments

60,280	0	60,280
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6.2.2 Short breaks (respite) for disabled children

210,000	0	210,000
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6.2.3 Home care services

0	0	0
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6.2.4 Equipment and adaptations

0	0	0
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6.2.5 Other family support services

1,273,086	0	1,273,086
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6.2.6 Substance misuse services (Drugs, Alcohol and Volatile substances)

0	0	0
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6.2.7 Contribution to health care of individual children

0	0	0
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6.2.8 Teenage pregnancy services

0	0	0
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**6.2.9 Total Family Support Services**

1,543,366	0	1,543,366
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**Other Children's and Families Services**

6.3.1 Adoption services

786,296	0	786,296
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6.3.2 Special guardianship support

72,140	0	72,140
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6.3.3 Other children's and families services

197,880	0	197,880
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**6.3.4 Total Other Children's and Families Services**

1,056,316	0	1,056,316
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**Children's Services Strategy**

6.4.1 Children's and young people's plan

251,309	0	251,309
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6.4.2 Partnership costs	0	0	0
6.4.3 Central commissioning function	4,583,553	0	4,583,553
6.4.4 Commissioning and social work	23,500	0	23,500
<b>6.4.5 Total Children's Services Strategy</b>	<b>4,858,362</b>	<b>0</b>	<b>4,858,362</b>

<b>6.5.1 Capital Expenditure from Revenue (CERA) (Children's and young people's services)</b>	<b>0</b>	<b>0</b>	<b>0</b>
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### 7 Local Authority Education Functions

7.0.1 Statutory / Regulatory Duties	611,717	0	611,717
7.0.2 Premature retirement costs / Redundancy costs	649,500	0	649,500
7.0.3 Existing Early Retirement Costs (commitments entered into by 31/3/99)	0	0	0
7.0.4 Residual pension liability (e.g. FE, Careers Service, etc.)	0	0	0
7.0.5 Joint use arrangements	0	0	0
7.0.6 Insurance	0	0	0
7.0.7 Monitoring national curriculum assessment	0	0	0
<b>7.0.8 Total Local Authority Education Functions</b>	<b>1,261,217</b>	<b>0</b>	<b>1,261,217</b>

#### Specific Grants

7.1.1 School Development Grant - non-devolved	82,000	82,000	0
7.1.2 Other Standards Fund Allocation - non-devolved	0	0	0
7.1.3 Other Specific Grant	0	0	0
<b>7.1.4 Total Specific Grants</b>	<b>82,000</b>	<b>82,000</b>	<b>0</b>

<b>7.2.1 Capital Expenditure from Revenue (CERA) (LA Education Functions)</b>	<b>0</b>	<b>0</b>	<b>0</b>
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<b>8.1.1 Total Schools Budget, Special Education, Learner Support, Access, Young People's Learning and Development, Services for Young People and Adult</b>	<b>117,517,308</b>	<b>17,615,806</b>	<b>99,901,502</b>
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<b>8.1.2 Total Youth Justice, Children and Young People's Services Budget (including CERA) (lines 5.0.4 + 6.0.13 + 6.1.5 + 6.2.9 + 6.3.4 + 6.4.5 + 6.5.1)</b>	<b>14,731,449</b>	<b>0</b>	<b>14,731,449</b>
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<b>8.1.3 Total LA Education Functions Budget (Including CERA) plus (Lines 7.0.8 + 7.1.4 + 7.2.1)</b>	<b>1,343,217</b>	<b>82,000</b>	<b>1,261,217</b>
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<b>9 Total Education, Young People's Learning and Development, Services for Young People and Adult and Community Budget, Youth Justice, Children and</b>	<b>133,591,974</b>	<b>17,697,806</b>	<b>115,894,168</b>
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<b>10 Capital Expenditure (excluding CERA)</b>	<b>0</b>	<b>1,830,132</b>	<b>938,129</b>	<b>76,643</b>	<b>2,844,904</b>	<b>2,844,904</b>	<b>0</b>
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#### MEMORANDUM ITEMS

##### 11 Expenditure covered by YPLA Grant - Include below the part of the expenditure recorded in individual lines in the Schools budget that is supported by the YPLA

11a.1 SIXTH FORM - YPLA allocation for 16+ funding for secondary schools (included in expenditure 1.0.1 column (c))	2,411,433		2,411,433	2,411,433	0
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11a.2 SIXTH FORM - YPLA allocation for 16+ funding for special schools (included in expenditure 1.0.1 column (d))		0	0	0	0
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11b.1 SIXTH FORM – Element included at lines 1.2.1 and 1.2.2 above for pupils with SEN (including assigned resources)	0	0	0	0	0
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11b.2 SIXTH FORM – Element included at 1.2.4 above for pupils at independent special schools and abroad	352,361	0	352,361	352,361	0
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11b.3 SIXTH FORM – Element included at 1.2.6 above for pupils at independent schools (without SEN)	0	0	0	0	0
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11c.1 YPLA Threshold and Performance Pay Costs (included in expenditure at 1.0.1 columns c and d)	120,518	0	120,518	120,518	0
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11c.2 YPLA Threshold and Performance Pay Costs (included in expenditure at 1.0.8 columns c and d)	0	0	0	0	0
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##### 12 Expenditure on Positive activities for young people

