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SCHOOLS' FORUM

Day: Monday
Date: 18 July 2016
Time: 1.30 pm
Place: Inspire Academy, Mossley Road, Ashton-under-Lyne, OL6 9RS

Item No.	AGENDA	Page No
1.	APOLOGIES FOR ABSENCE	
2.	MINUTES The minutes of the proceedings of the meeting of the Forum held on 2 March 2016 to be approved as a correct record.	1 - 6
3.	COUNCIL MANAGED DEDICATED SCHOOLS GRANT 2015/16 OUTTURN REVENUE MONITORING STATEMENT Report of the Assistant Executive Director, Finance (section 151 Officer) attached.	7 - 16
4.	COUNCIL MANAGED DEDICATED SCHOOLS GRANT 2016/17 QUARTER 1 REVENUE MONITORING STATEMENT Report of the Assistant Executive Director, Finance (section 151 Officer) attached.	17 - 26
5.	DEDICATED SCHOOLS GRANT UPDATE Report of the Assistant Executive Director, Finance (section 151 Officer) attached.	27 - 42
6.	ACADEMY SCHOOL CONVERSION COST Report of the Assistant Executive Director, Finance (section 151 Officer) attached.	43 - 46
7.	FINANCING OF SCHOOL ADMISSION APPEALS Report of the Assistant Executive Director, Finance (section 151 Officer) attached.	47 - 76
8.	DATE OF NEXT MEETING To note the date and time of the next meeting as Tuesday 18 October 2016 at 1.30pm.	

From: Democratic Services Unit – any further information may be obtained from the reporting officer or from Nazma Islam on nazma.islam@tameside.gov.uk or 0161 342 3562, to whom any apologies for absence should be notified.

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SCHOOLS FORUM

2 March 2016

Commenced: 1.30pm Terminated: 3.50pm

Present:	Janet Rathburn (Chair)	Primary Schools – L/A Maintained
	Steve Marsland	Primary Schools – L/A Maintained
	Lisa Gallaher	Primary Schools – L/A Maintained
	Scott Lees	Primary Schools – L/A Maintained
	Bev Alford	Primary Schools – L/A Maintained
	Des Howlett	Primary Schools – L/A Maintained
	Karen Burns	Primary Schools – Academies
	Elizabeth Jones	Governor, Secondary Schools – L/A Maintained
	Anthony McDermott	Governor, Primary Schools – L/A Maintained
	Janet Burns	Secondary Schools – L/A Maintained
	Brendan Hesketh	Secondary Schools – Academies
	Maureen Brettell	Pupil Referral Services
	Helen Mellor	Pupil Support Services
	Anne Slater	NUT
	Elaine Horridge	Diocesan representative
	Councillor J Fitzpatrick	First Deputy – Performance & Finance
	Councillor L Travis	Executive Member – Lifelong Learning
	Sandra Stewart	Executive Director, Governance & Resources
	Bob Berry	Interim Assistant Executive Director, Education
	Stephen Wilde	Head of Resource Management
	David Thompstone	Senior Resource Manager
	Catherine Moseley	Head of Access and Inclusion

Apologies for absence:

Susan Marsh	Governor, Primary Schools L/A Maintained
Robin Elms	Special Schools – L/A Maintained
Janet Nevin	14 – 19 Sector
Richard O'Regan	Secondary Schools L/A Maintained
Helen Heyes	Diocesan Representative
Peter Ryder	Governor – Secondary Schools – L/A Maintained
Jeffrey Mellor	Governor – Special Schools - Academies
Pam Hirst	Governor – Primary Schools – L/A Maintained

33. MINUTES

The Minutes of the meeting of the Forum held on 20 October 2015, having been circulated, were approved as a correct record subject to the following amendments that:

Steve Marsland – Primary Schools – L/A Maintained be added to the list of those present and that Anne Slater be noted as representing the NUT.

34. UPDATE ON CATERING CONTRACT

Consideration was given to a verbal report of the Executive Director, Governance and Resources, in which she stated that the catering contract with Carillion had been signed the previous day and it was intended to provide schools with a copy of the contract once received. Schools had been requested before Christmas to submit any details for adding to the contract and any questions that they required a response to but confirmed that no schools had responded so far except from a

number who wanted to make differing arrangements. It was explained that this was a Council service that had been transferred in order to reduce significant risks relating to costs.

Members were informed that the Council had provided a catering service which had been delivered by Carillion for the last two years. However there were considerable risks with the catering service which impacted on costs including managing health and safety and high levels of sickness absences.

The Executive Director, Governance and Resources stated that in future, the meals would cost £2.23 to Carillion with a further 12 pence per meal payable by schools, which covered the cost of collecting school monies and debt write off, equipment and machinery and other costs. If schools wished to move to another provider, they would be able to do so provided they gave six months' notice of leaving. However, she emphasised that schools would need to take on all the associated risks and would have to follow the proper procurement process ensuring that staffs terms and conditions were protected, should they decide move to another provider. The Council would not approve or agree to the risks being transferred back to the Council where a community school.

With regard to the contract, Carillion would notify the Council of any increase in prices by May so that all schools were informed of these by September 2016.

Members expressed a number of concerns including issues about nutritional values of foods served and the venue for the open days being held by Carillion and these were addressed by the Executive Director. She stated that in future, schools would need to address their concerns directly to Carillion and to facilitate this; the Council had requested that Carillion had a named person who schools could approach. Concerns were also expressed that schools had not been consulted before the contract had been signed and despite numerous requests for the responsible officer to present a report to the Forum at which any issues could have been discussed; these requests had not been acceded to.

The Executive Director, Governance and Resources explained that Carillion would undertake a survey to understand needs and tailor the service accordingly. In response to queries about transferring she emphasised that schools would need to give assurances to the Council that they would provide the same risk management as had been previously provided by the Council.

A discussion ensued and Members requested that a meeting be arranged with the Council Officers responsible for managing the Catering contract and a representative from Carillion to respond to any concerns from schools.

The Executive Director, Governance and Resources also stated that she would be reviewing the 12 pence paid on top of the price paid to Carillion to see if this could be reduced particularly taking into account schools concerns that they wanted cashless dinner money systems in place.

AGREED

That the Executive Director, Governance and Resources attend Chairs briefing in order to clarify the new arrangements for schools.

35. SCHOOLS CAUSING CONCERN UPDATE

Consideration was given to a report of the Interim Assistant Executive Director, Education, which updated members on the use of the Schools Causing Concern funding in financial years 2014/15 and 2015/16 and proposals concerning its future use.

He reported that that the Tameside Schools Causing Concern Budget had provided important financial support to primary school for a number of years. Schools had paid into the fund on a per pupil basis and primary schools choose to pay into this fund each year. However, the proportion of schools choosing to contribute to the fund was falling. During 2015/16, 46 out of 74 schools had

contributed to the Schools Causing Concern Budget. The total contributed by schools in 2015/16 was £114,736, which was combined with the £89,372 carried forward from 2014/15 to give a total budget available in 2015/16 of £203, 972. The report detailed the schools who had contributed to the budget and also those schools who had accessed support from the budget or had had funding committed to support further work in 2016.

