



NOTICE OF MEETING

Schools Forum

Thursday 3 March 2011, 4.30 pm

Council Chamber, Fourth Floor, Easthampstead House, Bracknell

To: The Schools Forum

Schools Members:

Councillor Mrs Maureen Beadsley, Secondary School Governor
Trisha Donkin, Primary School Representative
Andrew Fletcher, Secondary School Representative
Brian Francis, Primary School Governor
Brian Fries, Secondary School Governor
Ed Glasson, Primary School Governor
Gill Harbut, Primary School Representative
John McNab, Secondary School Governor
Kelvin Menon, Primary School Governor
Joanna Quinn, Primary School Representative
Tony Reading, Primary School Governor
Paul Salter, Secondary School Representative
Trudi Sammons, Primary School Representative
Councillor Mrs Anne Shillcock, Special Education Governor
John Throssell, Primary School Governor
Kathy Winrow, Secondary School Representative

Non-Schools Members

Gordon Anderson, Diocese Representative (Vice-Chairman)
George Clement, Union Representative (Chairman)
Kate Sillett, PVI Provider Representative
Vacant, 14-19 Partnership Representative
Vacant, Diocese Representative (Roman Catholic)

ALISON SANDERS

Director of Corporate Services

EMERGENCY EVACUATION INSTRUCTIONS

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If you require further information, please contact: Emma Silverton

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Published: 23 February 2011

Schools Forum
Thursday 3 March 2011, 4.30 pm
Council Chamber, Fourth Floor, Easthampstead House, Bracknell

AGENDA

Page No

1. **Apologies for Absence/Substitute Members**

To receive apologies for absence and to note the attendance of any substitute members.

2. **Declarations of Interest**

Members are required to declare any personal or prejudicial interests and the nature of that interest, in respect of any matter to be considered at the meeting.

3. **Minutes and Matters Arising**

To approve as a correct record the minutes of the meeting of the Schools Forum held on 3 February 2011.

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4. **School Planned Maintenance**

To receive a report which consults Schools' Forum on the proposed approach to school planned maintenance from April 2011.

9 - 14

5. **Local Authority Proposals for the 2010/11 Schools Budget**

To receive a report which provides an update for members of the Schools Forum on the Schools Budget for 2011-12 and which seeks the Forums' views on final budget proposals from the Local Authority and whether requests from the Local Authority to exercise its statutory decision making powers are agreed.

15 - 34

6. **Schools Forum: Operation and Good Practice Guidance from the DfE**

To receive an information report to bring attention to the DfE publication Schools Forums: Operational Guidance and Good Practice. The guide is designed to provide members of Schools Forums, local authority officers and elected members with advice, guidance and information on good practice in relation to the operation of Schools Forums

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7. **Update to the Scheme for Financing Schools**

To receive an information report which is to alert members of the Schools Forum of the need to make changes to the Bracknell Forest Scheme for Financing Schools, and that due to timing pressures, this will need to be dealt with through the urgent business procedure. This is required following changes issued by the Department for Education (DfE) relating to guidance on local authority Schemes, which must be made effective from 1 April 2011.

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8. **Dates of Future Meetings**

The next meeting of the Schools Forum is scheduled for Thursday 28 April at 4.30pm in the Function Room, Easthampstead House.

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**SCHOOLS FORUM
3 FEBRUARY 2011
4.32 - 6.02 PM**

Present:

Schools Members

Councillor Mrs Maureen Beadsley, Secondary School Governor
Andrew Fletcher, Secondary School Representative
Brian Francis, Primary School Governor
Brian Fries, Secondary School Governor
Ed Glasson, Primary School Governor
John McNab, Secondary School Governor
Kelvin Menon, Primary School Governor
Joanna Quinn, Primary School Representative
Tony Reading, Primary School Governor
Paul Salter, Secondary School Representative
Councillor Mrs Anne Shillcock, Special Education Governor
John Throssell, Primary School Governor
Kathy Winrow, Secondary School Representative

Non-Schools Members:

George Clement, Union Representative (Chairman)
Gordon Anderson, Diocese Representative (Vice-Chairman)
Kate Sillett, PVI Provider Representative

Also Present:

Paul Clark, Group Accountant, Children, Young People & Learning
Dr Janette Karklins, Director of Children, Young People & Learning
Councillor Alan Kendall, Executive Member for Education
Emma Silverton, Democratic Services Officer
David Watkins, Chief Officer: Performance & Resources, Children, Young People & Learning

Apologies for absence were received from:

Trisha Donkin, Primary School Representative
Gill Harbut, Primary School Representative
Trudi Sammons, Primary School Representative

57. Declarations of Interest

Gordon Anderson declared a personal interest in respect of Item 6 as the Chairman of the Governing Body of Jennett's Park School

58. Minutes and Matters Arising

There were two amendments to be made to the minutes of the meeting held on 9 December: Tony Reading was missing from the list of those present and Ed Glasson had been listed as present however had given his apologies for the meeting.

Following these amendments, it was **RESOLVED** that the minutes of the meeting be approved as a correct record, and signed by the Chairman.

59. School Reactive Maintenance

Tony Chadwick, Head of Building Surveyors, BFC, introduced the report on the consultation with schools to change the current Service Level Agreement (SLA) for schools reactive maintenance.

37 Bracknell Forest schools were consulted with 65% opting for 'Pay As You Go' SLA (option 2). With no schools preferring option 1, the pooled insurance type scheme, it was no longer viable for the Council to provide the service for this option.

The minimum charge for the 'Pay As You Go' SLA which would apply to all schools subscribing, would be approximately £1, 808 based on 15% of the average amount allocated to schools' for reactive maintenance and service contracts.

It was further reported that for those schools wanting to buy a service contracts only SLA, that there would be a fee of approximately £426 for the Building Group to manage this, again based on 15% of the average budget allocation.

Regular meetings would be held with schools, the minimum meetings programme being once every six months. It was noted that this was flexible and officers would be available to meet with schools more frequently (up to monthly) if required to do so. The Forum noted that representatives from schools' sat on a focus group for these SLAs which met on a quarterly basis to monitor schools' progress.

RESOLVED that

- i) the feedback submitted by schools which identified their preferred options for the future Reactive Maintenance SLA be noted.
- ii) The current insurance based SLA (Option 1) was not viable, and that a 'Pay As You Go' (Option 2) and a service contract SLA was to be offered to all schools be noted.

60. Outcomes from the survey of providers being funded through the Early Years Single Funding Formula

The Forum received a report which presented the outcomes from a survey of Early Years providers to establish whether any changes should be made to the Early Years Single Funding Formula (EYSFF).

31% of providers in the maintained sector and PVI sector responded to the survey which asked 5 questions relating to specific elements of the current funding arrangements. For each question at least 75% of respondents supported the current arrangements with no particular pattern to comments and no indication of common issues with the funding formula.

The Early Years representative on the Forum commented that she had not received a copy of the survey and also knew that other providers were in the same position. Officers were surprised at this as a letter had been sent to all providers alerting them that a survey was to be distributed before it was emailed out. It was agreed that the survey process would be checked and any additional providers' comments would be fed back to the Forum once received.

It was also reported that a small number of items had been identified as budget pressures however, in view of the Local Government Finance Settlement it was not possible to address the issues raised.

The Forum noted that the comments from the survey, which were not all directly related to the EYSFF would be discussed and monitored at the regular Early Years provider meetings.

In response to a question relating to funding providers that admit children with English as an Additional Language it was reported that it was difficult to obtain a consistent quality of data across providers which meant a formula for 'top up' funding was not possible.

RESOLVED that the responses to the provider survey at Annexes A and B be noted.

AGREED that

- i) none of the identified budget pressures could be afforded next year (paragraph 5.8).
- ii) No changes to the Early Years Single Funding Formula (paragraph 5.9) be made.

61. Initial 2011/12 Schools Budget Proposals and other financial matters

The Forum considered a report on preliminary budget information provided to schools on the potential 2011/12 budget. Paul Clark, Group Accountant for Children, Young People and Learning gave a presentation which detailed key areas of focus for the Schools Budget including; confirmation that the per pupil funding allocation from the Department for Education would be frozen at 2010-11 values (so no addition for inflation or other pressures), the estimated level of income compared to budget pressures and developments, how the resultant budget gap could be managed, the unavoidable cost pressures that schools would face without additional funding and an update on new education related capital funding to be received by the Council.

With total pressures and developments of £3.7 million and income increasing by only £1.2m, a budget gap of £2.5 million existed. To reduce this gap, a number of pressures and developments would not be affordable, with the LA proposing only the following items be added to next year's provisional budget:

Ref	Item	2011-12 Estimates		
		Delegated to schools £ 000	Managed by LA £ 000	Total £ 000
2	Mainstream pupil number changes	549	0	549
3	New Jennett's Park School	400	0	400
4	KLS pupil number changes	193	0	193
7	Early Years Single Funding Formula - free entitlement for 3 and 4 year olds	8	0	8
8	4 year olds from September 2011	230	0	230
9	Mainstream statements number / needs changes	120	0	120
10	Non pupil data changes	105	0	105
11	Caterhouse school meals contract	-30	0	-30

14	Crownwood Language and Literacy Unit (LAL) - pupil transport	-47	0	-47
17	SEN provisions and support	0	-50	-50
18	Staff transport costs - Crownwood LAL	0	9	9
19	Maternity leave	0	40	40
21	Early Years	0	-10	-10
22	Support to schools in categories	0	100	100
23	Practical Learning Opportunities	0	-20	-20
25	Sensory support (SALT)	0	-100	-100
	Remove duplicate Pupil Premium Funding	-290	0	-290
26	Total pressures and savings	1,238	-31	1,207

In respect of the new Pupil Premium, it was noted that by 2015, based on current forecasts, around 10% of funding for schools would be paid through this grant. This is likely to result in a redistribution of funding between schools and is expected to be addressed through the review of Education Funding to be undertaken by the Department for Education during 2011, with any agreed changes to be implemented for 2012/13.

A number of comments and questions were raised made by members:

- There was some concern about the proposed removal of funding duplicated in the new Pupil Premium.
- It was confirmed that there would be no loss of funding for family support advisors however the way in which they were funded would change.
- It was confirmed that there was an expectation that more schools would be likely to face financial difficulties and that support would be available from the licensed deficit scheme, a proposal to increase the budget to support schools in financial difficulties from £0.2m to £0.3m, and £0.22m general contingency in the grant income projections.
- It was agreed that the LA would consider how schools could be supported with strategic planning to help understanding which areas of the budget may be reduced in the future
- The condition surveys at schools needed to be updated to reflect work completed by schools

It was confirmed that the Forum would need to agree final recommendations for the 2011/12 Schools Budget at its next meeting in March, before sign off by the Executive Member for Education.

The Forum congratulated the officers for their work on the budget particularly given the tight timescales involved.

AGREED that

- 1) based on current information, an existing funding gap of £2.515m (Table 1, paragraph 5.15) be noted.
- 2) In light of the financial position:
 - i. the items set out in Table 2 were not affordable (paragraph 5.19).
 - ii. the budget proposals set out in Table 3 be included in the provisional Schools Budget for 2011/12 (paragraph 5.26).

- iii. subject to other decisions in the paper relating to funding pressures and savings, the funding rates to be used in the BF Funding Formula for 2011/12 remain unchanged from the 2010/11 values (paragraph 5.23).
 - iv. the hourly funding rates paid to providers of the free entitlement to early years education and childcare for 2011/12 remain unchanged from 2010/11 values, subject to previously agreed transitional adjustments (paragraph 5.23).
- 3) Relevant grants be “mainstreamed” into school funding mainly on the existing basis, as set out in paragraphs 5.24 to 5.25.
 - 4) It be noted that schools faced real term reductions in funding (paragraph 5.27).
 - 5) £0.030m of early years funding would in future be allocated to maintained schools as an equal amount per provider, rather than an equal amount per pupil (paragraph 5.30).
 - 6) The arrangements in place for the following were appropriate (paragraph 5.36):
 - a. provisions for statemented pupils.
 - b. pupil referral units and other education out of school.
 - c. arrangements for insurance.
 - d. administrative arrangements for the allocation of central government grants.
 - e. arrangements for free school meals.
 - f. arrangements for early years.
 - 7) The extent to which the Forum was expected to be requested to exercise its statutory powers (paragraph 5.38) be noted.
 - 8) The Council would receive £5.2m of un-ring fenced education related capital grants that were intended to meet pressures for additional pupil places and to improve the condition of school buildings (paragraph 5.39) be noted.
 - 9) there would be a need to revisit any preliminary budget decisions agreed now in March (paragraph 5.42) in order that final budgets reflected the most up to date data, be noted.
 - 10) No further work was required in respect of the 2011/12 Schools Budget (paragraph 5.42).

62. Local Authority budget proposals for 2011/12

Janette Karklins, The Director of Children, Young People and Learning presented the report, including the supplementary information emailed to Forum Members on 1 February, which gave an overview of the Council’s proposed budget position for 2011/12 and the specific proposals relevant to the Children, Young People and Learning Department.

Due to the late announcement of the Local Government Financial Settlement, there had been two stages to the Council’s budget proposals for CYPL. Initial savings of £0.325m were proposed in December based on estimated information as the

Settlement had not been announced, and these were set out in Annex B of the main report.

Once the Settlement had been confirmed, it had become clear that the Council would receive nearly £2m less income than originally expected, with the majority of the reduction being in respect of ceasing education related grants. Therefore, a second stage of savings was required which was set out in the supplementary report. Annex A of this report set out the £0.932m of savings arising from the full impact of grants which had been cut in 2010/11 and not reinstated and a further set of proposed savings that amount to £0.843m was set out in Annex B. In total, CYPL was proposing to make savings of £2.1m.