12a.1 Positive Activities controlled or shaped by young people - element included at line 3.2.1 above	0	0	0
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12a.2 Positive Activities for young people on Friday and Saturday nights - element included at line 3.2.1 above	0	0	0
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## SOCIAL DEPRIVATION FUNDING CALCULATOR

## Appendix 2

Authority	Year	Number
Herefordshire	2010/11	884

Indicative DSG 2010/11	Primary Schools = 1	81
88,979,000	Secondary Schools = 2.4	14

LA deprivation %
Primary & Nursery eligible FSM
Secondary eligible FSM
Other Authority measure (optional)

Deprivation	Target
%	6,618,391
7.44%	

Formula factor	£ total delegated		2010/11	£	2007/08	£
Free School Meal Provision and Eligibility				Totals	2007/08	Totals
1	Provision of FSM - Primary	501,936	100%	501,936	100%	285,861
2	Provision of FSM - High	274,074	100%	274,074	100%	197,125
3	Free School Meals (1.4.2)	16,520	100%	16,520	100%	18,744
4	Provision of FSM - Special	22,751	100%	22,751	0%	-
Total				815,281	Total	501,730
Social Deprivation / Social Inclusion						
5	Primary	1,364,344	100%	1,364,344	100%	428,846
6	High	1,098,232	100%	1,098,232	100%	752,425
8	Special Schools	41,094	100%	41,094	0%	
Total				2,503,670	Total	1,181,271
9	SEN					
10	SEN - Banded Funding Primary	751,515	100%	751,515	100%	416,061
11	SEN - Banded Funding High	569,582	100%	569,582	100%	320,609
12	SEN - Band 3 & 4 Primary	625,992	22%	137,718	22%	
13	SEN - Band 3 & 4 High	753,226	22%	165,710	22%	
Total				1,624,525	Total	736,670
Behaviour / Learning Support						
26	Behaviour Support Services (1.3.2)	55,281	18%	9,951	11%	13,494
Asst Hds (calc based on schools * L8 or L13/21 + on costs)						
33	Asst Heads/School Management	403,740	100%	403,740	100%	462,629
Nursery / Other						
36	PVI/ school nursery classes	2,944,000	1%	19,041	0%	-
<b>TOTAL</b>				<b>5,376,208</b>		<b>2,895,794</b>

% of funding allocated for deprived pupils directed towards deprived pupils

81%

49%



<b>MEETING:</b>	<b>SCHOOLS FORUM</b>
<b>DATE:</b>	<b>9 JULY 2010</b>
<b>TITLE OF REPORT:</b>	<b>PROPOSED PROCEDURE FOR APPROVING TRANSFER OF REVENUE BALANCES TO CAPITAL</b>
<b>OFFICER:</b>	<b>HEAD OF ACCESS &amp; CAPITAL COMMISSIONING</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

To seek endorsement of the proposed process for the transfer of schools' revenue budgets to capital.

### **Key Decision**

This is not a Key Decision.

### **Recommendation(s)**

**THAT the Schools Forum:**

- (a) **Endorse the proposed process, detailed in paragraph 11, to be applied for all categories of school seeking to transfer revenue funds to capital.**

### **Key Points Summary**

- Currently, schools may transfer revenue funds to capital without restriction.
- The Schools Forum has expressed concern that this allows schools to avoid claw-back of revenue funds
- This paper provides a proposed process and criteria for ensuring that transfers from revenue to capital are only made in respect of specific and approved capital schemes.

### **Alternative Options**

- 1 The recommendation proposes a number of criteria which must be met if the transfer of funds from revenue to capital is to be approved. The observations of Schools Forum on these criteria will be welcome together with any proposal to amend, delete or add to the criteria.

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Further information on the subject of this report is available from  
Rob Reid, Head of Access & Capital Commissioning on (01432) 260920

## Reasons for Recommendations

- 2 The recommendation will ensure that revenue funds are only transferred to capital in order to fund specific capital schemes, approved by the Local Authority (and where relevant the appropriate diocese) as an essential means of delivering the specific capital scheme and within a reasonable time frame.