It was reported that the biggest threat to schools accessing financial support for school improvement activity was the growing number of schools who were choosing not to contribute to the budget or/and the growing number of Primary Academies who may choose not to contribute to this Local Authority fund. A decreasing budget would limit the scope and scale of any school improvement activity that could be centrally funded from the budget. The lack of transparency of how the budget was managed and spent had significantly contributed to a lack of contribution by schools. A briefing session for both Head Teachers and Chairs of Governors in the Spring Term of 2016 was planned to provide understanding of how the budget was spent to support schools causing concern.

The report detailed the proposals which would be put forward to Tameside Head Teachers.

A discussion ensued and members asked whether schools could choose to opt out of the scheme and were informed that whilst Resource Management could charge the same schools that had opted into the scheme in the first year, schools could not be enforced. Members stated that the mind set of schools had changed recently regarding the issue of transparency and schools were comfortable with the current level of transparency. Concerns were expressed that some schools were accessing the budget when they had not contributed to it. Members stated that it would be more appropriate for this discussion to be held at a wider meeting before bringing to the Forum and it was suggested that it be discussed at the Tameside Primary Consortium.

AGREED

That the contents of the report be noted and consideration be given to the proposals for future use of this funding.

36. DEDICATED SCHOOLS GRANT UPDATE

Consideration was given to a report of the Assistant Executive Director, Finance (Section 151 Officer) which informed members of the arrangements concerning the Dedicated Schools Grant.

No indication had been given by the DfE of whether the 2017/18 Schools Block allocation would be based on MFL rates, but if it was fully implemented by the DfE without any protection there would be an estimated reduction of £5.264m to Tameside's total DSG, which equated to 3.52% of the current allocation.

The DfE had given no clear indication of what level of Minimum Funding Guarantee would be provided to Schools in 2017/18 or the timescales for implementation and phasing of the MFL based allocations.

The Gains Cap is the DfE/EFA method of funding the Minimum Funding Guarantee (MFG) for Schools. In summary the MFG is a mandatory protection applied by the DfE/EFA which protects School budgets from significant annual variations in their per pupil funding and results in £1.946m of funding being allocated to just under half the Schools in Tameside in 2016/17. The DfE/EFA does not allocate any DSG to fund the MFG and their solution to funding the cost of the MFG is to allow a cap on per pupil gains for Schools who would otherwise have gained from the changes to the funding that started in April 2013.

The Gains Cap has been set at 100% for 2016/17 in order to ensure that the School Funding scheme can be fully funded, which amounts to £1.538m in reduced funding affecting just under half

the Schools in Tameside. The level of Gains Cap will be reviewed for 2017/18 once more information about the DFE/EFA proposals described above is available.

Once the position regarding the cost of Post 16 High Needs placements in 2016/17 was clarified it was possible that some DSG would be uncommitted. It was proposed to the meeting that if this happened then that funding should be used to retrospectively reduce the Gains Cap in Tameside. This would result in Schools and Academies across Tameside that currently have a 100% Gains Cap on their 2016/17 allocations receiving some additional funding.

It was reported that De-delegation was the terminology employed by the DFE in relation to Schools Forum representatives of Council Maintained Schools voting on whether to support mandatory charging to all other Council Maintained Schools of certain Council Services. The Primary and Secondary sector vote separately in relation to each of the services. The De-delegation rates in 2016/17 were proposed to be the same for 2016/17 as in 2015/16 and members of the Primary and Secondary Maintained sectors respectively were asked to indicate for each sector whether they supported the de-delegation of the services listed in the report.

Reference was made to the dedicated schools grant summary 2015/16 and 2016/17 and these were summarised in tables contained within the report.

With reference to the High Needs Pre 16 and Post 16 Block it was reported that for this financial year and the next, the volume of young people accessing this provision was considerably greater than the number of students the DFE allocated the DSG based on.

The report made reference to the use of unspent DSG from previous financial years and detailed proposals for how this funding be used. The DFE/EFA expected newly opened Schools such as Inspire and Discovery Academies to be financially supported during the first few years of their operation, due to the diseconomies involved in funding a School which only had one or two year groups of children. The Council agreed a reasonable level of costs with the Academy chain for both Schools reflected a realistic expectation of costs and factored in the estimated funding they would ordinarily receive through the funding formula. This had resulted in Inspire Academy needing an estimated £193,859 and Discovery Academy needing an estimated £609,000. These estimated allocations would be reviewed throughout the first few years of operation to reflect actual funding amounts.

The Pupil Referral Service (PRS) had seen increasing numbers of permanent exclusions over the last few years. Alongside this was the establishment of a High Needs unit for children with Behavioral, Emotional and Social Difficulties which operated alongside the excluded pupil provision. When combined with a significant number of staff being on long term absences this had resulted in escalating costs through a combination of the use of agency staff and external provision for students. A new Principal was appointed in April 2015 who had carried out a substantial review of the way that the service operates and is part way through a restructure of the workforce. The effect of these factors on the service budget had been significant with an annual deficit of £374,075 in 2014/15 and an additional projected deficit of £324,893 in 2015/16. The process of staff reorganisation was still taking place and it was proposed that these costs were funded from the unspent DSG from prior years.

A discussion took place regarding Pre Forum briefings for members. The Tameside Primary Consortium had arranged Pre Forum briefings with the Senior Resource Manager in relation to financial reports and this had proved useful for the Primary Head Teacher members of the Forum. Secondary Head Teacher members asked about receiving the same briefings and it was agreed that the Tameside Association of Secondary Head Teachers would contact the Senior Resource Manager to agree similar meetings for their Forum members. Consideration needed to be given to how to provide similar briefings for Governor Members of the Forum.

The Senior Resource Manager agreed to contact the Chair Person of both the Tameside Primary Consortium and the Tameside Association of Secondary Head Teachers to advise them of which Forum membership vacancies needed to be filled.

AGREED

- (i) That the content of the report be noted.
- (ii) That the decision to approve in principle by Members of the Primary and Secondary Maintained sectors for each sector the de-delegation of service costs in relation to the following services be deferred until a special meeting of the Forum on 21 March 2016:
 - (a) Behaviour for Learning Inclusion (BLIS)
 - (b) Equality, Multiculturalism and Access (EMAT)
 - (c) Staff Cover for Trade Union Support
 - (d) Schools Contingency

37. COUNCIL MANAGED DEDICATED SCHOOLS GRANT MONITORING UPDATE

Consideration was given to a report of the Assistant Executive Director of Finance (section 151 Officer), which detailed the centrally managed Dedicated Schools Grant for 2015/16 and proposals to utilise the unspent 2 year old funding carried forward from previous financial years.

