

<b>MEETING:</b>	<b>SCHOOLS FORUM</b>
<b>MEETING DATE:</b>	<b>11 JULY 2014</b>
<b>TITLE OF REPORT:</b>	<b>SUPPLEMENTARY REPORT OF THE BUDGET WORKING GROUP</b>
<b>REPORT BY:</b>	<b>SCHOOL FINANCE MANAGER</b>

## **Classification**

Open

## **Key Decision**

This is not an executive decision.

## **Wards Affected**

County-wide.

## **Purpose**

To consider a supplementary report of the Budget Working Group (BWG) on the following matters: National Funding Formula proposals for 2015/16 and High Needs Tariffs.

## **Recommendation(s)**

**THAT:**

- 1. Schools Forum comments on the Budget Working Group's budget strategy preparations prior to the drafting of the schools budget consultation paper over the summer; and in particular to approve:**
  - (a) Funding Model C, the continuation of the current approved budget strategy, with an increase in funding for English as an Additional Language provision (Model D), should form the basis of the recommended budget strategy; and**
  - (b) The consultation paper include the following options in relation to moving some funding from deprivation to prior attainment in line with the direction of Model F:**
    - 1. Primary schools – a choice between no change and options for transferring £200 per pupil and £400 per pupil, and**

2. High schools – a choice between no change and options of transferring £500 per pupil and £1,000 per pupil.

2. The final high needs tariff top-ups be approved for implementation from September 2014 as recommended by the Budget Working Group as follows;

(a) based on a -5% reduction on the original proposals to balance the budget and allow for expected future “tariff creep” as shown below;

	Original Tariff	Recommended Tariff (option A)
A	1,350	1,280
B	3,500	3,150
C	5,500	5,225
D	8,500	8,075
E	12,000	11,400
F	16,000	15,200

(b) that high needs top-up tariff protection based on the Minimum Funding Guarantee be approved for Brookfield and Westfield on the basis that gains of Barrs Court and Blackmarston are capped until 2016/17 and thereafter the residual protection cost is met by the high needs block directly;

(c) the DSG underspend for 2013/14 of £554k be retained in the High Needs Block to support the financial risk from implementing the new tariff scheme and budget pressures in the high needs block; and

(d) Schools Forum receive a report on a post implementation review of the new tariff scheme in Summer 2015; and

3 the arrangements for consultation meetings with schools on the 2015/16 funding formula as set out below be endorsed:

Date	Time	Venue
Thursday 18 September	4.00pm	John Kyrle high School and Sixth Form Centre
Wednesday 24 September	4.00pm	Earl Mortimer College and Sixth Form Centre
Thursday 25 September	4.00 pm	Whitecross High School and Specialist Sports College
	6.30 pm	(For School Governors)

### **KEY CONSIDERATIONS**

- 1 The report of the Budget Working Group (BWG) published with the agenda papers for the Forum's meeting on 11 July referred to the fact that the Budget Working Group was to meet on 7 July and that an update would be provided from that meeting. The agenda papers and notes of the meeting on 7 July have been circulated separately to Members of the Forum for information.
- 2 The recommendations printed above reflect the discussions of the BWG on 7 July. The only changes to the recommendations originally printed are an updated recommendation 1b and a new recommendation 3. The recommendations to the Forum are repeated in full above for ease of reference.

### **NATIONAL FUNDING FORMULA 2015/16**

3. The BWG gave consideration to options for transferring funding from deprivation (Ever-6 Free School Meals) to low prior attainment to start a process of funding low prior attainment more in line with national standards. In doing so there was an acceptance that different funding models for primary and secondary schools would be necessary due to unsatisfactory early years foundation data for primary low prior attainment and the unsound educational concept of rewarding failure in early years.
- 4 The BWG acknowledged that benchmarking was a problematic business to some degree. However, Herefordshire was a significant outlier in the comparative funding of low prior attainment and funding for deprivation and there was a case for beginning to move towards the median levels of expenditure nationally. (The relevant DfE graphs are appended.) The BWG considered that a choice should be offered in the consultation document of no change or a range of increases in the funding of low prior attainment. An observation was made that the increase in funding for schools for 2015/16 afforded an opportunity to make the change in direction at a faster pace than might otherwise have been the case.
- 5 The BWG noted that the DfE had published a paper: "What impact does school spending have on pupil attainment? a review of the recent literature." This included the finding that: "additional school resources positively influence attainment, although the effects are relatively modest at all key stages".

## RECOMMENDATION

That the consultation paper include the following options in relation to moving some funding from deprivation to prior attainment in line with the direction of Model F:

- Primary schools – a choice between no change and Options for transferring £200 per pupil and £400 per pupil, and
- High schools – a choice between no change and options of transferring £500 per pupil and £1,000 per pupil.

### School Consultation Meetings

- 6 The following arrangements for consultation meetings for schools on the 2015/16 funding formula are proposed:

Date	Time	Venue
Thursday 18 September	4.00pm	John Kyrle high School and Sixth Form Centre
Wednesday 24 September	4.00pm	Earl Mortimer College and Sixth Form Centre
Thursday 25 September	4.00 pm	Whitecross High School and Specialist Sports College
	6.30 pm	(For School Governors)

## RECOMMENDATION

That arrangements for consultation meetings with schools as set out in the report be endorsed.

### High Needs Tariffs

- 7 Recommendation 2c above proposed that the DSG underspend for 2013/14 of £554k be retained in the High Needs Block to support the financial risk from implementing the new tariff scheme and budget pressures in the high needs block.
- 8 The BWG considered it would be helpful if the Forum was provided with a breakdown of the DSG 2013/14 underspend:

#### Underspends

Post-16 HNB	£342k
school tops ups (HNB)	£225k
resource provision top ups	£60k
HNB contingency	£95k
HNB Managed Moves	£61k
Other authority recoupment	£177k
Admissions	£44k
Central Early Years	£46k

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

## Overspends

Special school top-ups	£247k
Mainstream SEN protection	£116k
Hospital Education	£65k
Early Years providers	£87k

- 9 It is proposed that to inform future budgets further work is undertaken for 2015/16 and reported back to BWG to determine the feasibility of planning budgets at the DfE published block total for High Needs and that the transfers between the schools, high needs and early years blocks are eliminated as far as possible and in particular containing the early years spend within the Early years Block of £6,617k is progressed. Account will also need to be taken of post 16 provider's high needs commitments for the summer term 2014 and inter-block funding transfers required from implementing the high needs tariffs for Pupil Referral Units.

### **Funding of Sports Facilities**

- 10 The BWG also discussed a letter received from Earl Mortimer College and Sixth Form requesting that additional DSG funding be provided as an exceptional factor to the College to cover the cost of the joint use agreement for use of the Leominster Leisure Centre. Earl Mortimer College does not have any of their own sports facilities and must buy provision from HALO at an additional cost to the school. The BWG requested further information and will consider the matter at their next meeting, making recommendations to the Forum as appropriate. Permission for an exception premises factor must be obtained from the DfE.

## **Appendices**

- Department for Education Graphs – low cost, high incidence special educational needs/deprivation

## **Background Papers**

- None identified.