## Introduction and Background

- 3 At its meeting on 23 February 2010 the Schools Forum accepted a recommendation from the Budget Working Party that revenue balances must only be transferred to capital where a capital plan has been approved by the local authority, or in the case of Voluntary Aided schools, the Locally Coordinated Voluntary Aided Programme Committee. The Forum requested a report to its July 2010 meeting to show how this will be implemented and monitored.

## Key Considerations

- 4 The recommendation endorsed by the Schools Forum - that revenue balances must only be transferred to capital where a capital plan has been approved by the local authority, or in the case of Voluntary Aided schools, the Locally Coordinated Voluntary Aided Programme Committee – is a response to a concern that schools have been able to transfer revenue to capital in order to avoid claw-back of revenue funding.
- 5 The conditions which must apply to a request to transfer revenue funding to capital must be clear, objective and achievable.
- 6 The Local Authority is the strategic commissioner of school places and through its suitability, sufficiency and condition assessments it seeks to ensure that capital investment priorities in these areas are addressed in partnership with schools through the use of schools' devolved formula capital, Local Authority held capital funds and external funding sources where available.
- 7 Since all school building schemes will have an impact on the suitability assessment for a school and possibly the sufficiency and condition assessment, all schools are required to inform the Children & Young People's Directorate Capital Commissioning and Planning Team of capital building schemes which they are planning.
- 8 The Capital Commissioning & Planning Team therefore has an overview of all capital schemes which are planned in schools. Depending on the status of the school, the school may also be required to inform the trustees of the school building, for example, the relevant diocese in the case of Voluntary Aided Schools.
- 9 The Capital Commissioning Team is in a unique position in terms of being aware of proposed school building schemes and of being involved as those schemes progress to ensure that, in particular, suitability assessments are updated. This applies to all categories of schools. The team is also becoming increasingly involved in advising and supporting schools on delivering capital schemes.
- 10 It is proposed that the Local Authority use this unique position of the Capital Commissioning and Planning Team to provide the following information upon which to determine whether a school's revenue funds may be transferred to capital.

- 11 Proposed process for a school to apply to transfer revenue funds to capital:
- a. A request to transfer funds from revenue to capital must be accompanied with specific details of the capital scheme which the funding will be spent on.
  - b. The transfer will only be effected upon confirmation by the Capital Commissioning and Planning Team that:
    - i. The capital scheme(s) identified is/are supported by the Local Authority and, in the case of Voluntary Aided schools, the appropriate diocese.
    - ii. The capital scheme(s) is/are identified as priority(ies) work, to be undertaken within 3 years, in the school's development plan, or the school's asset management plan where one exists.
    - iii. The capital scheme(s) identified fall into one or more of the following categories:
      1. To address a suitability assessment category A (cannot deliver curriculum) or B (adverse impact on delivery of the curriculum) issue.
      2. To address a safeguarding issue.
      3. To address a condition survey Priority 1 item (urgent work that will prevent immediate closure of premises and/or address an immediate high risk to the health and safety of occupants and/or remedy a serious breach of legislation) or a Priority 2 item (essential work required within two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to the health and safety of occupants and/or remedy a less serious breach of legislation).
    - iv. The funds are essential in order to finance all or part of the identified capital scheme(s). That is, the capital scheme(s) cannot be delivered without the use of the revenue funding
    - v. With the exception of capital schemes which address issues identified in (iii) above, the revenue contribution to any individual capital scheme shall not exceed 50% of the cost of the scheme.
    - vi. The Capital Commissioning and Planning Team will monitor the use of the transferred revenue funding and the timescale in which it is used.
    - vii. If required, the Capital Commissioning & Planning Team will provide an annual report to Schools Forum on the requests that have met the criteria and been approved and on the subsequent use of those funds in delivering the approved capital schemes.

## Community Impact

- 12 Capital investment in schools has wide ranging community impacts, benefiting children and young people and their families across Herefordshire. The transfer of revenue funding to capital as an essential means of financing a capital scheme will help to realise such benefits.

## **Financial Implications**

- 13 The use of revenue funding to support capital schemes that are supported by the Local Authority or Locally Coordinated Voluntary Aided Programme Committee will increase the number of capital schemes that can be afforded and achieved.
- 14 Revenue balances will not be transferred to capital unless there is a scheme which is supported by the Local Authority or Locally Coordinated Voluntary Aided Programme Committee.

## **Legal Implications**

- 15 None identified

## **Risk Management**

- 16 No risks identified

## **Consultees**

- 18 None

## **Appendices**

- 19 None

## **Background Papers**

Report of Budget Working Party, 22 January 2010, as considered at Schools Forum on 23 February 2010.