The report detailed the financial monitoring position for 2015/16 financial year for the Council Services as listed in Appendix A, the Centrally Retained High Needs services and the Early Years funding that was delegated to Private, Voluntary and Independent Providers.

AGREED

That the contents of the report be noted.

38. NEXT MEETINGS

It was agreed that there would be a Forum meeting held on the 21 March 2016 to specifically enable the De-delegation decision to be taken. Only the Maintained School sector members were able to vote at that meeting.

A full Forum meeting was scheduled for Wednesday 27 April 2016 commencing at 1.30pm to discuss the content of the Department for Education School funding consultation.

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Agenda Item 3

Report To:	SCHOOLS FORUM
Date:	18 July 2016
Reporting Officer:	Bob Berry – Assistant Executive Director - Learning. Ian Duncan – Assistant Executive Director - Finance.
Subject:	COUNCIL MANAGED DEDICATED SCHOOLS GRANT MONITORING UPDATE 2015/16
Report Summary:	A report on the centrally managed Dedicated Schools Grant for 2015/16.
Recommendations:	<ol style="list-style-type: none">1. Members of the Schools Forum are requested to note the contents of the report.2. Primary School members are required to vote on the recommendation to support the proposal to allocate the unspent 2015/16 funding totaling £122,887 pro rata to the original contribution made by each School for the Contingency, Trade Union Support and Equality Multiculturalism and Access Team (EMAT) services. Secondary School members cannot vote on this issue as it specifically relates to Schools who de-delegated funding.3. Primary School members are also required to vote on the recommendation to support the proposal to allocate the unspent 2015/16 funding from the Behaviour for Learning and Inclusion Service (BLIS) of £17,829 to support the projected shortfall in income for that service in 2016/17. Again Secondary School members cannot vote on this issue as it specifically relates to Schools who de-delegated funding.4. Members of the Schools Forum are requested to vote on the recommendation to support the proposal to use the unspent 2015/16 funding of £5,000 to support the equivalent budget in 2016/17.
Links to Community Strategy:	Effectively calculated and targeted resources will improve access to a high quality education experience for all our children.
Policy Implications:	In line with current policy
Financial Implications: (Authorised by the section 151 officer)	The Dedicated Schools Grant is a ring fenced grant solely for the purposes of schools and pupil related expenditure.
Legal Implications: (Authorised by the Borough Solicitor)	There is a statutory duty to use resources efficiently and effectively against priorities.
Risk Management:	The correct accounting treatment of the Dedicated Schools Grant is a condition of the grant and procedures exist in budget monitoring and the closure of accounts to ensure that

this is achieved. These will be subject to regular review.

ACCESS TO INFORMATION

NON-CONFIDENTIAL

This report does not contain information which warrants its consideration in the absence of the Press or members of the public.

Background Papers

The background papers relating to this report can be inspected by contacting Stephen Wilde – Head of Resource Management, Resource Management, Governance and Resources by :



Telephone:0161 342 3726



e-mail: stephen.wilde@tameside.gov.uk

1. BACKGROUND AND INTRODUCTION

- 1.1 Schools Forum agreed in principle to support a number of services in 2013/14 through a combination of De-delegation and buying back into previously centrally retained services using normally delegated funding. For 2014/15 the Secondary sector chose to de-delegate funding for the Trade Union Support Service only, whereas the Primary Sector voted to continue de-delegation for the same services as in 2013/14. For 2015/16 the Secondary sector chose not to de-delegate any funding for central services, whereas the Primary Sector voted to continue de-delegation for the same services as in 2013/14 and 2014/15. For De-delegated Services the Council is able to automatically recover the funding from Maintained Schools, but invoices have to be issued to recover the equivalent funding from Academies. For Buy Back services the Council internally recharges Maintained Schools, but invoices have to be issued to recover the equivalent funding from Academies.

De-delegated Services Maintained Primary Sector 2014/15

- Behaviour for Learning and Inclusion Service (BLIS)
- Equality, Multiculturalism and Access Team (EMAT)
- Staff Cover for Trade Union Support
- Schools Contingency

De-delegated Services Maintained Secondary Sector 2014/15

- Staff Cover for Trade Union Support

De-delegated Services Maintained Primary Sector 2015/16

- Behaviour for Learning and Inclusion Service (BLIS)
- Equality, Multiculturalism and Access Team (EMAT)
- Staff Cover for Trade Union Support
- Schools Contingency

De-delegated Services Maintained Secondary Sector 2015/16

- None

- 1.2 The Council also manages DSG funding to support the following

- Providing the Maintained Schools Admissions service
- Schools Forum support costs
- BSF Affordability contributions – until the affordability review is completed
- High Needs services other than Special Schools and Primary MLD Units
- Early Years funding being delegated to Private, Voluntary and Independent Providers

- 1.3 This report provides details of the financial monitoring position for the 2015/16 financial year for these services at the end of September 2015 in Section 2 and **Appendix A**.

- 1.4 The services in 1.1 above should be funded from a combination of Maintained School and Academy funding as their support is available to all Schools. Since the start of financial year some Schools and Academies have questioned why they are required to contribute towards these services if they do not access them with Contingency and Schools Causing Concern being the main area queried. Whilst it is true that not all Schools will access this funding each year the intention was to follow the principle applied in future years when this

funding was set aside for use by whichever Schools were most in need of it. It was not permitted to centrally retain this funding any longer and therefore it was distributed through the local funding formula via the AWPU factor.

2. COUNCIL MANAGED DEDICATED SCHOOLS GRANT BUDGET MONITORING 2015/16 AT THE END OF JANUARY 2016

- 2.1 **Appendix A** provides the financial monitoring position for 2015/16 at the end of January 2016 for the Council services described in Section 1, the Centrally Managed High Needs services and the Early Years funding that is delegated to Private, Voluntary and Independent Providers. **Appendix B** provides a brief description of the services supported by these budgets.
- 2.2 The services are split into 5 sections on **Appendix A** and the first group of De-delegated Services has a collective under spend of £140,716 at year end. Schools Forum must determine how the under spend against each of the de-delegated budget areas is used in the next financial year. The report **Appendix A** contains recommendations to allocate the unspent funding pro rata to the original contribution made by each School for the Contingency, Trade Union Support and Equality, Multiculturalism and Access Team (EMAT) services. **Appendix A** also proposes allowing the Council to use the unspent £17,829 from the Behaviour for Learning and Inclusion Service (BLIS) to partially support the significant shortfall in income for that service being projected in 2016/17. The Schools Forum vote on these issues will need to be taken only by the Primary sector as they de-delegated these service costs, but views are sought from the Secondary sector as well where they chose to purchase those services.
- 2.3 The second group of service - Previously Centrally Retained - on **Appendix A** has £98,049 of unspent School Improvement Fund (formerly Schools Causing Concern) budget at the year end. At present only Primary age Schools contribute towards this fund and therefore Colleagues in the School Performance and Standards Unit will agree with the Tameside Primary Consortium how the funding will be used.
- 2.4 The third section of **Appendix A** called Centrally Retained Services has unspent funding of £5,000 which relates to the Schools Forum budget. It is recommended that this funding is used to support any Forum related costs in 2016/17.
- 2.5 The fourth section of **Appendix A** provides a summary of the Centrally Retained High Needs Services. This is the group of services with the greater level of variation in costs resulting in a net increase in costs of £3,662. This will be funded from the unspent 2 year old funding carried forward from 2014/15.
- 2.6 The final section of **Appendix A** relates to Early Years funding for Private, Voluntary and Independent Nurseries. The revised budget for 2 year old places is based on an updated DFE allocation which is significantly reduced from the report at the last meeting, but the Council expects to spend £389,552 more than this budget based on local projections of cost. This shortfall in current DSG will be retrospectively funded by the DFE once the actual take up of places is confirmed. Similarly the projected increase in costs of £177,180 compared to the latest DFE allocation of funding for 3 and 4 year old places is also expected to be retrospectively funded by the DFE once the actual take up of places is confirmed.