It was reported that whilst there would be increase flexibility in relation to spending of grants due to the removal of ring fencing, it would still be a very difficult financial year which was a situation which was not unique to Bracknell Forest.

In respect of the capital budget, it was noted that subsequent to the publication of the initial budget proposals in December, the DfE had indicated that the council would receive £5.2 million of un-ring fenced grant funding, of which £2m was allocated to spend on improving the condition of buildings, and £3.2m to meet increased demand for school places. The original budget assumptions anticipated grant of £2.1m for school places..

Some Members of the Forum expressed concern in relation to the reduction in funding particularly in relation to early intervention and the effects on the wider community.

RESOLVED that

- 11) the 2011/12 full year savings required following withdrawal of DfE grants during 2010/11 (Annex A) be noted.
- 12) Comments made by the Schools Forum on the additional 2011/12 budget proposals of the Executive for the Children, Young People and Learning Department be considered by the Executive Member for Education.

63. Education and Children's Service Financial Benchmarking - 2010-11 original budget data

The Forum received the annual information report which provided financial benchmarking data in respect of the 2010-11 original budget which had been made available by the Department of Education.

The Forum noted that the extent to which the results were distorted by contextual circumstances should be kept in mind when the figures were viewed.

64. Dates of Future Meetings

The next meeting of the Schools Forum was scheduled for Thursday 3 March 2011 at 4.30pm in the Council Chamber, Easthampstead House.

Future meetings

Thursday 28 April 2011.

CHAIRMAN

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SCHOOLS FORUM 3 MARCH 2011

SCHOOL PLANNED MAINTENANCE (Director of Children Young People & learning)

1 PURPOSE OF REPORT

- 1.1 To consult Schools' Forum on the proposed approach to school planned maintenance from April 2011.

2 RECOMMENDATIONS

- 2.1 **That the Schools Forum AGREES that from April 2011, community and voluntary controlled schools should contribute to the costs of planned maintenance as set out in the body of the report.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 **The LA has a duty to consult the Schools Forum on school funding matters. Planned maintenance is a significant issue for schools for the continuing safe and effective operation of school buildings.**

4 ALTERNATIVE OPTIONS TO BE CONSIDERED

- 4.1 The options for schools are set out in the body of the report.

5 SUPPORTING INFORMATION

Background

- 5.1 Planned Maintenance is capital repairs over £2,000 that can be foreseen and planned for, such as roof replacements, boiler replacements etc. These works are essential to ensure safe and continuous operation of school buildings.
- 5.2 Priorities and estimated costs are identified in condition surveys of each school undertaken by the Council's Building Group, and are summarised in the Children Young People & Learning Department's Asset Management Plan (AMP).
- 5.3 A summary of school condition works from the 2010 AMP is attached as APPENDIX A. There is £13.7m of identified condition works across all schools of which £4.2m is Priority 1 (Urgent).
- 5.4 Through its annual capital programme, the Council aims to improve the condition of all school buildings by supporting the continuation of a centrally managed Planned Maintenance Programme, subject to the availability of funds. However in recent years the Council has had insufficient resources to fully fund all priority 1 condition items for schools and schools have largely funded this work from their devolved budgets.

Changes to Government Funding

- 5.5 The Forum will be aware from previous reports that the new coalition government has reviewed and revised the allocation of capital grant funding available for planned maintenance to schools and LAs for 2011/12, and this has been set out in Table One below alongside the 2010/11 funding for comparison.

Table One: Funding Available for Planned Maintenance

FUNDING SOURCE	2010/11 £000	2011/12 £000
MAINTAINED SCHOOLS		
DFE Capital Maintenance Grant	£0	£2,041
DFE Devolved Formula Capital Grant	£1,586	£310
Less draw down into 2009/10	-£740	£0
BFC Capital Programme	£200	£0
Sub Total:	£1,046	£2,351
VA SCHOOLS		
DFE LCVAP Grant	£415	£366
DFE Devolved Formula Capital Grant	£290	£58
Sub Total:	£705	£424
TOTAL FUNDING:	£1,751	£2,775

Maintained Schools

- 5.6 Schools Forum will be aware that Devolved Formula Capital grant (DFC) is also used for works other than planned maintenance including compliance works, upkeep of ICT, suitability and disabled access. With these competing priorities, maintained schools are only spending approximately 36% of their DFC budgets on condition works.
- 5.7 The overall level of available funding available for Schools Planned maintenance has increased by 124% from 2010/11 to 2011/12.
- 5.8 As in previous years, the funding available in 2011/12 is still insufficient to meet all of the Priority 1 (urgent) condition works in schools.
- 5.9 Less than half of the Priority 1 items can be met from the LA funding, so a joint approach is required between the LA and schools in prioritising and targeting the available resources to ensure we maintain our assets and also spending to government guidelines.
- 5.10 The LA will adopt the following approach:
- a. Building condition surveys will continue to be used to identify, prioritise and estimate the cost of planned maintenance works, and these are in the process of being updated.

- b. The Council will target its resources on the most urgent items, giving priority to compliance, health & safety and those items that have been judged to carry significant risk of disruption to school operations or school closures.
- c. Where the Council undertakes works in a school the school will be expected to contribute 10% of the cost from its Devolved Capital Funding, up to a maximum ceiling of 75% of their Devolved Formula Capital allocation.
- d. The contribution referred to above in c. will be subject to abatement where a school has previously agreed with the Council for the allocation of its Devolved Formula Capital to an alternative capital project.
- e. The balance of schools Devolved Formula Capital funding will be for the individual school to prioritise. The LA will continue to advise schools to prioritise DFC firstly on Health & Safety/Compliance works, secondly on addressing as many outstanding Priority 1 items as possible.

VA Schools

- 5.11 The overall level of available funding for VA Schools is sufficient to meet all of the identified Priority 1 Condition items.
- 5.12 Proposed Approach: The LA will continue to work with the Diocesan Surveyors to allocate LCVAP to support VA Schools with their Priority 1 (Urgent) condition items.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 Legal Comments have been incorporated in this report.

Borough Treasurer

- 6.2 The financial implications arising from this report are set out in the supporting information.

Equalities Impact Assessment

- 6.3 Not required

Strategic Risk Management Issues

- 6.4 The risk of not addressing urgent planned maintenance items is assessed as HIGH, for the LA and for Schools. A co-ordinated approach to target limited resources is essential to mitigate this risk.
- 6.5 The staffing capacity risk of the 2011/12 LA budget not being spent is assessed as MEDIUM, and arrangements are being made to ensure that adequate resources are in place.
- 6.6 The risk of inaccurate or out of date condition survey data is assessed as MEDIUM because no condition surveys were undertaken in 2010. Condition survey updates are being obtained from Building Group on which the funding decisions will be based.

7 CONSULTATION

Principal Groups Consulted

- 7.1 Schools (Bursars, Head Teachers and Chairs of Governors)
- 7.2 Officers (Admissions & Property, Building Group, Chief Officers and Directors)

Method of Consultation

- 7.3 Schools: Emails, and presentations.
- 7.4 Officers: Meetings

Consultation Responses

- 7.5 Maintained Schools were consulted about the proposal for a 10% contribution to LA funded planned maintenance works. 5 schools responded (18%), all of which were in favour of the proposal.
- 7.6 A number of schools raised concern about the accuracy of their condition survey data given that no new surveys were undertaken in 2010. Condition survey updates have been commissioned and these will be copied to schools.

Background Papers

Appendix A Summary of Condition Surveys Works

The following are also available:
CYPL Asset Management Plan
Individual School Condition Surveys

Contacts for further information

David Watkins Chief Officer: Performance & Resources
01344 354061 david.watkins@bracknell-forest.gov.uk

Chris Taylor Head of Property & Admissions
01344 354062 chris.taylor@bracknell-forest.gov.uk

APPENDIX A: Summary of Identified Condition Need in Schools

School	Priority 1	Priority 2-4	Total
Maintained Schools			
Ascot Heath CE Infant School	£70,000	£33,120	£103,120
Ascot Heath CE Junior School	£77,843	£124,715	£202,558
Birch Hill Primary School	£25,000	£658,353	£683,353
Brakenhale Secondary School	£510,500	£818,890	£1,329,390
College Hall PRU	£7,800	£32,450	£40,250
College Town Infant School	£111,500	£74,037	£185,537
College Town Junior School	£72,300	£87,010	£159,310
Cranbourne Primary School	£112,200	£411,230	£523,430
Crown Wood Primary School	£43,475	£286,390	£329,865
Crowthorne CE Primary School	£159,875	£337,775	£497,650
Easthampstead Park Comm. Col.	£69,500	£643,860	£713,360
Edgbarrow Secondary School	£129,850	£1,099,300	£1,229,150
Fox Hill Primary School	£36,000	£30,420	£66,420
Garth Hill College	£0	£0	£0
Great Hollands Primary School	£384,830	£212,650	£597,480
Harmans Water Primary School	£6,600	£500,050	£506,650
Holly Spring Infant School	£71,900	£92,270	£164,170
Holly Spring Junior School	£240,480	£105,990	£346,470
Kennel Lane Special School	£292,359	£103,775	£396,134
Meadow Vale Primary School	£90,400	£202,075	£292,475
New Scotland Hill Primary School	£53,000	£90,800	£143,800
Owlsmoor Primary School	£6,000	£103,270	£109,270
Pines (The) Primary School	£13,500	£111,050	£124,550
Sandhurst Secondary School	£354,500	£580,600	£935,100
Sandy Lane Primary School	£728,475	£745,086	£1,473,561
Uplands Primary School	£174,700	£158,700	£333,400
Warfield Primary School	£2,600	£24,050	£26,650
Whitegrove Primary School	£18,000	£30,330	£48,330
Wildmoor Heath	£41,000	£102,350	£143,350
Wildridings Primary School	£27,970	£405,965	£433,935
Winkfield St Marys CE P. Sch.	£15,500	£77,040	£92,540
Wooden Hill Primary School	£65,760	£174,559	£240,319
Total	£4,013,417	£8,458,160	£12,471,577
VA Schools			
Binfield CE Primary School	£31,300	£193,420	£227,920
Jennetts Park CE Primary School	£0	£0	£0
St Josephs RC Primary School	£24,375	£109,450	£143,615
St Margaret Clitherow RC P. Sch.	£26,260	£27,310	£76,170
St Michaels (East) CE P. Sch.	£19,800	£79,060	£233,660
St Michaels (Sand) CE P. Sch.	£98,060	£223,275	£367,185
Ranelagh (Aided) Sec. School	£8,500	£77,325	£190,825
Total:	£208,295	£709,840	£1,239,375

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SCHOOLS FORUM 3 MARCH 2011

LOCAL AUTHORITY PROPOSALS FOR THE 2011-12 SCHOOLS BUDGET (Director of Children, Young People and Learning)

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to update members of the Schools Forum on the Schools Budget for 2011-12 and to seek views on:
- i. Final budget proposals from the Local Authority (LA), and
 - ii. Whether requests from the LA to exercise its statutory decision making powers are agreed.
- 1.2 Comments are being sought now on these updated proposals as this is the last opportunity for the Forum to make budget recommendations which the Executive Member for Education will be requested to agree.

2 RECOMMENDATIONS

2.1 That the Schools Forum **RECOMMENDS** to the Executive Member for Education that the 2011-12 Schools Budget includes:

1. **funding the budget proposals as set out in the shaded column of Annex B calculated at £2.084m;**
2. **allocating the remaining £0.051m uncommitted budget to schools and early years providers in accordance with the agreed budget strategy, as detailed in paragraph 5.31.**

2.2 That the Schools Forum **AGREES** the following decisions that it is solely responsible for:

1. **that the school specific contingency for 2011-12 be set at £0.571m (paragraph 5.33 (1), Table 3);**
2. **That the Minimum Funding Guarantee payment due to Brakenhale Secondary School be fully removed by the end of the 2012-13 financial year with the resultant savings redistributed within the Schools Budget (paragraph 5.33 (2));**
3. **That the combined services budget that supports joint education and children's social care initiatives is set at £0.591m (paragraph 5.33 (3)).**

2.3 That the Schools Forum **NOTES**:

1. **That the Central Expenditure Limit has not been exceeded (paragraph 5.34);**
2. **That the resultant budget for each service is set out in Annex D.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 Regulations require the Schools Forum to be consulted on relevant budget proposals, and when requested, to consider whether any of the statutory budget decision making powers need to be exercised.
- 3.2 The views of the Schools Forum are now being sought so that they can be presented as final recommendations for the 2011-12 Schools Budget to the Executive Member for Education.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 These have been considered during the budget consultation stage and previous reports to the Forum.