<b>MEETING:</b>	<b>SCHOOLS FORUM</b>
<b>DATE:</b>	<b>9 JULY 2010</b>
<b>TITLE OF REPORT:</b>	<b>PROPOSAL TO FUND REQUIREMENT FOR 25 HOURS SHORT STAY/PRU PROVISION</b>
<b>OFFICER:</b>	<b>HEAD OF ADDITIONAL NEEDS</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

To endorse recommendations to fund the requirement to provide pupils at Pupil Referral Units (PRUs) with 25 hours of provision

### **Key Decision**

This is not a Key Decision.

### **Recommendation**

**THAT (Schools Forum):**

- (a) endorses the proposal to charge secondary schools £8,700 per PRU place in order to fund the legal requirement to provide pupils at Pupil Referral Units with 25 hours of education from September 2010. This would apply only to those requiring a PRU place and would be a one-off payment;
- (b) endorses the proposal to charge secondary schools £8,700 per PRU intervention place on a pro-rata basis in order to be able to fund KS4 intervention (as a proportion of the academic year that it is required); and,
- (c) endorses the proposal to charge all schools £5,000 for each pupil needing alternative short-term schooling on medical grounds on a pro-rata basis in order to fund the legal requirement to provide pupils with 25 hours of education from September 2010 (as a proportion of the academic year that it is required).

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Further information on the subject of this report is available from  
Les Knight – Head of Additional Needs on (01432) 261724 ([lknight1@herefordshire.gov.uk](mailto:lknight1@herefordshire.gov.uk))

## Key Points Summary

- There will be a requirement to offer pupils at Pupil Referral Units (PRUs) 25 hours of educational provision with effect from 1st September 2010 (Education and Inspections Act 2006). This applies to students admitted as the result of an exclusion or those unable to attend school on medical grounds (Children, Schools and Families Act 2010).
- In order to fund the additional hours, additional resource needs to be identified. Demand for the services of the PRUs varies considerably from school to school (See Appendix A). It is therefore considered appropriate to seek support for the additional resource from the heaviest users. This gives a balance between support for the PRUs from all schools through DSG and a 'top up' in proportion to actual use.
- Herefordshire does not currently offer PRU intervention places at KS4. This is seen as a gap in the continuum of provision. Resource also needs to be identified to provide this.

## Alternative Options

- 1 There are two further options that the charge in recommendation (a) above should:
  - a. Continue until the pupil leaves the PRU system as an annual charge. This would result in a gradual reduction in the DSG funding over time; and/or
  - b. Should also follow a pupil to their new secondary school if they are permanently excluded and are admitted to a different Herefordshire School.
- 2 If recommendation (a) is not accepted, the number of places would need to be reduced to take account of the additional time requirement. (See Appendix A).
- 3 A further alternative would be to commission (b) and/or (c) from one of the school-based intervention centres funded by charging as above or top-sliced from DSG.

## Reasons for Recommendations

4. There will be a requirement to offer pupils at Pupil Referral Units (PRUs) 25 hours of provision with effect from 1st September 2010. This applies to students admitted as the result of a permanent exclusion or on medical grounds placed in PRUs or with the Hospital and Home Teaching Service.
5. Present projections suggest that the level of permanent exclusion has been stable for the past 3 years. Comparative information demonstrates that Herefordshire shows lower levels of permanent exclusion compared to the average of its statistical neighbours and the average for England (see Appendix B). Having considered a range of factors, including the use of appropriate alternative educational packages and the impact of the new School-based Intervention Centres in our secondary schools, it is predicted that demand for places will remain at the current level in the medium term.
6. In order to deliver the 25 hours of education in the future, it will be necessary to reduce the number of PRU places if there is no additional resource provided. There is a risk that

demand will not be met. This could result in more expensive specialist provision being needed in a reactive way.

7. The lack of PRU intervention places in KS4 is seen as a gap in the County's provision. There is recognition that for some students in Yr 10, off-site provision away from the school site, yet prior to permanent exclusion might be a helpful addition to the range of interventions already available. This might, in some cases, be successful in preventing permanent exclusion.