3. RECOMMENDATIONS

- 3.1 As stated on the report cover.

Description	Annual Budgeted Expenditure 2015/16	Outturn Expenditure 2015/16	Outturn Variation (+ is an Under Recovery of Income, - is a Reduction in Costs)	Notes
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Previously Centrally Retained Services Funded by a Combinaton of De-delegated Income and Traded Income from Schools

Behaviour For Learning and Inclusion Service	632,310	614,481	-17,829	The budget reflects the estimated costs of the service. The Council contributed £125,000 towards these costs and Maintained Primary Schools have contributed £442,789 through de-delegation. £60,473 of the income was recovered from Academies and Maintained Secondary Schools. The report requests that the unspent £17,829 is allocated to support part of the shortfall in income described in the 2016/17 equivalent report being considered at this meeting.
Contingency	149,023	57,121	-91,902	The current budget is the amount that Primary Schools agreed to de-delegate for 2015/16 plus final confirmed contributions from Academies. An allocation of £5,919 was made to a School to cover the increased cost of the Catering Service cost amendments as agreed at the last Forum meeting. £15,000 of costs relating to professional fees incurred against potential capital projects taking place at Schools were also charged to this budget. Finally £35,158 of Primary School Moderation costs were also funded from this budget. This left £91,902 of the budget unspent and it is recommended that this is refunded to Schools pro-rata based on their contribution towards the service costs.
Trade Unions - Facilities Agreement	170,889	156,923	-13,966	Maintained Primary Schools have contributed £102,251 through de-delegation. A further £68,638 of the income was recovered by contributions from Academies and Maintained Secondary Schools. It is recommended that the unspent budget is refunded to Schools pro-rata based on their contribution towards the service costs.
Equality, Multiculturalism and Access Team	117,218	92,953	-17,019	Maintained Primary Schools have contributed £98,902 through de-delegation and £18,316 of the income has been recovered in contributions from Academies and Maintained Secondary Schools. There were a number of staffing changes in the team during the year which have eventually resulted in an reduction in costs of £17,019. It is recommended that the unspent budget is refunded to Schools pro-rata based on their contribution towards the service costs.
Total	1,069,440	921,478	-140,716	

Previously Centrally Retained Services Funded by Buy Back from Schools

Primary School Improvement Fund (formerly Schools Causing Concern)	203,972	105,923	-98,049	The £89,236 under spend against Primary Schools Causing Concern funding from 2014/15 was added to the budget on this statement. Allocations from this fund totalling £47,675 were made to Tameside Schools for their Associate work with colleagues at other Schools. A further £63,208 was spent on external professional support for Tameside Schools. Therefore £98,049 has been carried forward to 2016/17 and colleagues in the School Performance & Standards Unit will agree with TPC how this funding is used for the next academic year.
Consolidation Of Learning Team	17,385	17,385	0	
Non DFE Licences	3,697	3,697	0	In 2014/15 this service included payment of the PPL licence for Schools, but in 2015/16 this cost is now part of the DFE managed licences. Therefore the Council recharge for licences is reduced.
DFE Licences	148,017	148,017	0	This item has been shown for the first time on Forum reports this year and relates to the DFE/EFA deduction to the DSG in Tameside in relation to the licences they fund centrally for all Schools.
Local Safeguarding Children Board	90,000	90,000	0	The budget for this service is the targeted contribution from Schools and it is assumed that schools will collectively contribute the full £90,000. Forum agreed to recalculate the method of contribution for 2015/16 to be based on pupil numbers.
Total	463,071	365,022	-98,049	

Centrally Retained Services for Schools

School Organisation, Admission and Appeals Service	237,726	237,726	0	The budget is a combination of the annual £158,000 central DSG contribution and anticipated income from Academies of an estimated £79,726.
Forum	5,000	0	-5,000	It is recommended that this funding is carried forward to 2016/17 to use to support the equivalent budget instead of using 2016/17 DSG.
BSF Affordability	1,919,000	1,919,000	0	There is a shortfall in funding for the PFI contracts and work is taking place with the PFI providers and Schools in PFI contract buildings to close this gap. If the funding gap is reduced then it will free up funding to allocate to Schools.
Total	2,161,726	2,156,726	-5,000	

Centrally Retained High Needs Services for Schools

Specific Learning Difficulties	75,000	70,120	-4,880	The costs of the team were £4,880 lower than the funding initially allocated from DSG due to a slight reduction in the hours worked by a member of the team. This funding will be used to support the increased costs of Additional SEN funding allocations to Mainstream Schools.
SEN Assessment, Review and Monitoring	58,240	58,240	0	This is a contribution towards the cost of the SEN Assessment, Review and Monitoring team.