5 SUPPORTING INFORMATION

Background and update from previous meeting

- 5.1 At its meeting on 3 February 2011, a report was presented to the Forum which set out preliminary proposals from the LA in respect of the Schools Budget for 2011-12. These proposals reflected the latest information from the government in respect of the Comprehensive Spending Review 2010, the provisional outcomes from the Local Government Financial Settlement which had frozen per pupil funding rates to 2010-11 values, and preliminary calculations of pressures and economies.
- 5.2 Based on the information available at that stage, it was estimated income would increase by £1.207m and that there would be net pressures, developments and economies of £3.722m, resulting in a budget gap of £2.515m. In order to move towards a balanced budget, the Forum agreed that a number of pressures and developments could not proceed and that they should be removed from the final budget proposals that the LA would present at this meeting. The items that would not be funded fell into 5 categories as follows, with more details set out in Annex A:
 - a. Pressures not recognised by the government in the funding settlement.
 - b. Desirable, not essential new developments.
 - c. Alternative funding source identified.
 - d. Items considered unaffordable in the current financial climate.
 - e. Funding duplicated in the new Pupil Premium grant.
- 5.3 Removing these pressures meant that the following items were expected to be affordable and therefore included in next year's Schools Budget, with more details set out in Annex B.
 - a. Increase in pupil numbers.
 - b. New Jennett's Park Primary School
 - c. Increase in numbers and needs of pupils with SEN.
 - d. Non pupil data changes that impact on the Funding Formula e.g. FSM.
 - e. One third of the cost of full time admission of 4 year olds from September.
 - f. Economies on school meals catering and pupil transport to Crownwood LAL.
 - g. Increasing funds available to support schools in Ofsted categories.
 - h. Net cost reductions on centrally managed budgets, most significantly in respect of SEN support services.

- 5.4 A consequence of these provisional decisions was that most units of resource used in the BF Funding Formula for Schools would be frozen at 2010-11 rates, as would the hourly funding rates paid to early years providers in the private, voluntary and independent (PVI) sector, excluding any previously agreed transitional funding adjustments.
- 5.5 It was also recognised that the initial budget proposals were based on a mix of January 2010 and October 2010 census data that would be updated with January 2011 actuals, and therefore all reported amounts would be subject to change. Furthermore, the DfE had yet to finalise the funding regulations that must be complied with, and there was also the potential that changes could arise from this.
- 5.6 The Forum also agreed that the “mainstreaming” of £7.4m of former specific grants into main school funding, to be made available to schools from April 2011 with all previous restrictions removed, should, in general, be at the same cash value as each school received in 2010-11.
- 5.7 The Forum also agreed that the proposals previously presented covered all the key issues required for next year’s budget and that no other areas needed to be considered. It was also recognised that whilst the Forum agreed that the draft budget proposals allowed for a balanced budget, this would only be possible by not funding all of the unavoidable pressures that schools would face, such as teachers and other pay inflation, increases to employer contributions to National Insurance and pension schemes, together with general inflationary pressures. Therefore, schools are facing real terms funding cuts and it is possible that a consequence of the tight financial settlement may be an increase in the number of schools facing financial difficulties.
- 5.8 More up to date budget information is now available, and as there is a statutory requirement to have published the budget by the end of March, which also requires ratification by the Executive Member for Education, this report represents the final opportunity for the Forum to make recommendations for the 2011-12 budget.

Final budget proposals for 2011-12

Estimated level of Dedicated Schools Grant funding

- 5.9 Members of the Forum will be aware that the main source of income to the Schools Budget is the Dedicated Schools Grant (DSG) and that the Council’s DSG allocation is determined by multiplying the guaranteed amount of per pupil funding of £4,861 by the actual number of pupils on roll each January. This headcount includes pupils at maintained schools, 3 and 4 year olds in private, voluntary and independent (PVI) sector settings and pupils receiving education out of school or out of borough in PVI special schools.
- 5.10 As part of the process to “mainstream” former specific grants into the DSG, the £0.735m made available in 2010-11 to fund the phased increase in free entitlement to early years and childcare for 3 and 4 year olds from 12½ hours a week to 15, relevant children are now being funded at a higher full time equivalent rate (0.6fte rather than 0.5fte). Due to the phasing of this change, and the absence of up to date data on current hours of provision, the previous budget report assumed that the cost of funding providers for the increase in weekly hours of provision would be broadly cost neutral when the extra DSG income was taken into account.
- 5.11 Provisional data from the January 2011 census in respect of these children shows an increase in full time equivalent hours of 187, with an extra 61 in maintained schools

and 126 in PVI sector settings. Overall, this change increases the DSG estimate from last month by £0.908m. Clearly there is additional cost associated with funding providers for the extra intake, and this is set out below in paragraph 5.20, but in general there is net additional income of around £1,500 per child as the DSG funding is an average for all pupils, including needing to provide for those with expensive special educational needs. This change therefore results in a net increase in funds of around £0.3m.

- 5.12 Provisional data from the actual January 2011 census relating to statutory aged pupils indicates an increase from the previous forecast of 27.1. There is expected to be a reduction of 17 pupils at College Hall, which mainly arises from a change in classification of pupils to be funded, with dually registered pupils no longer being funded twice, and a reduction of 9 in the number of pupils attending PVI special schools out of the borough. Overall, this results in a net increase in pupil numbers for DSG purposes of 1.1, equivalent to £0.006m.
- 5.13 There remains the possibility that pupil numbers will change following data checking by schools and the DfE, especially in respect of data from non-maintained schools and early years providers in the PVI sector where past experience has shown that this data is often subject to change. Confirmed numbers will not be released by the DfE until June, which will be after the point when budget decisions have to be taken. Therefore, the contingency of £0.220m included in the previous budget report is proposed to remain to cover a possible over estimate of DSG income or to meet unforeseen increases in costs on centrally managed budgets. Should the final DSG income be significantly different from that anticipated when the Executive Member makes final budget decisions later this month, the Forum will be informed of any adjustments that are made to the budget.
- 5.14 Taking these changes into account, the overall level of DSG income is expected to be £0.914m higher than previously reported.

Estimated balance from 2010-11

- 5.15 In terms of the estimated balances available from 2010-11 for centrally managed Schools Budget items, the Forum was informed at its previous meeting that based on the current monitoring information, an under spend of £0.388m was anticipated, with around £0.150m of commitments due to be paid in April relating to staff redundancies. This meant that around £0.200m of balances would be available for use in a future budget. The December monitoring information indicates that there is likely to be an under spending of £0.480m. An early review of potential school based redundancies indicates that whilst there is still £0.150m of know liabilities that will need to be paid in April, two further schools have contacted the LA to begin preliminary discussions around staffing reductions from September 2011. To limit any in-year pressure on the £0.050m budget set aside to fund redundancies, it is proposed to earmark £0.250m of the forecast under spend from 2010-11 to meet these potential costs. This leaves an estimated £0.230m of carry forward available for use in 2011-12. With £0.016m under spend already brought forward in the base budget, there is likely to be £0.214m additional income available from balances, an increase of £0.014m from the amount last reported.

Summary change in estimated income

- 5.16 Annex C sets out a summary of estimated Schools Budget income to be received by the Council and identifies an increase from the forecast made to the Forum in

February of £0.928m. This comprises £0.914m from DSG and £0.014m from balances.

Changes recommended to the budget proposals made in February

- 5.17 This section sets out the changes in funding needed for pressures and developments from the amounts estimated in the previous budget report. Therefore, the figures quoted represent the adjustment now proposed, and not the total budget requirement.

Budgets delegated to schools

- 5.18 The majority of budget allocations to schools for pupil led funding must be based on actual head count data collected from schools and other providers each January. At the time of writing this report, it has only been possible to complete provisional calculations of the effect of the school census on individual school budget allocations as data checking and calculations are still in progress. Based on current data, pupil budget allocations to mainstream schools, excluding allocations to fund the free entitlement to early years education and childcare have increased by £0.006m. This is much lower than would be expected from the 27.1 increase set out above in paragraph 5.12 and is due to the change in age profile, with a reduction in higher cost secondary aged pupils and an increase in lower cost secondary and primary aged pupils. There is also an impact for some schools which have reduced funding from the small school protection factor as a result of the increase in their number on roll.
- 5.19 For Kennel Lane Special School (KLS), there is a £0.031m increase in funding. This reflects a more complex and therefore expensive in-take than previously anticipated. KLS is judged outstanding by Ofsted and also represents the best value for money placement as well as maintaining more children in the borough, reducing the need for pupil disruption through excessive transport.
- 5.20 In respect of changes in funding allocations to providers of early years education and childcare, both in the maintained and PVI sector, paragraph 5.11 above indicated a significant increase in funded pupils, mainly as a result of increasing the free entitlement to early years education and childcare from 12½ hours a week to 15. Assuming take up in each provider is the same in 2011-12 as it was in 2010-11, after adjusting for the increase in free entitlement, it is estimated that an additional £0.555m will be paid to settings compared to the current base budget.
- 5.21 The school census also provides updated numbers of pupils with English as an Additional Language (EAL) and free school meals (FSM) eligibility, both of which are used for the purposes of funding schools. Allocations to schools for EAL have reduced by £0.003m, but deprivation funding allocated to schools based on the proportion of pupils eligible to a FSM has increased by £0.204m as numbers have risen by 14% from the October census, with 8.7% of all pupils now eligible.

Members of the Forum are reminded that the main criteria for pupil eligibility to a free school meal is where parents / guardians are in receipt of income support.

- 5.22 Following appointment of the new head teacher, more work has been undertaken on the likely cost of operating the new Jennett's Park Primary School which is scheduled to open at September 2011. Whilst most costs have remained generally in line with previous estimates, it is now clear that some of the fit out costs previously expected to be funded through the capital programme will in fact have to be funded from revenue. This particularly relates to teaching materials and general day to day

consumables which national accounting standards do not classify as capital related. A further £0.020m has been added to the provisional budget to cover these costs and ensures the per pupil funding rate is set at the amount recommended by the DfE.

- 5.23 The cost of support provided to statemented pupils in mainstream schools has also been updated from a costed schedule of pupils as at the end of January. This indicates a total cost increase of £0.060m, which is half the £0.120m forecast at the last meeting. There has been an increase of 8 pupils receiving a statement (total now 278) compared to the original 2010-11 budget, with average costs, excluding inflation, increasing by 1% to £5,483.
- 5.24 There are two further changes now proposed on budgets to be allocated to schools. In respect of the funding allocated to primary schools to cover the costs of the school meals catering contract, a revised calculation has been made for the likely subsidy required from schools next year and indicates a £0.015m cost increase, rather than the previous expectation of a £0.030m saving. The change here reflects the new reduced fixed contract meal price being in place from August, rather than from April which had been used in the previous calculation. Therefore, funding allocations need to increase by £0.045m.
- 5.25 The second change relates to the Independent Safeguarding Authority (ISA). School budgets are currently funded at £0.025m to finance the costs that were anticipated from the additional safeguarding checks anticipated from this new body. However, to date, the ISA has not been established, and latest information indicates it is unlikely to be implemented in the next financial year and therefore the funding is proposed to be removed. All schools have purchased the LA service to manage the ISA process in 2010-11 and a refund will now be made.
- 5.26 As elements of the budget have been amended, there has also been a re-calculation of the Minimum Funding Guarantee and this is now £0.076m lower than previously estimated. This also reflects the adjustment to Brakenhale school previously agreed by the Forum to pay only half the calculated amount in order to reflect the change in financial circumstances at the school and it's ongoing funding at the highest per pupil amount of any BF secondary school.

Budgets managed by the Council on behalf of schools

- 5.27 In respect of budgets managed by the LA, there are 2 significant changes in costs, both of which ultimately support schools. Firstly, there has been a change from the spending review in respect of the operation of the carbon reduction commitment (CRC). This scheme has previously been reported to the Schools Forum, and was originally intended to be cost neutral on a national scale as all organisations would need to purchase carbon allowances, with those making the biggest reduction to their carbon foot print receiving financial rewards that would be funded from penalties against organisations making the lowest reductions. However, the penalties and bonuses have now been removed from the CRC but all organisations will still need to purchase allowances. The DfE has indicated that the schools element of these costs should be charged to the Schools Budget as a central item and not delegated to individual schools. This change is estimated to cost £0.075m next year.
- 5.28 The second significant change relates to the school specific contingency. Members of the Forum will be aware that the main commitments against this budget relate to funding in-year increases in the cost of supporting children with SEN, significant increases in the number of pupils admitted by a school between January and September, and changes in take up of the free entitlement to early years education

and childcare. Reviewing these elements of costs, taking account of actual changes in 2010-11 and those forecast in 2011-12, an increase of £0.120m is proposed. More information on this is set out below at paragraph 5.33 (1).

- 5.29 The final changes proposed on centrally managed budgets relates to support for early years where an extra £0.001m saving is now anticipated on administration support, and a £0.012m saving can be made on the service purchased from the Margaret Wells Furby Children's Centre which provides for multi-disciplinary assessments, as the current budget is in excess of the cost of the agreement.

Net effect of proposed changes

- 5.30 Table 1 below summarises the financial effect of the changes now being proposed compared to those supported at the last meeting in February. Overall, there is an extra £0.551m of funds available. A breakdown of all the proposals, including those with no change is set out in Annex B.

Table 1: Summary of changes to budget proposals

Para Xref	Item of change from February report	2011-12 £ k
5.16	Estimated balance from 2010-11	-14
5.18	Mainstream pupil numbers	6
5.19	KLS places	31
5.20	Early Years providers	555
5.21	January 2011 census (FSM and EAL)	201
5.22	New Jennett's Park Primary School	20
5.23	Support to statemented pupils in mainstream schools	-60
5.24	Subsidy for primary school meals	45
5.25	Independent Safeguarding Authority	-25
5.26	Minimum Funding Guarantee	-76
5.27	Carbon reduction commitment	75
5.28	School specific contingency	120
5.29	Early Years support services	-13
	Sub total	863
5.14	Change in DSG income (also see Annex C)	914
	Net balance (- under / + over allocated)	-51

- 5.31 Should all of the proposals in this report be agreed, an estimated £0.051m remains unallocated in next year's budget that is available for distribution to schools and other providers. In such instances, the agreed budget strategy is that this would be allocated 85% to schools based on the number of pupils on roll, and 15% as a fixed allocation to each school. This is also consistent with responses from schools to the 2010 financial consultation where funding inflation was identified as the highest priority item. It is also proposed that funding for providers of the free entitlement to early years education and childcare, both in the maintained and PVI sectors receive the same percentage increase in funding to their basic rate as maintained schools will receive. The overall increase in funding is estimated at 0.075% and equates to approximated £3,200 for a secondary school and £800 for a primary school. A PVI early years provider would receive around £150.