## **Introduction and Background**

8. Herefordshire has recently been successful in addressing the needs of excluded pupils and continues to make progress (See Appendix B and most recent CYPD RADAR Report for DLT – June 2010). Two of the LA's three PRUs have been graded as Outstanding in their most recent Ofsted Inspections (Aconbury and St David's, both in Hereford). The Brookfield Special School and Specialist College that works with Behavioural, Emotional and Social Difficulties (BESD) is also graded as outstanding.
9. Legislative change and the issuing of new or revised guidance within this specialist area of working with children with BESD continue to be a feature. The Steer Report (2009), the re-naming of PRUs as 'short stay schools' within the Apprenticeships, Skills, Children And Learning Act (2009) and the changes to the Ofsted Framework are key elements within this picture of change. The recent change in National Government is also likely to have an impact. If Herefordshire is to consolidate its successes in this field, it needs to be able to respond flexibly to these new challenges.
10. A review of the County Behaviour and Attendance Strategy is being carried out alongside this work. This is to ensure that the review of PRU Provision is carried out in the wider context of the entire behaviour and attendance system (Appendix C) illustrates the elements within this system). Best practice suggests that this needs to consist of several layers of 'in school' intervention before the school seeks the support of the LA in addressing the needs of this cohort of young people. This work has been supported by Dave Smith, the School Improvement Partner (SIP) for the BESD settings in Herefordshire. He has more than 15 years of experience of inspecting BESD settings and works with many LAs nationally on this work. This is helpful in gaining the wider picture.
11. Each of Herefordshire's secondary schools has been allocated funding to create an Intervention Centre as part of the School-based Intervention Project following a successful bid to the DCSF in 2008. These centres are designed to cover a wide range of needs including BESD. These centres do have an important role to play in preventing exclusion. To date, three of these centres have opened at John Masefield High School, John Kyrle High School and Aylestone High School.
12. A request from the Budget Working Group was made to Schools Forum in February to introduce charges to provide the additional funding to cover the 25 hours and the 2011/12 budget shortfall of £58,500 be considered further. The existing PRU funding is provided from within DSG at the level shown in Appendix A. The request for the additional funding was deferred and the Forum requested that a further paper should be provided with consideration being made for charging those schools that permanently exclude. There was also the request that additional background information be made available to allow

fuller consideration of the topic. This paper aims to provide both of these requirements.

## Key Considerations

13. The number of permanent exclusions was reduced from 23 in 2006/7 to 17 2007/8 and has remained at this level since then. It is likely that the final figure for 2009/10 will be similar.
14. If the level of permanent exclusion remains at this level, £156,000 would be required to provide the 25 hours of education and to maintain the current number of places. The calculations for this were presented to the February Schools Forum (p. 51 of the papers). To generate this additional resource, it would require a charge of £8,700 for each pupil requiring a PRU place (based on 18 places). Permanently excluded pupils who are found a place at an alternative secondary school following admission to the PRU could have the funding transferred on to the new school if option 1b is agreed.
15. The principle of charging to generate this additional resource is considered by many to be a fair one. Historically, there has been considerable variation in the numbers of PRU places required by different schools (see Appendix A). This proposal strikes a balance between support for the PRU system from overall school funding via DSG and charging related to usage as suggested in this paper.
16. The suggested charges are considered to be proportionate. Delegated SEN funding for band 1 and 2 pupils would contribute a proportion of the amount.
17. There should be an incentive to seek off-site intervention places before considering permanent exclusion. The intervention places have been successful in KS3 with 22 pupils returning to school this year following intervention at the Aconbury Centre. It is thought that this would also be successful in Yr10 and a number of secondary schools have indicated support for this approach. The use of these intervention places must follow extensive attempts by the school to provide successful intervention within the school. Again, the resource must be found to fund this intervention work. It is therefore suggested that only a proportionate charge equivalent to £8,700 for the full year would be charged. It would be anticipated that intervention places might consist of part school and part PRU provision or a short block of full-time intervention work at the PRU as negotiated between school and PRU. Should the intervention place prove not to be successful and the pupil ultimately needs a permanent PRU place, the amount paid for the intervention work would be taken off the 'one-off' charge.
18. The evidence of successful use of virtual learning environments (VLE) for excluded pupils is limited. Although it can contribute to an overall package of support, experience has shown that the nature of the difficulties encountered by PRU students usually means that such packages are of limited value. VLE packages do offer potential for students with medical needs. A typical proven VLE package costs approximately £5,000 per annum, hence the level of the charge in recommendation (c) above. The charging structure would have some 'front loading' to cover an initial infrastructure charge.
19. Alternative work-based packages can be used successfully with excluded students (for example as used by the Arrow Group at Brookfield Special School). However, this is not necessarily a cheaper option than students working on the premises of a PRU. In the

longer term, this might provide the potential to reduce the physical space required and might allow a reduction in premises costs. This should therefore be explored as part of the overall Behaviour and Attendance Strategy.

20. It is too soon to fully evaluate the impact that the School-based Intervention Centres will have on the level of exclusions. Early anecdotal evidence is positive.

## **Community Impact**

21. If there is insufficient provision for young people with BESD, there is likely to be an implication for the whole community, particularly the community in which that young person lives. Appropriate, high quality PRU provision offers the opportunity to intervene in the life of a young person to allow them to make a more positive contribution to society than if this was not available.

## **Financial Implications**

22. Individual Schools would meet the additional financial contributions according to their need to place into PRUs or the Hospital and Home Teaching Service. If demand is reduced, the number of schools being charged would also reduce as the same levels of staffing would not be needed.