Description	Annual Budgeted Expenditure 2015/16	Outturn Expenditure 2015/16	Outturn Variation (+ is an Under Recovery of Income, - is a Reduction in Costs)	Notes
SEN Support for Allocation to Mainstream Schools	372,000	379,328	7,328	The costs in this area relate to allocating additional funding for children with SEN to Mainstream Schools based on provision map data supplied to the SEN Assessment, Review and Monitoring team. Further allocations will be made throughout the year. £28,000 of the budget in this area has been transferred to the CLASS service to fund the costs of an additional member of staff being managed by CLASS, who is supporting a child with Autism who is attending a mainstream School. The allocations were £7,328 greater than the budget but this increase in costs will be funded from a combination of the Specific Learning Difficulties Service and Sensory Service unspent budgets.
Communication, Language and Autistic Spectrum Support	748,600	707,015	-41,585	£28,000 of the budget from the SEN Support budget has been transferred to the CLASS service to fund the costs of an additional member of staff being managed by CLASS, but who is supporting a child with Autism who is attending a mainstream School. However, other staffing changes have resulted in the budget being under spent by £41,585.
Sensory Support Service	889,180	882,850	-6,330	The income budget is based on £779,614 of central High Needs DSG funding and income from Linden Road Academy of £109,566. There was £6,330 of the funding unspent which will be used to support the additional allocations of SEN funding to Mainstream Schools.
Pupil Referral Service	2,935,290	2,935,290	0	This budget is based on £2.25m of DSG funding and income from other Schools in relation to permanently excluded pupils plus Pupil Premium grants. A review of the service is being implemented by the Head of Service who started in post in April 2015. The service spent £185,680 more than the available budget primarily due to a number of one off costs and temporary staffing agency fees that are part of the restructure process. A proposal to use unspent 2 year old free entitlement funding from previous financial years to offset this cost was reported to Forum in March 2016.
Pre 16 Independent and Other Local Authority Special School Placements	1,200,000	1,209,480	9,480	The total placement costs were £9,480 than the revised budget and this will be funded from the CLASS service unspent budget.
Post 16 Independent and Other Local Authority Special School Placements	2,229,665	2,268,157	38,492	The costs of Post 16 provision have increased from the previous year primarily due to the number of young adults accessing the extended range of provision. (ie up to the age of 25 rather than 18). The DFE/EFA do not allocate sufficient funding to support the cost Post 16 placements in Tameside. Discussions have taken place with Tameside College over the last few months which have reduced the estimated cost reported to the last Forum meeting by £428,239.
Hospital School	50,000	99,400	49,400	The costs incurred in the last two years against this budget have been minimal, but at one stage earlier this year there were 7 children attending the provision. This resulted in costs of £49,400 above the current budget which will be funded from the Nursery SEN and CLASS unspent budgets.
Nursery Aged SEN Support for Allocation to Schools & Private, Voluntary and Independent Providers	50,000	1,757	-48,243	The costs in relation to Nursery aged children with High Needs have been very low this year.
Total	8,607,975	8,611,637	3,662	

Early Years Allocations to Private, Voluntary and Independent Sector (PVI) Providers

3 and 4 year Old Free Entitlement	3,412,280	3,589,460	177,180	The budget reflects the DFE funding provided to the Council. The DFE/EFA will retrospectively correct this element of the grant to reflect the numbers of children actually accessing the 3 and 4 year old free entitlement in 2015/16.
New 2 Year Old Free Entitlement	2,468,813	2,858,365	389,552	The budget reflects the DFE funding provided to the Council. The DFE/EFA will retrospectively correct this element of the grant to reflect the numbers of children actually accessing the 2 year old free entitlement in 2015/16.
Total	5,881,093	6,447,825	568,732	

Council Managed Service	Description
Council Managed DSG 2015/16 Outturn Monitoring Report June 2016	
Appendix B	
De-delegated Services	
Behaviour For Learning and Inclusion Service	Provision of Behaviour for Learning and Inclusion Service which is available to all mainstream schools, early year's settings and non-maintained nurseries to provide advice, consultation and additional support to children and young people whose additional need is identified as a social, emotional and/or behavioural. The service provides specialist support of pupils with a statement of EBSD (statutory requirement), individual interventions at the 3 stages of the SEN code of Practice, sixth day cover which is statutory provision for primary aged children given a fixed term exclusion in excess of 5 days etc.
Equality, Multiculturalism and Access Team	The service is available to all schools and early-years settings. EMAT informs schools on inclusive practice with particular emphasis on curriculum access, language for learning, English as an Additional Language and Equalities. The team supports schools with issues relating to Black and Minority Ethnic achievement and language for learning, for all stages of English proficiency, from beginners to fluent learners.
Trade Unions - Facilities Agreement	Provision of trade union support to schools which includes the negotiation of policies and procedures on behalf of school members which enable governing bodies to adopt these policies and procedures without individual consultation with their employees. The service also manages case loads in conjunction with schools and provides input into staff reorganisation procedures. The service also provides local advice and support to Head Teachers via their individual associations.
Contingency	This funding is used to fund unexpected issues which occur after the Schools Budget Share has been set. (For example Business Rates increases or temporary accommodation requirements that are not funded from the Growth factor)
Buy Back Services	
School Improvement Fund (formerly Schools Causing Concern)	Provision of support to schools either placed or potential to be placed in a category by Ofsted. The proposed budget will be managed and monitored by Head Teachers involved in the self improving schools model.
Local Safeguarding Children's Board Contribution	The purpose of the Tameside Safeguarding Children Board (TSCB) is to Coordinate what is done by each person or body represented on the Board for the purposes of safeguarding and promoting the welfare of children and to ensure the effectiveness of what is done by each such person or body for those purposes
Non DFE Licences	This relates to the licences for the Consortium of Local Education Authorities For the Provision of Science Equipment (CLEAPs)
Other Council Managed DSG	
School Organisation, Admission and Appeals Service	Provision of coordinated school admission and appeals service to schools within the borough

Council Managed Service	Description
Council Managed DSG 2015/16 Outturn Monitoring Report June 2016	Appendix B
Schools Forum	Provision of support to the schools forum - room hire, refreshments
PFI and FM Contract Affordability Contribution	Contribution to the affordability of the existing PFI and FM contracts in the borough.
Specific Learning Difficulties Support	The Specific Learning Difficulties Advisory Teachers Team provides a service to all schools and early years settings, dealing with issues related to Dyslexia, Dyspraxia and Dyscalculia. The team's work is focussed upon developing inclusive practice to meet the needs of these learners across the age phases as recommended in the Rose Review (DCSF 2009). This support includes specialist teaching of children with specific learning difficulties (statutory requirement) ; assessment, consultation , advice and staff training.
SEN Support for Allocation to Mainstream Schools	Provision of support to mainstream schools who have children with additional needs assessed as being greater than the £6,000 of Notional SEN.
Communication, Language and Autistic Spectrum Support	Provision of Communication, Language and Autism Spectrum Support (CLASS) Service which is available to all mainstream schools, early years settings and non-maintained nurseries to provide advice, consultation and additional support to children and young people whose additional need is identified as a Social Communication difficulty (including ASC) or a Specific Language Impairment.
Sensory Support Service	Provision of support to children with visual and hearing impairment. The support is provided to children and families at home, in early years placements, in schools and other educational settings and if required in post 16 placements.
Pupil Referral Service	The Pupil Referral Service meets the Local Authority statutory duty to provide suitable education for children who are unable to attend school because of illness, injury or exclusion. The service currently makes this provision on three main sites
Pre and Post 16 Independent and Other Local Authority School and College Placements	SEN provision (in mainstream schools) / places (in special schools) for pupils with statements of SEN, as required by legislation, where a pupil attends a school maintained by another local authority. Placements in these schools are usually as a result of parental preference. In addition this budget funds the placement of pupils with statements of SEN attending independent / non-maintained special schools. Placements in these schools, which can be residential / non residential, 38 / 52 weeks a year, are in the main because the Council does not maintain the specialist provision to meet the significant / complex needs of this small group of children, although the SEN & Disability Tribunal has directed the Council to make these placements in a small number of cases
Hospital School	The majority of Hospital School placement costs for Tameside and neighbouring authorities are in private provision at the Priory in Bury.
Nursery Aged SEN Support for Allocation to Schools & Private, Voluntary and Independent Providers	This funding is used to support the cost of Nursery aged children who do not attend the Oakdale/Acorn Special School Nursery.
3 and 4 year Old Free Entitlement for Private, Voluntary and Independent Providers	This budget is used to allocate funding to Private, Voluntary and Independent Providers in relation to the Free Entitlement Funding for 3 and 4 year olds on the same basis as it is allocated to Primary Schools with Nurseries.