The Forum may wish to consider whether any of the other budget pressures that are not currently funded, as set out in Annex A, should receive this unallocated funding, rather than the method proposed above.

Summary of provisional Schools Budget position

- 5.32 Table 2 below sets out a summary of how the additional £9.53m of income will be allocated in next year's budget, should the proposals set out in this paper be supported. Annex D provides a detailed breakdown of the budget by type of service delivery.

Table 2: Summary Schools Budget proposals for 2011-12

Item	Delegated £m	LA Managed £m	Total £m
Proposed changes from Annex B:	1.935	0.149	2.084
Unallocated balance	0.051	0	0.051
Mainstreamed grants (previously agreed)	7.270	0.125	7.395
Total overall increase	9.256	0.274	9.530

Decisions for the Schools Forum

- 5.33 Statutory regulations have conveyed powers to the Schools Forum in respect of certain decisions around the Schools Budget. Assuming the budget proposals made in this report are supported, then the Forum will need to agree the following:
- 1 That the level of school specific contingency for 2011-12 will increase by £0.120m to £0.571m. A breakdown of the relevant budget amounts in the current year, and those now proposed for next year are set out below in Table 3. Note, due to the nature of a contingency, where future liabilities are unknown, the proposed budget breakdown is indicative within the total estimated amount of funds. The contingency will be managed during the year across the relevant items, in the light of changing circumstances.

Table 3: Proposed break down of the school specific contingency

Item	2010-11	2011-12	Change
<u>Maintained schools</u>			
1. General provision for errors or exceptional costs	33	15	-18
2. In-year change in support to SEN pupils in mainstream schools	85	100	15
3. Exceptional pupil growth (8 classes)	117	185	68
4. Change in number / needs at Kennel Lane Special School / other exceptional SEN costs	41	121	80
5. Year on year budget protection for loses greater than 5%	30	30	0
Total maintained schools	306	451	145

Item	2010-11	2011-12	Change
<u>Early Years providers</u>			
6. General provision for errors / growth	100	100	0
7. Sustainability Fund	25	10	-15
8. SEN Fund	20	10	-10
Total Early Years	145	120	-25
Total Contingency Budget	451	571	+120

It can be seen that a number of changes are proposed, and these reflect a mixture of recent trends and future forecasts.

The changes proposed to the general provision, SEN pupils in mainstream schools, and the early years sustainability and SEN funds (items 1, 2, 7 and 8) have been amended to reflect recent trends.

The amendments to exceptional pupil growth and other SEN pressure (items 3 and 4) reflect the latest information the LA has in these pressures. In respect of exceptional pupil growth, which is paid to schools where their statutory number of pupils increase by at least 20 between January and September, the pupils expected to enter schools in September compared to the current year groups leaving indicates that 8 growth allowances will be payable. This is an increase from the 6 currently allowed for in the budget. Regarding other SEN pressures, whilst there has been growth to KLS, it is expected that more pupils will be admitted at September than currently allowed for in the budget. If this is the case, then growth allowances are also expected to be payable to KLS and are therefore reflected in the proposals.

- 2 The Forum has previously agreed that the high per pupil funding received by Brakenhale meant that the top up funding received through the Minimum Funding Guarantee (MFG) was no longer warranted and would be removed on a phased basis through to March 2013. The budget proposals assume this adjustment will continue.
- 3 That the total budget allocated to combined services that support both education and children's social care objectives be set at £0.591m. This reflects previous budget decisions and the proposals in this report, with Annex D providing a summary of where the budget is proposed to be spent.

5.34 Unlike previous years, there is no impact on the Central Expenditure Limitation (CEL) requirement from these proposals. The DfE prescribes a formula that LAs must use to determine whether Local Authority budget proposals result in a greater percentage increase in centrally managed budget items than those proposed for combined delegated school budgets, including YPLA funded sixth forms, and Early Years PVI providers. Where proposals indicate that LA managed items are increasing at a higher percentage than those to be delegated to schools, the CEL requires consent from the Schools Forum for the proposals to proceed. Using the DfE toolkit to calculate CEL, these budget proposals result in both LA managed expenditure and budgets being delegated to schools increasing by 2.8%, and therefore, there is no breach of the CEL. Note, these calculations make adjustment for the "mainstreaming" of grants.

Potential for further change

- 5.35 Due to the on-going process of checking and confirming data used for budget setting purposes, both by the LA, maintained schools and other providers, there is the possibility that this will identify the need to make amendments to these proposals. Should any further changes to these proposals be required, they will be presented to the Executive Member for a decision in March, and reported to the Forum in the new financial year.

Other items

- 5.36 The previous meeting of the Forum received a report on the outcomes of the survey of Early Years providers into the effectiveness of the new Early Years Single Funding Formula (EYSFF). The EYSFF was introduced from April 2010 and it is important to see whether there are any areas that needed improving. This report indicated that those providers making a response (20 – 31% in total) were broadly satisfied with the EYSFF.
- 5.37 At the Forum meeting, the Early Years PVI representative indicated that she had not received a copy of the survey and also knew of a number of other providers that were in the same position. A review of the process followed showed:
1. At a PVI provider meeting in October all providers in attendance were advised that a survey for the single funding formula would be sent out in early November. Providers were also advised that the survey would be sent out by e-mail and that this was an important opportunity to give views on current funding arrangements.
 2. The survey was e-mailed to all PVI providers on 09/11/2010 (with the exception of 1 provider who does not have an e-mail address, who was mailed a paper copy). No delivery failure messages were received.
 3. All PVI providers who had not returned the survey by 03/12/2010 were sent an e-mail reminder on 03/12/2010.
- 5.38 It seems that reasonable steps and communications have been undertaken with providers to alert them to this survey. Unfortunately, some providers have still not received important information and a review of all e-mail and other contact details is underway.

Conclusion

- 5.39 The financial position of the Schools Budget has improved from that anticipated when the budget report was presented in February. However, there are still a significant number of pressures that will not be funded and schools and providers will need to manage this through greater efficiencies and reductions in service levels. Schools should also review the use of “mainstreamed” grant income as all former restrictions have been removed meaning the funding can now be directed to the highest priorities.
- 5.40 There are also some uncertainties over income and costs, which are planned to be managed through the contingency proposals.
- 5.41 When determining where the increase in DSG should be applied in the Schools Budget, the Executive Member for Education will be requested to agree the recommendations from the Schools Forum, after taking account of any new

information that arises. These decisions will be taken later in March, with schools receiving their budget notifications before April.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The relevant legal requirements are contained within the body of the report.

Borough Treasurer

- 6.2 The financial implications arising from this report are set out within the supporting information and present a budget that can be funded from the overall level of anticipated resources.

Impact Assessment

- 6.3 Impact assessments will be undertaken on the budget proposal agreed at this meeting in advance of the final budget decisions of the Executive Member which are due to be taken in March.

Strategic Risk Management Issues

- 6.4 A sum of £0.220m has been deducted from the anticipated level of DSG income over the next two years to meet the possibility of an over estimation of pupil numbers and the costs of unpredictable or unforeseen items that would represent in year budget risks. There is a further £0.571m proposed for the school specific contingency to meet the cost of other forecast in-year budget pressures and £0.304m if required to support schools in financial difficulty or in Ofsted categories. The Executive Member will need to consider whether sufficient contingencies have been set aside in the budget.

Other Officers

- 6.5 There are no issues arising from this report that are relevant to other officers.

7 CONSULTATION

Principal Groups Consulted

- 7.1 Governing bodies, early years PVI providers, Schools Forum.

Method of Consultation

- 7.2 Written consultation documents.

Representations Received

- 7.3 Set out in this and previous budget reports.

Background Papers

Reports to Schools Forum:

Various DfE guidance notes on School Funding

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Budget 2011-12.doc

Pressures and developments agreed not to be funded in 2011-12

Ref	Item not to be funded	2011-12 current estimates		
		Delegated to schools £ 000	Managed by LA £ 000	Total £ 000
	<u>Cost pressures not recognised in the funding settlement</u>			
1	Inflation	487	123	610
2	Increase in employer NI rate	200	20	220
3	Increase in employer LGPS rate	40	5	45
	Net cost pressures not funded by DfE	727	148	875
	<u>Desirable budget developments (not essential)</u>			
4	Additional 0.5% inflation to minimum costs	230	30	260
5	Building maintenance	50	0	50
6	Family Support Advisers	180	0	180
7	Traded school improvement service	200	0	200
	Net non-essential budget developments	660	30	690
	<u>Alternative funding source identified</u>			
8	Capital expenditure (see paragraph 5.39)	0	150	150
	Net alternative funding source	0	150	150
	<u>Items considered unaffordable in the current climate</u>			
9	4 year olds from September 2011 – phase in over 3 years. Funds £230k only of £690k pressure	460	0	460
10	Playing for Success	0	50	50
	Net unaffordable items	460	50	510
	Total pressures not to be funded	1,847	378	2,225
	Initial Shortfall			2,515
	Remaining budget gap			290
	<u>Removal of funding duplicated in the Pupil Premium:</u>			
11	Looked After Children			18
12	Children from Service Families			15
13	Pupils eligible to a free school meal			257
	Total final savings			290

**Summary of budget pressures proposed to be incorporated
into the 2011-12 budget**

Ref	Item	2011-12 estimate		
		3 Feb Forum £ 000	3 March Forum £ 000	Change £ 000
	<u>Items delegated to schools</u>			
1	<u>Change in pupil numbers</u> Based on provisional analysis of the January 2011 census, there has been an increase of 239 pupils on roll.	549	555	6
2	<u>New primary school for Jennett's Park</u> The calculation reflects a September 2011 opening and is based on a preliminary staffing structure, including early appointments, and estimates for other costs.	400	420	20
3	<u>Change in pupil numbers at Kennel Lane</u> Reflects the agreed number and relative needs of individual pupils at the school.	193	224	31
4	<u>Free entitlement for 3 and 4 year olds</u> Estimate, based on 2011-12 participation rates, updated to reflect increase from 12½ hours provision per week to 15.	8	563	555
5	<u>Full time admission of 4 year olds</u> Funding for admissions from September, rather than current policy of January, has been added on a phased basis, with one third of the additional cost added in 2011-12. Future funding will be determined through the relevant budget setting process.	230	230	0
6	<u>Statemented pupils in mainstream schools</u> There has been an increase of 8 pupils receiving a statement (total now 278) compared to the original 2010-11 budget, with average costs, excluding inflation, increasing by 1% to £5,483 per pupil.	120	60	-60
7	<u>Data changes</u> Allocations to schools for pupils with English as an Additional Language have reduced by £0.003m, with deprivation funding based on the proportion of pupils eligible to a free school meal increasing by £0.204m as numbers have risen, with a reduction of £0.076m from the impact of the Minimum Funding Guarantee.	105	229	124
8	<u>School meals catering</u> A revised calculation has been made for the likely subsidy required from schools next year and indicates a £0.015m cost increase, rather than the previous expectation of a £0.030m saving. The change here reflects the new reduced fixed contract meal price being in place from August, rather than from April which had been used in the previous calculation.	-30	15	45

Ref	Item	2011-12 estimate		
		3 Feb Forum £ 000	3 March Forum £ 000	Change £ 000
9	<p><u>Items delegated to schools</u></p> <p><u>Crownwwod Language and Literacy Unit</u> A cost saving will arise as a result of moving from school based provision to specialist staff working in individual schools. The cost of transporting pupils will be removed, although there will be a £9k cost increase on staff travel, as set out in item 14 below.</p>	-47	-47	0
10	<p><u>Independent Safeguarding Authority</u> The ISA was intended to improve the process of background checks required on people working with children. Change in government policy means it has not been implemented and it is unclear if it will be.</p>	0	-25	-25
11	<p><u>Pupil Premium</u> The new Pupil Premium will be allocated to schools on the basis of eligibility to free school meals at January 2011. The core funding is £430 per eligible pupil, with children looked after for more than 6 months also qualifying for the funding. Children whose parents are in the armed forces will be funded at £200. In order to balance the overall budget, the BF Funding Formula will allocate less funds through these measures.</p>	-290	-290	0
12	Sub total items delegated to schools	1,238	1,935	697

Ref	Item	2011-12 estimate		
		3 Feb Forum £ 000	3 March Forum £ 000	Change £ 000
	<u>Items centrally managed by the Council</u>			
13	<u>External SEN placement costs</u> The latest costed schedule of pupils with SEN who are expected to be placed outside of BF maintained schools indicates a saving can be made next year against the current budget.	-50	-50	0
14	<u>Crownwood LAL</u> Whilst there is a £47k saving on pupil transport arising from the new service delivery model (see line 9 above), there will be a £9k increase in staff travel costs.	9	9	0
15	<u>Maternity leave cover</u> There has been an increase in the incidence of classroom staff taking maternity leave which has resulted in a budget over spend which is expected to continue into 2011-12..	40	40	0
16	<u>Early Years support services</u> Net on-going savings can be achieved from reduced administrative requirements and a budget surplus against the Margaret Wells Furby SLA which provides for multi-disciplinary assessments.	-10	-25	-15
17	<u>Support to schools in categories</u> This funding will be used in schools causing concern to support learning and teaching. Schools are likely to be in an Ofsted category of concern or at serious risk of becoming so. Such schools will need to demonstrate that they cannot make the necessary improvements to address any issues identified through inspection or review through the use of their own resources.	100	100	0
18	<u>Practical Learning Options for 14 years and over</u> Investment in this area has also been available as a result of the development of new diploma qualification, for which additional funding was available. As a result, it is possible to support further new developments with a reduced level of funding without compromising any of these valuable curriculum developments	-20	-20	0
19	<u>Speech and Language Therapy</u> The Speech and Language therapy service, via PCT and Symbol partnership to all schools for improved support to appropriate pupils was introduced as a short term service to improve awareness and skills in schools. This service has achieved its initial objectives and is therefore proposed to be scaled back.	-100	-100	0