## **Legal Implications**

23. This will allow the LA to meet the requirement to offer pupils at Pupil Referral Units (PRUs) 25 hours of provision with effect from 1st September 2010. This applies to students admitted as the result of a permanent exclusion or on medical grounds placed in PRUs or with the Hospital and Home Teaching Service.

## **Risk Management**

24. There is a risk that the level of permanent exclusion or medical need is lower than predicted and that too many staff are taken on as a result. Careful use of contracts can help to mitigate this.

25. There is a risk that schools might seek to use KS4 intervention places to maintain pupils permanently off site rather than it being a shared enterprise between school and PRU with the definite intention of the pupil returning to school. It is therefore crucial that the pupils attending intervention places remain on the school roll.

## **Consultees**

PRU Headteachers

PRU Review group including:

Relevant LA Officers

Andy Collard – Deputy Head at John Masefield High School

Oremi Evans - Head of Brookfield Special School and Specialist College

Dave Smith – External School Improvement Partner (Specialist in BESD Settings)

## Appendices

Appendix A – Information On Herefordshire’s PRUs

Appendix B – Information on Exclusions in Herefordshire

Appendix C - Behaviour & Attendance Protocols For Schools – A Continuum Of Response

## Background Papers

Children & Young People’s Directorate Leadership Team – RADAR - Permanent and Fixed Period Exclusions June 2010

School-based Intervention Project – Herefordshire 2009-11

Herefordshire Schools Forum Tuesday 23 February 2010 Agenda Reports Pack

\*Use of Exempt Information Schedule 12A

The information below **must** be included in any exempt report.

*‘This report (or the appendices) is / are exempts by virtue of paragraph (quote the paragraph number of the list below) ....*

- i. Information related to any individual*
- ii. Information which is likely to reveal the identity of an individual*
- iii. Information relating to the financial or business affairs of any particular person (including the authority holding that information)*
- iv. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relating matter arising between the authority or a Minister of the Crown and employees of, or office holders under the authority.*
- v. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.*
- vi. Information which reveals that the authority proposes:*
  - (a) to give under any enactment a notice of by virtue of which requirements are imposed on a person ; or*
  - (b) to make an order or direction under any enactment*

vii. *Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.*

*.... of the Access to Information Procedure Rules set out in the Constitution pursuant to Schedule 12A Local Government Act 1972, as amended.*

Report authors must make sure the correct paragraph is used to apply any exemption (*and that a public interest test has been applied and justified*). *This means that the exemptions can only be applied where the public interest in maintaining the exemption outweighs the public interest in disclosing it.* The relevant paragraph must be included together with the public test justification before you sent it to Legal Services in order that they can confirm that your reasons are acceptable.

The justification must be set out in the 'Exempt Information Section'. In the case of a partial exemption e.g. appendix, the above test, together with the justification **must** also be included on the appendix.





## Appendix A – Information on Herefordshire’s PRUs

		Location	Notional Capacity	Number attending – to June 2010	Number attending 2008/9	2010 Attendance
<b>Aconbury Centre</b>	KS3	Hereford	32	39	51 (incl. Intervention places)	78.7% at 30.03.10
<b>The Priory Centre</b>	KS4	Leominster	20	19	22	60.2% up to March
<b>St David’s Centre</b>	KS4	Hereford	32	40	42	70.9% at 29.03.10