Council Managed Service	Description	Appendix B
<p style="text-align: center;">Council Managed DSG 2015/16 Outturn Monitoring Report June 2016</p> <p>New 2 Year Old Free Entitlement Private, Voluntary and Independent Providers</p>	<p>This budget is used to allocate funding to Private, Voluntary and Independent Providers in relation to the Free Entitlement Funding for disadvantaged 2 year olds.</p>	

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Agenda Item 4

Report To:	SCHOOLS FORUM
Date:	18 July 2016
Reporting Officer:	Bob Berry – Assistant Executive Director - Learning. Ian Duncan – Assistant Executive Director - Finance.
Subject:	COUNCIL MANAGED DEDICATED SCHOOLS GRANT MONITORING UPDATE 2016/17
Report Summary:	A report on the centrally managed Dedicated Schools Grant for 2016/17.
Recommendations:	Members of the Schools Forum are requested to note the contents of the report.
Links to Community Strategy:	Effectively calculated and targeted resources will improve access to a high quality education experience for all our children.
Policy Implications:	In line with current policy
Financial Implications: (Authorised by the section 151 officer)	The Dedicated Schools Grant is a ring fenced grant solely for the purposes of schools and pupil related expenditure.
Legal Implications: (Authorised by the Borough Solicitor)	There is a statutory duty to use resources efficiently and effectively against priorities.
Risk Management:	The correct accounting treatment of the Dedicated Schools Grant is a condition of the grant and procedures exist in budget monitoring and the closure of accounts to ensure that this is achieved. These will be subject to regular review.

ACCESS TO INFORMATION


NON-CONFIDENTIAL

This report does not contain information which warrants its consideration in the absence of the Press or members of the public.

Background Papers

The background papers relating to this report can be inspected by contacting Stephen Wilde – Head of Resource Management, Resource Management, Governance and Resources by :

 Telephone: 0161 342 3726

 e-mail: stephen.wilde@tameside.gov.uk

1. BACKGROUND AND INTRODUCTION

- 1.1 For 2015/16 the Secondary sector chose not to de-delegate any funding for central services, whereas the Primary Sector voted to continue de-delegation for the same services as in 2013/14 and 2014/15. For 2016/17 the Secondary sector chose to only de-delegate funding for the Trade Union Support service, whereas the Primary Sector voted to continue de-delegation for both the Trade Union Support and Contingency services. For De-delegated Services the Council is able to automatically recover the funding from Maintained Schools, but invoices have to be issued to recover the equivalent funding from Academies. For Buy Back services the Council internally recharges Maintained Schools, but invoices have to be issued to recover the equivalent funding from Academies.

De-delegated Services Maintained Primary Sector 2015/16

- Behaviour for Learning and Inclusion Service (BLIS)
- Equality, Multiculturalism and Access Team (EMAT)
- Trade Union Support
- Primary Schools Contingency

De-delegated Services Maintained Secondary Sector 2015/16

- None

De-delegated Services Maintained Primary Sector 2016/17

- Trade Union Support
- Primary Schools Contingency

De-delegated Services Maintained Secondary Sector 2016/17

- Trade Union Support

- 1.2 The Council also manages DSG funding to support the following

- Schools Admissions service
- Schools Forum support costs
- BSF Affordability contributions – until the affordability review is completed
- High Needs services other than Special Schools and Primary MLD Units
- Early Years funding being delegated to Private, Voluntary and Independent Providers

- 1.3 This report provides details of the financial monitoring position for the 2016/17 financial year for these services at the end of June 2016 in Section 2 and **Appendix A**.

2. COUNCIL MANAGED DEDICATED SCHOOLS GRANT BUDGET MONITORING 2016/17 AT THE END OF JUNE 2016

- 2.1 **Appendix A** provides the financial monitoring position for 2016/17 at the end of June 2016 for the Council services described in Section 1, the Centrally Managed High Needs services and the Early Years funding that is delegated to Private, Voluntary and Independent Providers. **Appendix B** provides a brief description of the services supported by these budgets.

- 2.2 The services are split into 5 sections on **Appendix A** and the first group of De-delegated Services are all projected to spend at the budgeted level except for a projected under recovery of income of £184,002 in relation to the Behaviour for Learning and Inclusion Service. (BLIS). A separate 2015/16 Central DSG Monitoring report being considered today requests the allocation of the unspent funding from this service in the previous financial year to help fund this gap.
- 2.3 The second group of service - Previously Centrally Retained - on Appendix A includes an under spend of £98,049 against School Improvement Fund (formerly Schools Causing Concern) brought forward from 2015/16 which has been added to the budget. There are no current projected variations in costs for these services.
- 2.4 The services on the third section of **Appendix A** called Centrally Retained Services are all projected to spend at the budgeted level.
- 2.5 The fourth section of **Appendix A** provides a summary of the Centrally Retained High Needs Services. All the services in this group are projected to spend at the budgeted level, with the exception of the Pupil Referral Service (PRS) where there are current projected costs of £127,964 in excess of the budget. It should be noted that this is based on a conservative estimate of income from permanent exclusions that is likely to increase from the current budgeted value if exclusions are at the same level as in 2015/16. From 2016/17 onwards as with other Schools across Tameside the Pupil Referral Service will be required to produce a deficit recovery plan if they do operate at a deficit this year.
- 2.6 The final section of **Appendix A** relates to Early Years funding for Private, Voluntary and Independent Nurseries. The budget for 2 year old places is based on the initial DFE allocation of funding for this area, but the Council expects to spend £538,997 more than this budget based on local projections of cost. This shortfall in current DSG will be retrospectively funded by the DFE once the actual take up of places is confirmed. Similarly the projected increase in costs of £154,584 compared to the initial DFE allocation of funding for 3 and 4 year old places is also expected to be retrospectively funded by the DFE once the actual take up of places is confirmed.

3. RECOMMENDATIONS

- 3.1 As stated on the report cover.