Ref	Item	2011-12 estimate		
		3 Feb Forum £ 000	3 March Forum £ 000	Change £ 000
20	<p><u>Items centrally managed by the Council</u></p> <p><u>Carbon reduction commitment (CRC)</u> The spending review changed how the CRC was to operate, the effect of which is that all relevant organisations will need to purchase energy allowances. The DfE has indicated that the schools element of these costs should be charged to the Schools Budget as a central item and not delegated to individual schools.</p>	0	75	75
21	<p><u>School specific contingency</u> .A review of anticipated liabilities against the school contingency indicates the need to increase the budget. More information is set out in paragraph 5.33 (1).</p>	0	120	120
22	Sub total items managed by the Council	- 31	149	180
23	Total delegated and Council managed	1,207	2,084	877

Change in estimated income

Ref	DSG Income:	For Forum 3 Feb	For Forum 3 March	Change
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January 2011 provisional headcount data

1	DSG pupil numbers in maintained schools	14,433.0	14,521.1	88.1
2	Revised count for PRU pupils	0.0	0.0	0.0
3	DSG pupil numbers other than maintained schools	739.0	839.0	100.0
4	Contingency re overstated pupil numbers/in-year cost pressure	-45.0	-45.0	0.0

5	Final adjusted pupil numbers for 2011-12 DSG estimation	15,127.0	15,315.1	188.1
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DSG units of resource

6	Guaranteed DSG per pupil funding - core	£4,367.28	£4,367.28	
7	Guaranteed DSG per pupil funding - mainstreamed grants	£493.67	£493.67	

8	Total Guaranteed DSG	£4,860.95	£4,860.95	
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Estimated DSG income and available balances

9	Total Estimated DSG Income - core	£66.064 m	£66.885 m	£0.821 m
10	Total Estimated DSG Income - mainstreamed grants	£7.468 m	£7.561 m	£0.093 m

11	Total Estimated DSG Income	£73.532 m	£74.446m	£0.914 m
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12	Current DSG Base Budget	£65.129 m	£65.129 m	£0.0 m
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13	Change in DSG funding	£8.402 m	£9.316 m	£0.914 m
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14	Estimated available balances	£0.20 m	£0.214 m	£0.014 m
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15	Increase in income	£8.602 m	£9.530 m	£0.928 m
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16	Increase in income excluding mainstreamed grants	£1.207 m	£2.135 m	£0.928 m
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Objective Budget Book Analysis – 2011-12

Budget item	2010-11 Current Budget	Change Proposed	2011-12 Provisional Budget	Annual Change
<u>Delegated School Budgets</u>				
Primary	£27,199,380	£5,039,720	£32,239,100	18.5%
Secondary	£22,999,410	£3,402,000	£26,401,410	14.8%
Special	£2,903,640	£349,920	£3,253,560	12.1%
	£53,102,430	£8,791,640	£61,894,070	16.6%
<u>SEN provisions and support</u>				
External pupil placements	£4,662,250	-£50,000	£4,612,250	-1.1%
Sensory impairment support to schools	£115,000	£0	£115,000	0.0%
Teaching and support services	£813,110	-£100,000	£713,110	-12.3%
Language and Literacy (formerly at Crownwood)	£121,360	£9,000	£130,360	7.4%
Traveller Education	£75,140	£0	£75,140	0.0%
	£5,786,860	-£141,000	£5,645,860	-2.4%
<u>Combined Services</u>				
Procurement Specialist	£32,680	£0	£32,680	0.0%
Margaret Wells Furby Resource Centre	£169,390	-£12,540	£156,850	-7.4%
Young people in sport	£18,050	£0	£18,050	0.0%
Attainment of LAC	£113,590	£0	£113,590	0.0%
English as an Additional Language	£51,740	£77,000	£128,740	148.8%
Common Assessment Framework	£42,470	£0	£42,470	0.0%
Maintaining LAC in BFC	£62,890	£0	£62,890	0.0%
Education Health Partnerships	£30,000	£0	£30,000	0.0%
Families subject to domestic abuse	£6,000	£0	£6,000	0.0%
	£526,810	£64,460	£591,270	12.2%
<u>Education out of school</u>				
Pupil Referral Service	£698,750	£48,480	£747,230	6.9%
Home and group tuition	£264,090	£0	£264,090	0.0%
	£962,840	£48,480	£1,011,320	5.0%
<u>Pupil behaviour</u>				
CMCD	£31,870	£0	£31,870	0.0%
Behaviour Support Team and others	£495,060	£0	£495,060	0.0%
	£526,930	£0	£526,930	0.0%
<u>Early Years</u>				
PVI Providers	£2,438,710	£463,880	£2,902,590	19.0%
SEN Co-ordinators and others	£158,390	-£11,000	£147,390	-6.9%
	£2,597,100	£452,880	£3,049,980	17.4%
<u>Other items</u>				
Official staff absence	£292,880	£40,000	£332,880	13.7%
Licence fees	£109,730	£0	£109,730	0.0%
Practical learning options	£240,360	-£20,000	£220,360	-8.3%
School Specific Contingency	£308,210	£118,540	£426,750	38.5%
Early Years Specific Contingency	£145,000	£0	£145,000	0.0%
Premature retirement costs	£53,650	£0	£53,650	0.0%
School Admissions	£157,690	£0	£157,690	0.0%
Schools in financial difficulty	£204,470	£100,000	£304,470	48.9%
Former Standards Fund Projects	£72,000	£0	£72,000	0.0%
Carbon Reduction Commitment	£0	£75,000	£75,000	n/a
Other	£58,040	£0	£58,040	0.0%
	£1,642,030	£313,540	£1,955,570	19.1%
<u>Balance</u>				
Brought forward from 2009-10	-£16,000	-£214,000	-£230,000	n/a
	-£16,000	-£214,000	-£230,000	n/a
Total DSG	£65,129,000	£9,316,000	£74,445,000	14.3%

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SCHOOLS FORUM 3 MARCH 2011

SCHOOLS FORUMS: OPERATIONAL AND GOOD PRACTICE GUIDANCE FROM THE DfE (Director of Children, Young People and Learning)

1 INTRODUCTION

- 1.1 This report is presented to the Forum to bring attention to the DfE publication *Schools Forums: Operational Guidance and Good Practice*. This document is designed to provide members of Schools Forums, local authority officers and elected members with advice, guidance and information on good practice in relation to the operation of Schools Forums.

2 SUPPORTING INFORMATION

Background

- 2.1 The *Schools Forums: Operational Guidance and Good Practice*, as set out at Annex A, is designed to contribute to the ongoing development of Schools Forums. It has been subject to consultation with a variety of external partners of the DfE, such as Association of Directors of Children's Services and the Local Government Association. It is not prescriptive – other than in respect of describing requirements arising from Regulations – as what is good practice in one Schools Forum may not be appropriate in another.
- 2.2 The guidance document has been set out in four sections:
- Section 1 provides information on the constitutional and procedural requirements as set out in the Schools Forum Regulations.
 - Section 2 covers a number of key aspects of the operation of Schools Forums.
 - Section 3 provides information on induction, training materials and activities that local authorities should consider providing to members of their Schools Forum.
 - Section 4 contains information on sources of further information and Departmental contact details.

Annex A sets out the guidance document in full, with more information on Schools Forums available from the DfE website as follows:

<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schools/revenuefunding/schoolsforums>

Comments on BF procedures and practices

- 2.3 In most instances, BF procedures and practices are considered to be in accordance with the good practices identified by the DfE. However, there are a small number of areas where consideration will need to be given for change, in particular:

- Providing better communication of the business of the Forum to the wider education community. For example through a dedicated Schools Forum page on the council's website, or more formal, directed briefings to stakeholders.
- Whether a more formal training programme should be made available for Forum Members.

2.4 These issues will be considered and further proposals brought to the Forum in due course.

3 EQUALITIES IMPACT ASSESSMENT

3.1 Not applicable.

4 STRATEGIC RISK MANAGEMENT ISSUES

4.1 None.

Background Papers

None

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Department for Education

**SCHOOLS FORUMS:
OPERATIONAL AND GOOD
PRACTICE GUIDANCE**

Issued: December 2010

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INTRODUCTION

1. This guide is designed to provide members of Schools Forums, local authority officers and elected members with advice, guidance and information on good practice in relation to the operation of Schools Forums.
2. It is organised in four sections:
 - Section 1 provides information on the constitutional and procedural requirements as set out in the Schools Forums Regulations¹.
 - Section 2 covers a number of key aspects of the operation of Schools Forums at local level, drawing on good practice from a number of Schools Forums.
 - Section 3 provides information on the kinds of induction, training material and activities that local authorities should consider providing to members of their Schools Forum.
 - Section 4 contains information on sources of further information and Departmental contact details.
3. The guide draws on the experience and knowledge of Schools Forum members, local authority members and officers and the Department and its partners. Other than where it is describing requirements set out in the Regulations it is not designed to be prescriptive – what is good practice in one Schools Forum may not be appropriate in another, given the diverse circumstances of local areas. However, it is hoped the guide will stimulate some debate within Schools Forums and contribute to their ongoing development.
4. The Department hopes that Schools Forums and local authorities find this guide useful. It has been the subject of consultation with a wide variety of external partners. In particular, members of the Department's School Funding Implementation Group, made up of representatives of head teachers and governors, the Association of Directors of Children's Services (ADCS) and the Local Government Association, have provided valuable input and advice on the content of the guide. The Department is grateful for their assistance.

¹ Schools Forums (England) Regulations 2010 (S.I. 2010/344)

SECTION 1

SCHOOLS FORUM REGULATIONS: CONSTITUTION AND PROCEDURAL ISSUES

Regulations

1.1. National regulations govern the composition, constitution and procedures of Schools Forums. Local authorities can provide Schools Forum members with a copy of these regulations or alternatively they can be accessed at:

[Schools forums - The Department for Education](#)

Membership

1.2. The regulations provide a framework for the appointment of members, but allow a considerable degree of discretion in order to accommodate local priorities and practice.

1.3. A forum must have at least 15 members. No maximum size is stipulated, and authorities will wish to take various issues into account in deciding the actual size, including the need to have full representation for various types of school, and the authority's policy on representation of non-schools members. However, care should be taken to keep the forum to a reasonable size.

1.4. Types of member. Forums must have 'schools members', 'non-schools members' and Academy member(s) if there is at least one Academy in the authority's area. Schools and Academy members together must number at least two-thirds of the total membership of the forum and the balance between primary, secondary and academies members should be broadly proportionate to the pupil numbers in each category. It is for the local authority to determine the length of members' terms of office.

Schools members

1.5. Schools members represent specified phases or types of schools within the authority. At the least, Schools Forums must contain representatives of two groups of schools: primary and secondary schools. The numbers of members in each group should be proportionate to the ratio of pupils in each phase. Beyond this, Schools Forums must also include representatives of special schools and nursery schools, if local authorities maintain such schools.

1.6. Where a local authority maintains one or more special schools the Schools Forum should have at least one schools member from that sector. The same applies to nursery schools.

1.7. Middle schools are treated according to their deemed status and while there is no specific provision in the regulations to require separate representation of middle schools it is good practice to ensure that all the various age phases of schools in an authority have adequate representation. Where middle Schools exist, therefore, many local authorities include them as a separate group in the membership structure of Schools Forums.

1.8. The authority then has discretion to divide the groups referred to in paragraph 1.5 into one or more of the following sub-groups–

- head teachers or head teachers’ representatives in each group;
- governors in each group;
- head teachers or head teachers representatives and governors in each group;
- representatives of the particular school category.

Head teachers can be represented by other senior members of staff within their school. Governors can include interim executive members of an interim executive board. The sub-groups do not have to be of equal size – for example, there may be more representatives of head teachers of primary schools than governors of such schools, or vice versa. It is good practice for Schools Forums to aim for a membership structure based on an equal proportion of head teachers and governors, though this is not always possible for a variety of reasons. Nevertheless it is important that even where equal numbers of head teachers and governors cannot be achieved there is sufficient representation of each type of schools member in each group to ensure debate within the forum is balanced and representative.

1.9. Where the authority is considering dividing one or more of the groups into sub-groups consisting of representatives of the particular school categories in order to ensure separate representation of the various types of school (such as community, voluntary and foundation) as well as one or more of the other sub-groups referred to in paragraph 1.8, it might wish to take into account any resulting complexity and size before making the decision.

1.10. Whatever the membership structure of schools members on a forum, the important issue is that it should reflect most effectively the profile of schools across the authority to ensure that there is not an in-built bias towards any one phase or group.

1.11. The term of office for each schools member should be stipulated by the authority at the time of appointment. Such stipulation should follow published rules and be applied in a consistent manner as between members. They need not have identical terms – there may be a case for varied terms so that there is continuity of experience rather than there being a complete change in the membership at a single point.