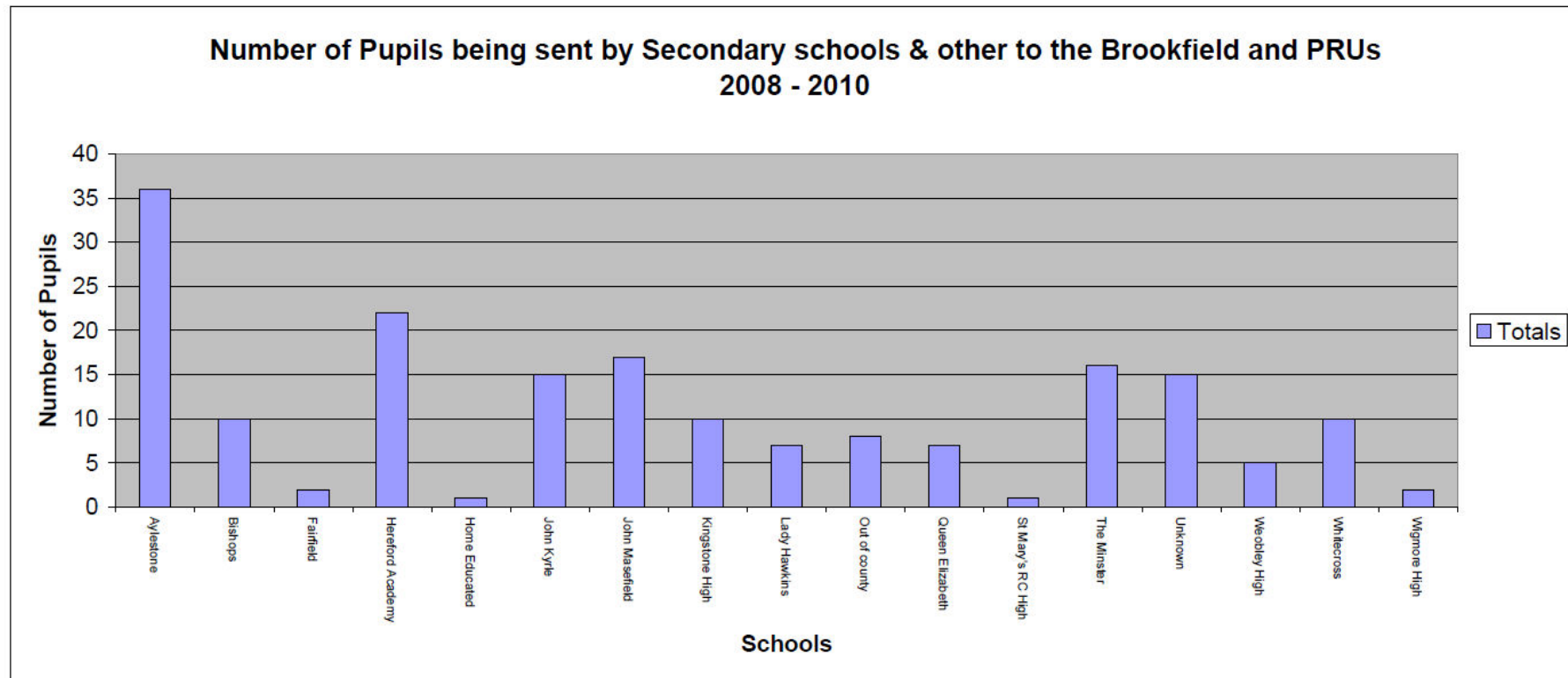
### With 25 hours expectation in September:

	F/T places with Current funding	Places with Uplift of £156K
<b>Aconbury Centre</b>	24 places	32 places
<b>The Priory Centre</b>	15 places	18 places
<b>St David’s Centre</b>	24 places	32 places

### Budgets

	Centre budget	Staffing only
Aconbury Centre	£392,082	£320,184
The Priory Centre	£315,655	£275,612
St David’s Centre	£341,141	£290, 945