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Description	Annual Budgeted Expenditure	Actual Expenditure to Date at 30/06/2016	Projected Outturn Expenditure	Projected Outturn Variation (+ is an Under Recovery of Income, - is a Reduction in Costs)	Notes
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Previously Centrally Retained Services Funded by a Combination of De-delegated Income and Traded Income from Schools

Behaviour For Learning and Inclusion Service	660,980	144,642	844,982	184,002	The current budget reflects the estimated costs of the service. The Council is contributing £125,000 towards these costs and Maintained Primary Schools have contributed £301,978 through buy in to the service to date. The service has a projected shortfall in income of £184,002 for 2016/17.
Contingency	127,769	0	127,769	0	The current budget is the amount that Primary Schools agreed to de-delegate for 2016/17. There has been no expenditure against this budget to date, but it is recommended that this funding is used to support the cost of Moderation again.
Trade Unions - Facilities Agreement	170,889	38,959	170,889	0	The current budget reflects the actual income received in 2015/16, with £137,132 already recovered from both the Primary and Secondary Maintained Schools agreeing to de-delegate funding. A further £33,757 in income should be recovered from Academies who access the service.
Equality, Multiculturalism and Access Team	29,264	13,543	29,264	0	The current budget reflects the estimated income available to the service. The future delivery of this service is in the process of being reviewed and Schools will be consulted as part of that review.
Total	988,902	197,144	1,172,904	184,002	

Previously Centrally Retained Services Funded by Buy Back from Schools in 2014/15

Primary School Improvement Fund (formerly Schools Causing Concern)	190,623	6,172	190,623	0	£98,049 has been carried forward from 2015/16 and colleagues in the School Performance & Standards Unit will agree with TPC how this funding is used for the next academic year.
Non DFE Licences	3,882	0	3,882	0	The current budget reflects the estimated cost of the licence and the income available to the service.
DFE Licences	152,552	0	152,552	0	This item is shown on Central DSG reports because it relates to the DFE/EFA deduction to the DSG in Tameside in relation to the licences they fund centrally for all Schools.
Local Safeguarding Children Board	90,000	22,500	90,000	0	The budget for this service is the targeted contribution from Schools and it is assumed that schools will collectively contribute the full £90,000. Forum agreed to recalculate the method of contribution in 2015/16 to be based on pupil numbers.
Total	437,057	28,672	437,057	0	

Centrally Retained Services for Schools

School Organisation, Admission and Appeals Service	237,720	40,225	237,720	0	The budget is a combination of the annual £158,000 central DSG contribution and anticipated income from Academies of an estimated £79,720.
Forum	5,000	0	5,000	0	It is recommended that the unspent equivalent budget from 2015/16 is used to support any costs in relation to Forum in 2016/17.
BSF Affordability	1,919,000	1,919,000	1,919,000	0	There is a shortfall in funding for the PFI contracts and work is taking place with the PFI providers and Schools in PFI contract buildings to close this gap. If the funding gap is reduced then it would free up funding to allocate to Schools.
Total	2,161,720	1,959,225	2,161,720	0	

Centrally Retained High Needs Services for Schools

Specific Learning Difficulties	70,000	16,239	70,000	0	
SEN Assessment, Review and Monitoring	58,240	14,560	58,240	0	This is a contribution towards the cost of the SEN Assessment, Review and Monitoring team.
SEN Support for Allocation to Mainstream Schools	400,000	184,066	400,000	0	The costs in this area relate to allocating additional funding for children with SEN to Mainstream Schools based on provision map data supplied to the SEN Assessment, Review and Monitoring team. Further allocations will be made throughout the year. The SEN team are in the process of updating the bandings for children starting new Schools from September 2016.
Communication, Language and Autistic Spectrum Support	748,600	155,188	748,600	0	
Sensory Support Service	914,180	198,851	914,180	0	The budget includes the income due to be received from Linden Road Academy of £112,186
Pupil Referral Service	2,603,630	984,061	2,731,594	127,964	The current estimated budget is based on £2.25m of DSG funding and a prudent estimate of income from other Schools in relation to permanently excluded pupils of £267k, plus estimated Pupil Premium grants. The current projected costs are based on staffing levels needed for the number of pupils attending the Schools last year.
Pre 16 Independent and Other Local Authority Special School Placements	1,324,887	193,404	1,324,887	0	
Post 16 Independent and Other Local Authority Special School Placements	2,500,000	108,890	2,500,000	0	Discussions are still taking place with Post 16 providers concerning placements and their associated costs for academic year 2016/17.
Hospital School	50,000	18,900	50,000	0	
Nursery Aged SEN Support for Allocation to Schools & Private, Voluntary and Independent Providers	50,000	0	50,000	0	
Total	8,719,537	1,874,159	8,847,501	127,964	

Early Years Allocations to Private, Voluntary and Independent Sector (PVI) Providers

3 and 4 year Old Free Entitlement	3,461,395	1,630,173	3,615,979	154,584	The budget reflects the DFE estimate of funding, whereas the projected outturn reflects the Council estimate of actual costs. No outturn variation is being projected here because the DFE/EFA will retrospectively correct this element of the grant to reflect the numbers of children actually accessing the 3 and 4 year old free entitlement in 2016/17
New 2 Year Old Free Entitlement	2,468,813	949,016	3,007,810	538,997	The budget reflects the DFE estimate of funding, whereas the projected outturn reflects the Council estimate of actual costs. No outturn variation is being projected here because the DFE/EFA will retrospectively correct this element of the grant to reflect the numbers of children actually accessing the 2 year old free entitlement in 2016/17
Total	5,930,208	2,579,189	6,623,789	693,581	

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Council Managed Service	Description
Council Managed DSG 2016/17 Monitoring Report at the End of June 2016	
Appendix B	
De-delegated Services	
Behaviour For Learning and Inclusion Service	Provision of Behaviour for Learning and Inclusion Service which is available to all mainstream schools, early year's settings and non-maintained nurseries to provide advice, consultation and additional support to children and young people whose additional need is identified as a social, emotional and/or behavioural. The service provides specialist support of pupils with a statement of EBSD (statutory requirement), individual interventions at the 3 stages of the SEN code of Practice, sixth day cover which is statutory provision for primary aged children given a fixed term exclusion in excess of 5 days etc.
Equality, Multiculturalism and Access Team	The service is available to all schools and early-years settings. EMAT informs schools on inclusive practice with particular emphasis on curriculum access, language for learning, English as an Additional Language and Equalities. The team supports schools with issues relating to Black and Minority Ethnic achievement and language for learning, for all stages of English proficiency, from beginners to fluent learners.
Trade Unions - Facilities Agreement	Provision of trade union support to schools which includes the negotiation of policies and procedures on behalf of school members which enable governing bodies to adopt these policies and procedures without individual consultation with their employees. The service also manages case loads in conjunction with schools and provides input into staff reorganisation procedures. The service also provides local advice and support to Head Teachers via their individual associations.
Contingency	This funding is used to fund unexpected issues which occur after the Schools Budget Share has been set. (For example Business Rates increases or temporary accommodation requirements that are not funded from the Growth factor)
Buy Back Services	
School Improvement Fund (formerly Schools Causing Concern)	Provision of support to schools either placed or potential to be placed in a category by Ofsted. The proposed budget will be managed and monitored by Head Teachers involved in the self improving schools model.
Local Safeguarding Children's Board Contribution	The purpose of the Tameside Safeguarding Children Board (TSCB) is to Coordinate what is done by each person or body represented on the Board for the purposes of safeguarding and promoting the welfare of children and to ensure the effectiveness of what is done by each such person or body for those purposes
Non DFE Licences	This relates to the licences for the Consortium of Local Education Authorities For the Provision of Science Equipment (CLEAPs)
Other Council Managed DSG	
School Organisation, Admission and Appeals Service	Provision of coordinated school admission and appeals service to schools within the borough