Election and nomination of schools members

1.12. The relevant group or sub-group is probably best placed to determine how their schools members should be elected.

1.13. We would recommend to those who draw up the scheme that a vacancy amongst a community primary school head teachers' group would be filled by a nominee elected according to a process that has been determined by all the community primary school head teachers in the local authority and in which all community primary school head teachers had the opportunity to stand for election and/or vote in such an election.

1.14. Similarly, if a local authority's Schools Forum has, say, a sub-group of Voluntary Aided and Foundation secondary school governors, we would recommend that all governors of such schools are eligible to stand for election and all can vote in any such election.

1.15. As outlined above, the composition of Schools Forum should be constructed in such a way that ensures that any potential schools member holding a single office/position (head teacher or governor) can represent only one group or sub-group. However it would be quite legitimate for a single person who holds multiple offices/positions to be eligible for membership of more than one group or sub-group. A person who is a governor of, say, a primary school and a secondary school is able to stand in elections as a representative of either group but can be appointed to represent only one of those groups.

1.16. The purpose of ensuring that each group or sub-group is responsible for their election process is to guarantee that there is a transparent process by which members of Schools Forums are nominated to represent their constituents. Some groups and sub-groups may face logistical and administrative difficulties firstly in determining the process for their elections and secondly in running such elections.

1.17. Appropriate support to each group or sub-group to manage their election processes should be offered by the clerk of a Schools Forum, or the committee/democratic services of a local authority. This may just include the provision of advice but may also consist of providing administrative support in actually running the elections themselves.

1.18. As a minimum, we would recommend that the clerk of a Schools Forum make a record of the process by which the constituents of each group and sub-group elect their nominees to the Schools Forum and be able to advise the Chair of the Schools Forum and local authority on action that needs to be taken, where necessary, to seek new nominees.

1.19. In determining the process by which elections should be operated it is perfectly legitimate for a local authority to devise, in consultation with their Schools Forum, a model scheme for the constituents of a group or sub-group to consider and be invited to adopt. However, such a model scheme cannot be imposed on any constituency: adaptations and /or alternative schemes may be adopted. A single scheme need not be adopted by each constituency.

1.20. In fact, schemes are very likely to differ in substance between different

sized constituencies or between those constituencies that have an existing 'parent' group and those that do not. For instance, within most local authorities there are head teacher associations. These may serve as an appropriate vehicle for the organisation of elections. However, care should be taken to ensure that every possible eligible member of a constituency has an opportunity to be involved in the determination of their group's election process and is given the opportunity to stand for election if they choose to do so.

1.21. It would not be compliant with the Regulations for the steering committee or chair of a 'parent' group simply to make a nomination to represent their group or sub-group on a Schools Forum. Schools members must be elected (but see below).

1.22 The local authority may set a date by which the election should take place and must appoint the schools member if the election has not taken place by that date. The person appointed should be a member of the relevant group.

1.23 We would recommend that any scheme takes into account a number of factors;

- a. the process for collecting names of those wishing to stand for election;
- b. the timescale for notifying all constituents of the election and those standing;
- c. the arrangements for dispatching and receiving ballots;
- d. the arrangements for counting and publicising the results;
- e. any arrangements for unusual circumstances such as only one candidate standing in an election; and
- f. whether existing members can stand for re-election.

1.24 In the event of a tie between two or more candidates, then the local authority must appoint the schools member instead. The authority may decide to appoint one of the candidates rather than someone else and might wish to take into account the experience or expertise of the individuals, and the balance between different types of school represented on the Forum.

Election and nomination of Academies members

1.25 Academies members must be elected by the governing bodies of the Academies in the authority's area, and they are probably best placed to determine the process. Academies members are there to represent the governing bodies of Academies and are, therefore, not necessarily restricted to principals, senior staff or governors. The same factors should be taken into

account as for the election of schools members, set out in paragraph 1.23.

1.26 Where there is only one Academy in the authority's area, then their governing body must select the person who will represent them.

1.27 As with schools members, the local authority may set a date by which the election should take place and must appoint an Academies member if the election does not take place by that date, or if an election results in a tie between two or more candidates.

Non-schools members

1.28 Non-schools members may number no more than a third of a forum's total membership (excluding observers – see paragraph 1.44). The authority must appoint at least one person to represent the local authority 14-19 partnership and at least one person to represent early years providers from the private, voluntary and independent (PVI) sector. Early years PVI settings need to be represented because funding for the free entitlement for three and four year olds comes from the Schools Budget, and authorities are required to introduce the Early Years Single Funding Formula from April 2011.

1.29 The authority may also appoint additional non-schools members to the forum to represent the interests of other bodies but, before doing so, they must consider whether the Church of England and Roman Catholic dioceses situated in the authority's area; and, where there are schools or Academies in the area with a different religious character, the appropriate faith group, should be represented on the forum. If diocesan authorities nominate members for appointment as non-schools members they may wish to consider what type of representative would be most appropriate – schools-based such as a head teacher or governor, or someone linked more generally with the diocese.

1.30 It is also good practice for local authorities to ensure that the needs and interests of all the pupils in the local authority are adequately represented by the members of a Schools Forum. The interests of pupils in maintained schools can be represented by schools members. Some pupils in a local authority, however, are not in maintained schools but instead are educated in Pupil Referral Units (PRUs), now called short stay schools, hospitals, independent special schools and non-maintained special schools. Certain types of non-schools members can play an important role in representing the interests of these groups of pupils. They can also play a role in representing the interests and views of the services that support those groups of vulnerable and at-risk pupils who nevertheless are on the roll of maintained schools, such as looked after children and children with special educational needs.

1.31 The purpose of non-schools members is also to bring greater breadth of discussion to forum meetings and ensure that stakeholders and partners other than schools are represented. Organisations which typically provide non-schools members are trades unions, professional associations and representatives of youth groups. Parent groups could also be considered.

However, as there are clearly limited numbers of non-schools members able to be on a Schools Forum, care should be taken to ensure that an appropriate representation from wider stakeholders is achieved.

1.32 The length of term of office for non-schools members is at the discretion of the authority. Schools and Academies must be informed, within a month of the appointment of any non-schools member, of the name of the member and the name of the body that that member represents.

Restrictions on membership

1.33 There are two important restrictions placed on who can be a non-schools member of a Schools Forum. Firstly, the local authority cannot appoint an elected member of the local authority who is appointed to the executive of that authority (a lead member/portfolio holder) 'executive members'. Secondly, the local authority cannot appoint the Director of Children's Services or any officer employed or engaged to work under the management of the Director of Children's Services, and who does not directly provide education to children (or manage those who do) ('relevant officer').

1.34 In practice this second restriction will apply to the Director of Children's Services, Assistant Directors and other senior officers with a specific role in strategic financial management and/or who are responsible for the funding formula for schools.

1.35 Schools Forums have the power to approve a limited range of proposals from their local authority: the restrictions ensure that there is no conflict of interest between the proposing body (the local authority) and the approving body (the Schools Forum).

1.36 However, non-executive elected members and those officers who are employed in their capacity as head teachers or teachers or are otherwise engaged to provide direct support to pupils are eligible to be members of forums.

1.37 In the case of non-executive elected members, they may be either a schools member (by virtue of them being a school governor) or a non-schools member. As a non-schools member they would be well placed to fulfil the broader overview and scrutiny role they have within the local authority in general.

1.38 Officers who are employed as teachers or head teachers such as teachers-in-charge of PRUs (short stay schools) are eligible for membership. So too are those who work for, and those who directly manage, a service which provides education to individual children and/or advice to schools on, for example, learning and behavioural matters.

1.39 So, for example, an officer working for or directly managing an education service for looked after children or pupils with sensory difficulties can be a non-schools member of a Schools Forum as they are well placed to

represent the needs and interests of a particular group of pupils.

1.40 School improvement partners are also able to be non-schools members of a Schools Forum as they will be able to bring an additional professional voice to debates.

1.41 However, the inclusion of non-executive elected members, certain officers or school improvement partners is not a requirement. Many Schools Forums do not have such members on them and it is for each local authority and Schools Forum to consider how best to ensure the right balance of school and non-school representation on the forum, taking into account their local circumstances and preferences.

Recording the composition of Schools Forums

1.42 Each local authority must make a written record of the composition of its Schools Forum detailing the numbers of schools members and by which group or sub-group they were elected, the number of Academies members and the number of non-schools members, their terms of office, how they were chosen and whom they represent. This record should also indicate the term of office for schools and Academies members.

1.43 As well as the term of office coming to an end, a member ceases to be a member of the Schools Forum if he or she resigns from the forum or no longer occupies the office by which he or she became eligible for election, selection or appointment to the forum. For example, a schools member representing community primary school governors who is no longer a governor of a community primary school in the relevant authority must cease to hold office on the Schools Forum even if they remain a governor of a school represented by another group or sub-group. Other situations in which membership of the Forum ends are if a member resigns from the forum by giving notice in writing to the authority and, in the case of a non-schools member, the member is replaced by the authority, at the request of the body which the member represents, by another person nominated by that body.

Observers

1.44 The Regulations provide that any elected member or officer of the authority who is not a member of the Schools Forum is entitled to attend and speak at a forum. This is to ensure that, while not members of Schools Forums, executive elected members and senior officers with responsibility for strategic resource management have a clear right to participate in any discussions that the Schools Forum may have, particularly where a local authority has asked its Schools Forum to approve a proposal. Where this is the case it is good practice that the executive member and/or senior officer is able to speak to such an item and respond to any queries the Schools Forum raises. Elected members and officers of an authority who are not members of the schools forum are only entitled to attend and speak at a forum in their official capacity and not in any personal capacity.

Procedures

1.45 Many procedural matters are not prescribed in the Regulations and are at the discretion either of the authority or the forum itself. However, there are requirements in the Regulations relating to:

a. quorum: A meeting is only quorate if 40% of the total membership is present (this excludes any observers, and it is 40% of the current membership excluding vacancies). If a meeting is inquorate it can proceed but it cannot legally take decisions (e.g. election of a chair, or a decision relating to funding conferred by the funding regulations). An inquorate meeting can respond to authority consultation, and give views to the authority. It would normally be good practice for the authority to take account of such 'unofficial' views, but it is not legally obliged to do so. In practice, the arrangements for meetings should be made to reduce the chance of a problem with quora. The quorum stipulation is in the Regulations to help ensure the legitimacy of decisions;

b. election of a chair: Under the Regulations, if the position of chair falls vacant the forum must decide how long the term of office of the next chair will be. This can be for any period, but the forum should consider carefully whether a period exceeding two years is sensible. A long period will also cause problems if the member elected as chair has a term of office as a member which comes to an end before their term of office as chair ends. The forum should then elect a chair from amongst its own members except that any non-executive elected member or eligible officer who is a member of a forum may not hold the office of chair;

c. voting procedures: The Regulations provide that a forum may determine its own voting procedures. The powers which Schools Forums have to take decisions on a range of funding matters increase the importance of clear procedures. These procedures should take account of any use of working groups by the forum – for example a decision might be taken by voting to accept a report by a working group (see also below). As part of any voting procedure there should be clarity in the procedures for recording the outcome of a vote, and any resolutions a Schools Forum makes in relation to any vote taken;

d. substitutes: the local authority must make arrangements to enable substitutes to attend and vote at forum meetings. This applies to schools members, Academies members and non-schools members. The arrangements must be decided in consultation with forum members.

e. defects and vacancies: the Regulations provide that proceedings of the forum are not invalidated by defects in the election

or appointment of any member, or the appointment of the chair. Nor does the existence of any vacancy on the forum invalidate proceedings (see paragraph 1.45(a) on quorum).

f. timing: Schools Forums must meet at least four times a year

1.46 Where the Regulations make no provision on a procedural matter, local discretion should be exercised. It is for the authority to decide how far it wishes to establish rules for the Schools Forum to follow, in the form of standing orders. While it is entitled to do so, it is of course good practice to allow the forum to set its own rules so far as possible.

Public access

1.47 Schools Forums are more than just consultative bodies. They also have an important role to play in approving certain proposals from their local authority and are therefore involved in the decision making process surrounding the use of public money at local level. Schools Forums should consider how best to ensure that their proceedings are subject to public scrutiny. Local authority council meetings and committee meetings are held in public except in certain specified cases and Schools Forums should start from the presumption that there is no reason not to allow public access.

1.48 Some Schools Forums already operate very much along the lines of a local authority committee. This is perfectly legitimate where there is such local preference. Certainly papers, agendas and minutes should be publicly available. This is most easily achieved by publishing them on a website.

Working Groups

1.49 It is open to a Schools Forum to set up working groups of members to discuss specific issues, and to produce draft advice and decisions for the forum itself to consider. The groups can also include wider representation - for example, an early years reference group can represent all the different types of provider to consider the detail of the early years single funding formula. The reference group would then be able to give its considered view on the local authority's proposals to the Forum. It is not good practice (though it is legal, if properly decided upon and recorded) for the forum to delegate actual decisions or the finalisation of advice to a working group, as this may have the effect of excluding legitimate points of view.

Urgent business

1.50 It is good practice for the local authority to agree with its Schools Forum an urgency procedure to be followed when there is a genuine business need for a decision or formal view to be expressed by the forum, before the next scheduled meeting. The authority may of course call an unscheduled meeting; but it may also wish to put in place alternative arrangements such as clearance by email correspondence or some other means. Such instances should be avoided so far as possible but are legitimate provided all members

of the forum have an opportunity to participate and the logistics provide a reasonable opportunity for consideration.