## Appendix A – Information on Herefordshire’s PRUs



## Appendix A – Information on Herefordshire’s PRUs

### Predicted destinations from KS3 PRU (Aconbury) at the end of 2009/10

Stay in PRU	Return to School	Move to KS4 PRU	Move to Brookfield	Other
4	22	4	6	3

### Predicted destinations from KS4 PRUs (St David’s and Priory) at the end of 2009/10

Stay in PRU to 16	Return to School	Move to Brookfield	Other
57	1	1	0

## Appendix B – Information on Exclusions in Herefordshire

### Secondary permanent exclusions (Number of students per academic year)

2004/05	2005/6	2006/7	2007/8	2008/9	2009/10 (End of May)
23	21	23	17	18	14

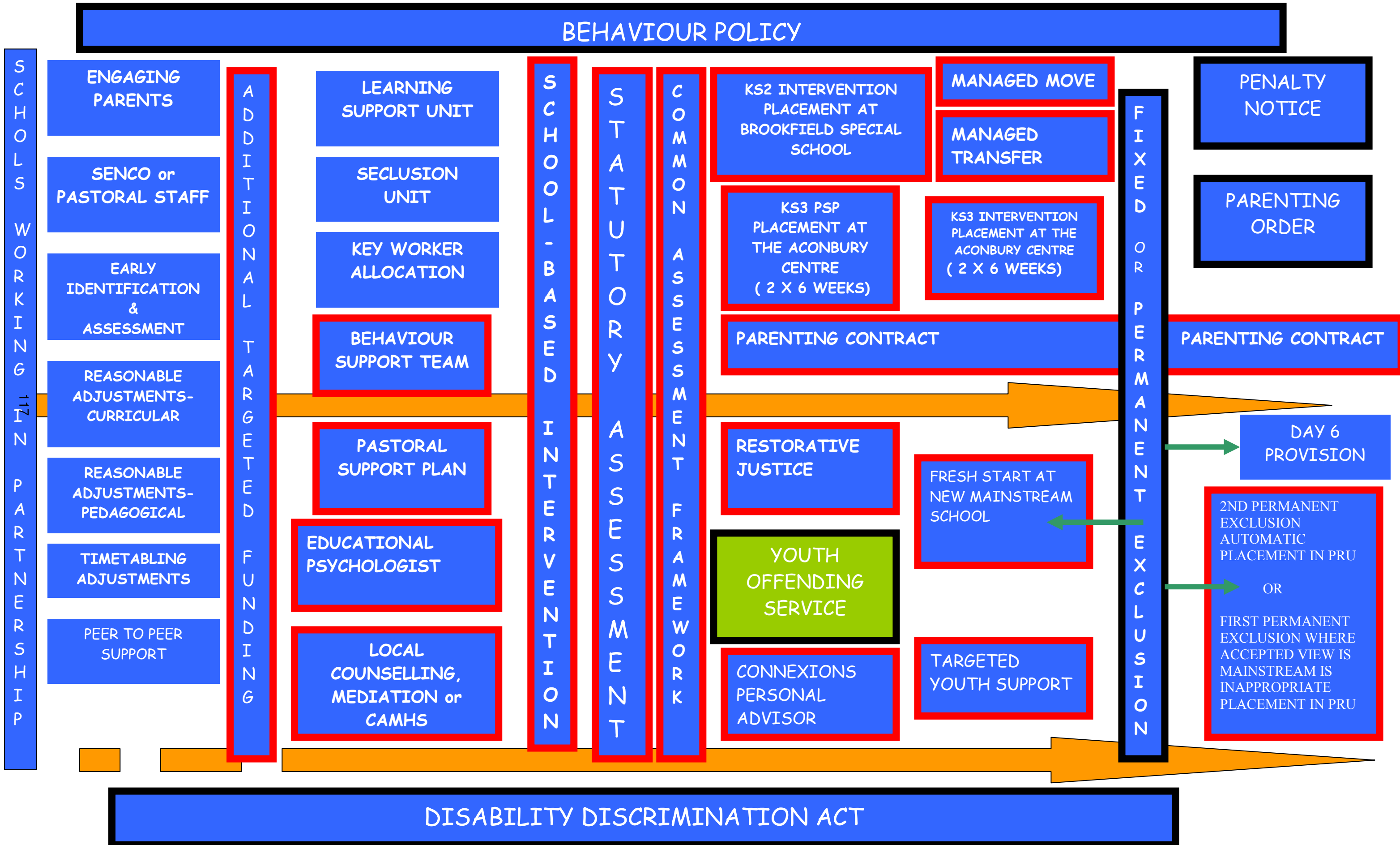
Of the pupils permanently excluded in 2009-10, 3 have found places at a different school with the remainder being given PRU places.

### Exclusions for academic years 2005 - 06 to 2007 – 08 (Percentage of school population)

Permanent Exclusions										
		Primary			Secondary			All		
		2005 - 06	2006 - 07	2007 - 08	2005 - 06	2006 - 07	2007 - 08	2005 - 06	2006 - 07	2007 - 08
England Average	% of the school population	0.02	0.02	0.02	0.24	0.23	0.20	0.12	0.12	0.11
<b>Herefordshire Average</b>	<b>% of the school population</b>	<b>0.05</b>	<b>0.06</b>	<b>0.01</b>	<b>0.21</b>	<b>0.23</b>	<b>0.17</b>	<b>0.12</b>	<b>0.13</b>	<b>0.08</b>
West Midlands Average	% of the school population	0.02	0.03	0.03	0.23	0.24	0.21	0.12	0.13	0.11
Statistical Neighbour Average	% of the school population	0.03	0.03	0.02	0.20	0.18	0.17	0.11	0.10	0.10

Statistical neighbours: Cornwall, Devon, Dorset, Gloucestershire, East Sussex, Shropshire, Norfolk, Suffolk, Somerset, Wiltshire

# Appendix C - BEHAVIOUR & ATTENDANCE PROTOCOLS FOR SCHOOLS - A CONTINUUM OF RESPONSE





Herefordshire Schools Forum – Work Programme 2009/10

9 July 2010 10am Brockington	
	<ul style="list-style-type: none"> <li>• <b>Workplan 2010/2011</b></li> <li>• <b>Trades Union Facilities Agreement</b> (From 23 February meeting)</li> <li>• <b>Pupil Referral Unit Strategy and Charges for 2010/11 and budget shortfall</b> (From 23 February meeting)</li> <li>• <b>Revenue to Capital Transfers – proposed monitoring and control process</b> (From 23 February meeting)</li> <li>• <b>Dedicated School Grant Outturn</b> (From 23 February meeting)</li> </ul>
1 October 2010 2pm Brockington	
<b>Officer Reports</b>	<ul style="list-style-type: none"> <li>• <b>Performance Outcomes Against Grant Spends</b></li> <li>• <b>Workplan 2010/2011</b></li> </ul>