1.51 It is not legal for the chair to take a decision on behalf of the forum, no matter how urgent the matter in question; but a forum may wish to put in place a procedure for the Chair to give the authority a view on an urgent issue.

SECTION 2

EFFECTIVE SCHOOLS FORUMS

Introduction

2.1. As the previous section outlined, local authorities have responsibility for establishing Schools Forums. They also have an ongoing responsibility to provide them with appropriate support, information and guidance in carrying out their functions and responsibilities.

2.2. The following outlines some aspects of what local authorities and Schools Forums should consider in ensuring that their Schools Forums are as effective as possible

2.3. Central to the effectiveness or otherwise of a Schools Forum will be the relationship between it and its local authority. The local authority will have a significant influence on this: the support it provides; the resources it devotes and the weight it gives to the views of Schools Forums all contribute to the nature of the relationship. There are therefore a number of characteristics of this relationship that are particularly important:

2.4. *Partnership:* The work of the Schools Forum is likely to be most effective when there is a genuine partnership between it and its local authority. In practice this means having a shared understanding of the priorities, issues and concerns of schools and the local authority. However, it also means being honest and open where there are some tensions or disagreements over priorities. Overall there should be a shared commitment to working together on the agreed priorities and understanding of the contribution that can be made by each side to their achievement.

2.5. *Effective Support:* The local authority is the main source of support and guidance to a Schools Forum. It is vital therefore that the business of the Schools Forum is supported by the local authority in an efficient and professional manner. The management of meeting cycles, production of papers and the provision of good quality advice and guidance all contribute to the effectiveness of Schools Forums.

2.6. *Openness:* It is important that a Schools Forum feels it is receiving open and honest advice from its local authority. In the vast majority of cases this is the situation, but there will inevitably be some issues about which a local authority and its Schools Forum may disagree. This can cause tension but a Schools Forum should be able to feel that it is receiving all the information it needs to reach necessary decisions or informed views.

2.7. *Responsiveness:* Local authorities should as far as possible be responsive to requests from their Schools Forums. These may include requests to discuss particular topics or issues as well as requests for information, data or other support. However, Schools Forums themselves

should also be aware of the resource implications of their requests. The resources (both officer time and other resources) that a local authority devotes to the Schools Forum are a local matter that ideally should be discussed and agreed between the local authority and Schools Forum. Within the resources available, Schools Forums should have a degree of control over the issues they consider and information provided. Beyond this, local authorities will want to support their Schools Forum as far as they are able but Schools Forums should also take a realistic view of the resource implications of any requests they make.

2.8. *Strategic view:* Schools Forums are most effective when they take a strategic view of the issues they are considering. While members of a Schools Forum are representatives of their specific sector or phase, they should be able to consider the needs of the whole of the educational community, rather using their position on a Schools Forum to advance their own sectional or specific interests. Schools Forum chairs have a particularly important role in ensuring that this is the case: they can influence the kinds of issues and topics discussed and should set the tone for the discussions at meetings. Equally, local authorities have a role in ensuring that all members of a Schools Forum are well briefed and able to participate fully in discussions.

2.9. *Challenge and Scrutiny:* Schools Forums may be asked to agree to proposals from their local authority that will have an effect on all schools in the local area. The extent to which forums can scrutinise and challenge such proposals is an important aspect of their effectiveness. Many local authorities and Schools Forums pride themselves on the collegiate nature of their relationship and the consensus by which they operate: others may be less concerned about this. Whatever the nature of the relationship, however, there will be instances where it is incumbent on a Schools Forum to challenge and scrutinise a local authority's decisions, proposals or existing arrangements. Effective local authorities and Schools Forums manage this well and while agreement can often be reached under relatively informal circumstances, it is vital that there are formal procedures in place to ensure that any decisions the Schools Forum makes are reached in an appropriate and transparent manner.

2.10. The characteristics identified above are just some of the aspects that will contribute to an effective Schools Forum. The following provides more detail on some of the specific issues that local authorities and Schools Forums may wish to consider in thinking about their own arrangements.

The role of Executive Elected Members

2.11. A Schools Forum needs to ensure that there are systems in place for executive members of the Council to be aware of its views on specific issues and, in particular, any decisions it takes in relation to the Schools Budget and individual budget shares.

2.12. It is common for an executive member (usually the portfolio holder with

responsibility for schools or children's services) to attend Schools Forum meetings. By doing so such elected members are able to contribute to the discussion and receive first-hand the views of the forum: it is clearly good practice for this to be the case and the regulations provide the right for executive members to attend and speak at forum meetings. However, there is no requirement for this to happen so at the very least there should be clear channels of communication between the Schools Forum and executive members.

Attendance of local authority officers at meetings

2.13. There is no requirement for specific officers to attend meetings of the Schools Forum beyond any officers who, in consequence of local decisions, are non-schools members of the Forum. However, as with executive members it is clearly good practice for the senior manager with resource responsibilities, and perhaps the Director of Children's Services, or senior manager with school improvement responsibilities, to attend meetings.

2.14. It is important to consider the capacity in which officers who are not members of a forum attend the meetings of their forum. In practice, it is usual for officers to have prepared the papers and information for the forum, present the papers at meetings and participate in any discussion. This will usually suffice, but on particularly contentious matters Schools Forums may want to consider what, if any, further information is needed, beyond that supplied, to reach an informed decision.

2.15. While processes should not be excessively bureaucratic or time-consuming, both the local authority and the Schools Forum should consider how such situations can best be managed to provide assurance to all schools that fair and effective decisions are being reached.

2.16. Also, in the majority of cases Schools Forums are supported by a specific officer. In the course of their work, however, Schools Forums will be required to consider a whole range of issues and they may consider it appropriate that other officers attend for specific items of business. Where this is the case, the local authority should meet the Schools Forum's requests as far as possible.

Administration of the business of Schools Forums

2.17. The vast majority of a Schools Forum's business will be transacted on the basis of prepared papers. It is therefore important that these are of a high standard and produced in a timely and consistent manner.

2.18. It is good practice for the Schools Forum and local authority to agree a standard for these. It is usual for papers to be dispatched at least one week prior to the meeting at which they will be discussed to allow members to consider them and if necessary canvass views from the group they are representing. Consideration should be given to whether papers should automatically have a wider distribution to enable representations to be made

to Forum members.

2.19. Consistency in the presentation of papers also contributes to the effectiveness of meetings: it helps set the tone of meetings, facilitate the engagement of all members and signal the importance the local authority attaches to the work of the Schools Forum. Ideally such a standard should be agreed between the Schools Forum and local authority. Annex A provides a suggested model format for papers.

Clerking the Schools Forum

2.20. Clerking of a Schools Forum should be seen as more than just writing a note of the meeting. A good clerk provides an invaluable link between the members of the Forum, the chair and the local authority. It is a role often undertaken by an employee of the local authority though in some cases independent clerks are used.

2.21. Clerks should manage the logistics of the meeting in terms of ensuring dispatch of papers and producing a note from the meeting. In considering the style of meeting notes consideration should be given to making them intelligible enough for non-attendees to get a sense of the discussion as well as clearly indicating the conclusion and action agreed in relation to each agenda item. Verbatim reports of a Schools Forum's discussion, however, are unlikely to be very useful. Schools Forums may consider whether a simple action log should be maintained by the clerk to ensure all action points agreed are followed up.

2.22. Beyond this a good clerk can:

- a. provide the route by which Schools Forum members can access further information and co-ordinate communication to Schools Forum members outside of the formal meeting cycle;
- b. respond to any queries about the business of the Schools Forum from head teachers, governors and others who are not on the Schools Forum themselves;
- c. be responsible for ensuring contact details of all members are up to date;
- d. maintain the list of members on the Forum and advise on membership issues in general;
- e. assist with the co-ordination of nomination/election processes run by the constituent groups;
- f. keep the Schools Forum website up to date: e.g. by posting latest minutes and papers etc;
- g. monitor, on a regular basis, the Schools Forum and general Schools Funding section of the Department for Education (DfE)

website; and arrange for the distribution of any relevant DfE information to Schools Forum members;

- h. if appropriate, provide technical advice in relation to the Schools Forum regulations and in relation to the operation of a Schools Forum's local constitution; and
- i. organise, operate and record any voting activity of the Schools Forum in line with the provisions of its local constitution.

2.23. Not all of these tasks may be able to be undertaken by the Schools Forum clerk. However, each one is important and there should be arrangements in place to ensure they are discharged adequately.

Meeting notes and recording of decisions

2.24. A vital part of the effective operation of Schools Forums is to ensure that an accurate record of the meeting is taken, including, where appropriate recording the outcome of any votes and decisions taken.

2.25. Notes or minutes of each Schools Forum meeting should be produced as soon after the meeting as possible to enable members and others to see the outcome of any discussions and decisions/votes. It is good practice to formally agree the accuracy of the note/minutes at a subsequent meeting.

Resources of the Schools Forum

2.26. The costs of a Schools Forum fall in the retained budget portion of the Schools Budget of local authorities. Nationally there is variation in the level of funding local authorities identify against Schools Forum expenditure: the median expenditure in 2010-11 was £21,000.

2.27. It is legitimate to charge the running costs of Schools Forums to this budget including any agreed expenses for members attending meetings, the costs of producing and distributing papers and costs room hire and refreshments and for clerking of meetings. Beyond these costs some Schools Forums have a budget of their own to use for activities such as commissioning research or other reports. The level of resource devoted to Schools Forums is a matter for local authorities, though it is clearly good practice for this to be discussed with their Schools Forum.

Agenda Setting

2.28. The process by which the agenda for a meeting or cycle of meetings is set is in many respects one of the key determinants of the effectiveness or otherwise of a Schools Forum.

2.29. The frequency and timing of meetings of the forum should be agreed in advance of each financial and/or academic year. In drawing up this cycle of meetings, in consultation with the Schools Forum, the local authority should

provide a clear overview of the key consultative and decision-making points in the school funding cycle. These will be drawn from a combination of national and local information and should inform the basic agenda items that each meeting needs to cover. For instance meetings will need to be scheduled at appropriate points to enable the Schools Forum to consider the outcomes of local consultations and national announcements.

2.30 Regulations state that the local authority must consult the Schools Forum annually in connection with various schools budget functions, namely:

- 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 provision
- arrangements for insurance
- administrative arrangements for the allocation of central government grants paid to schools via the authority
- arrangements for free school meals

2.31 Consultation must also take place when a local authority is proposing a contract for supplies and services which is to be funded from the Schools Budget and is in excess of the EU Procurement thresholds. The consultation must cover the terms of the contract at least one month prior to the issue of invitations to tender.

2.32 The Forum has the responsibility of informing the governing bodies of all schools maintained by the authority of the results of any consultations carried out by the authority relating to the issues in paragraphs 2.30 and 2.31.

2.33 Schools Forums generally have a consultative role. However, there are situations in which they have decision-making powers. The respective roles of Forums, local authorities and the DfE are summarised in Table 1. The areas on which Forums make decisions on local authority proposals are:

- Breaches of the central expenditure limit – if it is proposed that spending on central expenditure within the Schools Budget should rise faster than the Schools Budget as a whole
- Charges to the Schools Budget relating to prudential borrowing, termination of employment costs, special educational needs transport costs and contributions to combined services. In the case of the first three, the Forum must be satisfied that there is a saving to the Schools Budget at least equal to the expenditure proposed and, in the case of combined budgets, that there is an educational benefit from the expenditure

- The level of the schools' specific contingency; the contingency can be used where a governing body has incurred expenditure which it would be unreasonable to expect them to meet from the school's budget share, to correct errors, and to fund in-year increases in budgets

In each of these cases, the local authority can appeal to the DfE if the Schools Forum rejects its proposal.

2.34 In 2011-12, local authorities will also need to agree with their schools forum if they wish to set the Minimum Funding Guarantee (MFG) at a higher level than -1.5% or disapply it for the early years single funding formula. Any other proposals to vary the MFG will need to be discussed with the schools forum but will need to be approved by the Secretary of State. Beyond this, however, local authorities and Schools Forums may want to consider issues of an essentially local nature such as the specific operation of a factor in the funding formula or other matters relating to local school funding issues.

Chairing the Schools Forum

2.35 The chair of a Schools Forum plays a key role in setting the tone, pace and overall dynamic of the forum. They should provide an environment within which all members are able to contribute fully to discussions and guide the forum to making well informed decisions.

2.36 The relationship between the chair and the local authority is therefore vital. The chair should be very clear on the substance of the agenda items, understand the issues involved and the decisions and/or actions that need to be taken in respect of the Forum business. It is good practice for there to be a pre-meeting between the senior officer of the authority supporting the Schools Forum and the chair and vice-chair of the Forum to ensure that all the issues are clearly understood.

2.37 Equally, the chair has the responsibility of representing the views of the Schools Forum back to the local authority: for instance, they should, where appropriate, take the initiative to make suggestions for improvements to the way the business is conducted, and, in exceptional cases and with support of the members of the Schools Forum take the view that they do not have sufficient information on which to base a decision and ask that an item is deferred until further information is available. However, in doing so, the Chair and Schools Forum should be fully aware of the consequences of deferral.

Communication

2.38. Communication to the wider educational community of the discussions and debates of, and decisions made by, Schools Forums is fundamental to their effective operation. The more schools and other stakeholders know about the proceedings of Schools Forums, the more their work will be an important and central part of the context of local educational funding. This is

particularly important given the decision making role that Schools Forums have.

2.39. Each Schools Forum should therefore be clear what its channels of communication are. One channel is to ensure that all its agenda, minutes and papers are publicly available – ideally through web-pages devoted to the work of the Schools Forum. However, the Schools Forum should also consider additional communication processes. These could include:

- a. an annual report on the proceedings of the Schools Forum;
- b. the reporting back by Schools Forum members to their 'parent' group of the business of the forum. This can be a particularly useful method of ensuring that Schools Forum members have an ongoing dialogue with the constituents of their group or sub-group and are therefore well able to represent their views at Schools Forum meetings;
- c. attendance by the chair, or other Schools Forum member, at other relevant consultative or management groups such as any capital working group; or senior management meetings of the Children's Services Department; or
- d. a brief email to all schools and other stakeholders after each Schools Forum meeting informing them of the discussions and decisions with a link to the full papers and minutes for further information.

SECTION 3

INDUCTION AND TRAINING

Induction of new members

3.1. When new members join the Schools Forum appropriate induction materials should be provided. These might include material relating to the operation of the Forum together with background information about the local and national school funding arrangements. Typically they might comprise:

- a. the constitution of the Forum
- b. a list of members including contact details and their terms of office
- c. any locally agreed terms of reference explaining the relationship between the Schools Forum and the local authority
- d. copies of minutes of previous meetings
- e. the programme of Schools Forum meetings for the year
- f. the local Schools Forum web address (where appropriate)

3.2. This Operational and Good Practice Guide, suitably supplemented by local material, should also be provided to new members on their appointment.

3.3. Where there is sufficient turnover of School Forum members in any particular year the authority may wish to organise a one-off induction event to brief new members. Such an event would usefully include an outline of the role of the Schools Forum and the national funding arrangements for schools and local authorities. It might also include an explanation of the local funding formula and any proposals for review. The opportunity could also be taken to explain the main reporting requirements for school and local authority expenditure.

Training

3.4. Ideally Schools Forum members should be able to use some of the budget set aside for Schools Forum running costs for accessing training activities. Some training will be provided by officers of the local authority but members may wish to attend national or regional events, the costs of which where necessary can be supported from the Schools Forum budget.

3.5. Training will need to be provided in response to any changes in the role of the Schools Forum and national developments in respect of school funding.

News updates

3.6. Most, but not all, members of the Schools Forum will already be in receipt of regular information on school funding matters from the local authority and DfE. Other Schools Forum members should be copied into such information flows so that they can be kept abreast of developments between meetings.

3.7. Many local authorities have already established dedicated Schools Forum websites on which they post key information for Schools Forum members and other interested parties. Consideration also needs to be given to the provision of hard copy news updates for all members of the forum and particularly for those who do not have ready access to the web.

SECTION 4

FURTHER INFORMATION AND CONTACT DETAILS

Web links

4.1. The Department's website contains details of all the announcements, documents and other information relating to school funding and Schools Forums. This website also has a range of useful links to other sites that may be of relevance to Schools Forum members.

4.2. The following address links to the main school funding page which has links to the latest news items on schools funding and all the latest information.

[*Schools revenue funding - The Department for Education*](#)

4.3. The following address links to the dedicated Schools Forum pages on the website.

[*Schools forums - The Department for Education*](#)

Contact details

4.4. There is a dedicated email address for members of Schools Forums or other stakeholders to send in queries questions or requests for information.

The email address itself is:

Schools.Forums@education.gsi.gov.uk

4.5 In addition to this dedicated email box, members of the Funding Policy and Efficiency Team in the Department are able to provide advice and guidance on the operation of Schools Forums:

Keith Howkins

Tel: 020 7227 5163

Keith.howkins@education.gsi.gov.uk

The postal address of the Department is:

Funding Policy and Efficiency Team

Department for Education

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SUGGESTED MODEL FORMAT FOR SCHOOLS FORUM PAPERS

A useful format is one that contains, as a minimum:

- a. a short introduction outlining the issue under discussion;
- b. a summary of the key points;
- c. a clear signal of the recommendations and what action needs to be taken in response to the paper – e.g. is it for information, decision or comment etc;
- d. a background/discussion section expanding on the summary and action required;
- e. reference to previous related papers;
- f. consistent style and language (for instance in the use of acronyms);
- g. a clear numbering system which as a minimum allows members to identify the date at which the paper and any attached annexes were discussed and the agenda item number to which they relate.

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SCHOOLS FORUM 3 MARCH 2011

THE SCHEME FOR FINANCING SCHOOLS (Director of Children, Young People and Learning)

1 INTRODUCTION

- 1.1 The purpose of this report is to alert members of the Schools Forum of the need to make changes to the Bracknell Forest Scheme for Financing Schools, and that due to timing pressures, this will need to be dealt with through the urgent business procedure. This is required following changes issued by the Department for Education (DfE) relating to guidance on local authority Schemes, which must be made effective from 1 April 2011.

2 SUPPORTING INFORMATION

Background

- 2.1 Each LA is required to publish a Scheme for Financing Schools (the "Scheme"). This sets out the financial relationship between the LA and the maintained schools which it funds. It is a legally binding document on both the LA and schools relating to financial management and associated issues. The current Bracknell Forest Scheme (60 pages) can be found at:

<http://www.bracknell-forest.gov.uk/scheme-for-financing-schools.pdf>

With the subsequently agreed balance control mechanism at:

<http://www.bracknell-forest.gov.uk/balance-control-mechanism-for-schools.pdf>

Changes now required

- 2.2 The Department for Education (DfE) issues statutory guidance to LAs relating to minimum Scheme requirements. These were updated in December 2010, requiring changes to be effective from 1 April 2011. Annex A sets out the Summary of Scheme Changes issued by the DfE. In making any amendments, LAs must consult with all their schools and receive approval from the Schools Forum before they can become effective. The full statutory guidance can be found at:

<http://media.education.gov.uk/assets/files/pdf/r/revised%20scheme%20guidance%202011%202012.pdf>

- 2.3 Due to the significant changes made by the DfE in respect of education funding, and the time required to consider options for the 2011/12 Schools Budget, it has not been possible to undertake the required work to updating the BF Scheme and then consult all schools to gather their views on the proposed changes. However, as there is a statutory requirement to make changes, an update does need to be completed by the end of March.

- 2.4 This presents problems in terms of available time and a scheduled meeting of the Forum as this is the last meeting before the implementation date. Taking account of these requirements, it is proposed that a short consultation will be undertaken with schools during March, with the results from responses then presented to the Forum for a decision under the Urgent Business process, which will involve Forum Members being asked to agree final proposals via email, with a consensus decision then formulated in consultation with the chairman of the Forum.
- 2.5 A more detailed consultation will then be undertaken with schools during the summer term with the outcomes reported back to the Forum to determine whether any further changes to the Scheme are required.
- 2.6 A summary of the changes now proposed are as follows, with the numbered references corresponding to the relevant paragraphs in the current BF Scheme. The revisions will involve replacing current scheme text to that contained in the statutory guidance produced by the DfE as referred to in paragraph 2.2, pending a more considered review in the summer:
1. A revised description of the Funding Framework (1.6) together with confirmation that changes will be published on a website accessible to the general public (1.2).
 2. Scheme revisions will be approved by the Schools Forum, rather than the Secretary of State (1.3).
 3. Removal of the requirement of governing bodies to submit a best value statement each year with their budget plan (2.4).
 4. Removal of exceptions to requirements that schools must be allowed to opt out of LA contracts (2.11).
 5. Updating the definition of eligible school expenditure to include pupils at other maintained schools and community facilities (2.13).
 6. Adding model text of a Notice of concern that can be used to formally issue concerns regarding the financial management of a school (new).
 7. Allowing use of external bank accounts only where the organisation meets the authority's Treasury Management policy (3.6.1).
 8. Encourage the use of procurement cards – subject to successful conclusion of the current pilot scheme (new).
 9. Removal of the scheme to claw-back surplus school balances (approved subsequent to publication of the main Scheme).
 10. Require surplus balances of closing schools to be transferred to a converting academy (4.8).
 11. Adding costs arising from a school withdrawing from a cluster arrangement as a circumstance when the LA may make a charge against a school (6.2).
 12. Adding the Environment Agency to the list of regulatory bodies that the LA can pass on legitimate charges to schools (6.2 (viii)).
 13. Clarification on the funding of redundancies and premature retirements of school staff (new).
 14. Amendments to the arrangements for community facilities to reflect the change in law enabling schools to spend their delegated budget for this purpose (13).
- 2.7 Chair of governors and school bursars have previously been alerted to the likelihood of there needing to be a brief consultation on this matter.

Timetable

2.8 In order to meet the required implementation deadline, the following timetable will be adopted:

- Consultation with schools from 28th February to 14th March
- Consultation with the Forum from 3rd March to 14th March
- 14th March to 18th March – Forum members requested to consider final proposals for any changes, reflecting comments from the consultation with schools
- 21st March to 28th March – views from Forum members summarised and presented for agreement to the Chairman of the Forum
- Scheme changes implemented 1st April

3 EQUALITIES IMPACT ASSESSMENT

3.1 Not applicable.

4 STRATEGIC RISK MANAGEMENT ISSUES

4.1 None.

Background Papers

BF Scheme for Financing Schools

Statutory guidance for local authorities [on Schemes]: Issue5

Contact for further information

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SUMMARY OF SCHEME CHANGES

This note outlines and explains the changes to the DfE guidance on local authority schemes for financing schools, effective from 1 April 2011. Updated detailed guidance is now available on the DfE website at:

<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/financeregulations>

Changes from the previous version, published in October 2006, are underlined within the detailed guidance. In making any changes to their schemes, local authorities must consult all schools in their area and receive the approval of their schools forum.

The changes are set out below. References are to the section number in the previous guidance.

New List of matters which must be contained within schemes, as set out in the draft School Finance Regulations 2011.

- 1.3 Confirmation that the scheme, and any amendments to it, must be published on a website accessible to the general public. The date on which any amendments take effect must also be published. Annex A is also amended.
- 1.4 Approval of schemes – removal of reference to the Secretary of State and inclusion of schools forum role.
- 2.4 Removal of the requirement for schools to submit a statement of Best Value with their budget plan. The government believes that it is important for schools to achieve value for money, but that this can be demonstrated in other ways than a written statement
- 2.11 Removal of exceptions to requirement that schools must be allowed to opt out of LA contracts. The government believes that schools are best placed to make their own purchasing decisions and should not be constrained in their ability to do so.
- 2.13 Clarification and updating definition of eligible expenditure for the “purposes of the school” to include pupils at other maintained schools and community facilities.
- 2.15 Removal of the section relating to the Financial Management Standard in Schools (FMSiS). The Secretary of State announced on 15 November 2010 that the Financial Management Standard for Schools (FMSiS) would no longer be a requirement, and would be replaced by a new simpler standard during 2011. A directed revision to schemes requiring schools to meet FMSiS was introduced in 2007. Local authorities should no longer enforce this requirement. The Department will consult in the proposed replacement early in 2011.
- 3.5.1 Removing the requirement for there to be at least ten banks on the approved list for school bank accounts and replacing this with a requirement to be consistent with the LA’s Treasury Management policy, given the turbulence in the banking system in the last couple of years.
- 3.6 Encouragement of the use of procurement cards as these reduce transaction costs and can enable schools to benefit from significant discounts.

- 4.2 It will no longer be a requirement for schemes to have a balance control mechanism. The revised paragraph reads:

“The scheme may contain a mechanism to clawback excess surplus balances. Any mechanism should have regard to the principle that schools should be moving towards greater autonomy, should not be constrained from making early efficiencies to support their medium-term budgeting in a tighter financial climate, and should not be burdened by bureaucracy. The mechanism should, therefore, be focused on only those schools which have built up significant excessive uncommitted balances and/or where some level of redistribution would support improved provision across a local area.”

LAs should, therefore, consider removing or relaxing their existing mechanism with effect from 1st April 2011.

- 4.8 Amendment to balances of closing schools to reflect the provisions of the Academies Act 2010.

- 4.9 Removal of reference to School Standards Grant in relation to licensed deficits

- 4.11/ Removal of references to ex GM schools.

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- 6.2 Enabling LAs to charge schools whose withdrawal from a cluster arrangement into which they entered voluntarily results in additional costs to the other schools in the cluster or to the LA; this is to remove disincentives to the employment of shared staff in clusters and partnerships. At present schools can agree to share the cost of a member of staff for, say, three years but one school can then withdraw without notice putting extra costs on the school actually employing the member of staff.

- 6.2.8 Inclusion of the Environment Agency in the list of regulatory bodies, to reflect their role in the Carbon Reduction Commitment scheme. This would enable LAs to pass through to schools any costs arising from non-compliance with the scheme.

- 11.6 Strengthened wording on Chief Finance Officer’s right to attend relevant governing body meetings – schemes “should” not “may” permit this right.

- 11.13 Deletion of paragraph on school meals – not relevant to a financial scheme.

11. Inclusion of guidance in new Annex relating to how costs of redundancies and early retirements should be funded; this information is frequently requested and will be increasingly relevant in a tighter financial settlement. The 2002 Education Act states that the cost of redundancies should normally fall to the local authority while the cost of premature retirements should normally fall to the school’s delegated budget. There can, however, be locally determined exceptions to these, and it is also the case that costs can be charged to the central part of the schools budget if there are resultant savings to the schools budget and the schools forum agree. It is important that any exceptions to the norm are clearly defined by LAs and discussed with schools forums.

13. Removal of Annex B outlining the recommended respective responsibilities of schools and LAs in relation to maintenance, which was useful when these budgets were first delegated but is less relevant now.

14. Amendment of the section on community facilities to reflect the change in the law enabling schools to spend their delegated budget for this purpose. This takes effect from April 2011.

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