Council Managed Service Council Managed DSG 2016/17 Monitoring Report at the End of June 2016	Description Appendix B
Schools Forum	Provision of support to the schools forum - room hire, refreshments
PFI and FM Contract Affordability Contribution	Contribution to the affordability of the existing PFI and FM contracts in the borough.
Specific Learning Difficulties Support	The Specific Learning Difficulties Advisory Teachers Team provides a service to all schools and early years settings, dealing with issues related to Dyslexia, Dyspraxia and Dyscalculia. The team's work is focussed upon developing inclusive practice to meet the needs of these learners across the age phases as recommended in the Rose Review (DCSF 2009). This support includes specialist teaching of children with specific learning difficulties (statutory requirement) ; assessment, consultation , advice and staff training.
SEN Support for Allocation to Mainstream Schools	Provision of support to mainstream schools who have children with additional needs assessed as being greater than the £6,000 of Notional SEN.
Communication, Language and Autistic Spectrum Support	Provision of Communication, Language and Autism Spectrum Support (CLASS) Service which is available to all mainstream schools, early years settings and non-maintained nurseries to provide advice, consultation and additional support to children and young people whose additional need is identified as a Social Communication difficulty (including ASC) or a Specific Language Impairment.
Sensory Support Service	Provision of support to children with visual and hearing impairment. The support is provided to children and families at home, in early years placements, in schools and other educational settings and if required in post 16 placements.
Pupil Referral Service	The Pupil Referral Service meets the Local Authority statutory duty to provide suitable education for children who are unable to attend school because of illness, injury or exclusion. The service currently makes this provision on three main sites
Pre and Post 16 Independent and Other Local Authority School and College Placements	SEN provision (in mainstream schools) / places (in special schools) for pupils with statements of SEN, as required by legislation, where a pupil attends a school maintained by another local authority. Placements in these schools are usually as a result of parental preference. In addition this budget funds the placement of pupils with statements of SEN attending independent / non-maintained special schools. Placements in these schools, which can be residential / non residential, 38 / 52 weeks a year, are in the main because the Council does not maintain the specialist provision to meet the significant / complex needs of this small group of children, although the SEN & Disability Tribunal has directed the Council to make these placements in a small number of cases
Hospital School	The majority of Hospital School placement costs for Tameside and neighbouring authorities are in private provision at the Priory in Bury.
Nursery Aged SEN Support for Allocation to Schools & Private, Voluntary and Independent Providers	This funding is used to support the cost of Nursery aged children who do not attend the Oakdale/Acorn Special School Nursery.
3 and 4 year Old Free Entitlement for Private, Voluntary and Independent Providers	This budget is used to allocate funding to Private, Voluntary and Independent Providers in relation to the Free Entitlement Funding for 3 and 4 year olds on the same basis as it is allocated to Primary Schools with Nurseries.

Council Managed Service	Description
<p style="text-align: center;">Council Managed DSG 2016/17 Monitoring Report at the End of June 2016</p> <p>New 2 Year Old Free Entitlement Private, Voluntary and Independent Providers</p>	<p style="text-align: right;">Appendix B</p> <p>This budget is used to allocate funding to Private, Voluntary and Independent Providers in relation to the Free Entitlement Funding for disadvantaged 2 year olds.</p>

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Agenda Item 5

Report To:	SCHOOLS FORUM
Date:	18 July 2016
Reporting Officer:	Bob Berry – Assistant Executive Director - Learning. Ian Duncan – Assistant Executive Director - Finance.
Subject:	DEDICATED SCHOOLS GRANT UPDATE
Report Summary:	A report on the arrangements concerning the Dedicated Schools Grant for 2015/16, 2016/17 and future years.
Recommendations:	Members of the Schools Forum are requested to note the contents of the report.
Links to Community Strategy:	Effectively calculated and targeted resources will improve access to a high quality education experience for all our children.
Policy Implications:	Expenditure in line with financial and policy framework.
Financial Implications: (Authorised by the Borough Treasurer)	The Dedicated Schools Grant is a ring fenced grant solely for the purposes of schools and pupil related expenditure. As such it can only be used within the Schools Budget and is not available for use elsewhere in the Council. There has been no inflation applied to the Dedicated Schools Grant in Tameside by the Department for Education/Education Funding Agency since April 2010. The funding allocated to Tameside is based on the number of pupils on the preceding Autumn Term Pupil Census.
Legal Implications: (Authorised by the Borough Solicitor)	There is a statutory duty to use resources efficiently and effectively against priorities.
Risk Management:	The correct accounting treatment of the Dedicated Schools Grant is a condition of the grant and procedures exist in budget monitoring and the closure of accounts to ensure that this is achieved. These will be subject to regular review.

ACCESS TO INFORMATION

NON-CONFIDENTIAL

This report does not contain information which warrants its consideration in the absence of the Press or members of the public.

Background Papers

The background papers relating to this report can be inspected by contacting Stephen Wilde – Head of Resource Management, Directorate of Finance by:

 Telephone: 0161 342 3726

 e-mail: stephen.wilde@tameside.gov.uk

1. BACKGROUND AND INTRODUCTION

1.1.1 A report on the changes to the schools funding process was initially brought to the Schools Forum in May 2012 following consultation by the Department for Education (DFE) and the Education Funding Agency (EFA) which started in March 2012. The DFE/EFA have been clear that the new funding formula will:

- Be a precursor to a national funding formula, to be administered by the EFA in the next Comprehensive Spending Review period which is still expected to be from 2015/16;
- Ensure that 'funding follows the pupil' by restricting the ability to direct funding towards school organisation or premises issues;
- Reward schools that attract pupils;
- Ensure transparency, so schools in similar positions receive similar levels of funding;
- Be simpler than the current process; and
- Maximise delegation.

1.2 In this context, and as agreed with the Heads and Chairs of Governors, the priority for the 2013/14 local funding formula was to work within the parameters established by the DfE, whilst trying to secure financial stability for local schools as they moved from one funding regime to another. This approach was continued in 2014/15, 2015/16 and 2016/17 where only minor changes were made to funding unit rates in Tameside.

1.3 Based on summary data released by the DFE/EFA the most notable area in relation to the Tameside funding scheme was that 96.3% of DSG was delegated to Schools in Tameside in 2014/15, which is a high level compared to other authorities nationally.

1.4 Section 2 of the report provides a summary update on DSG funding in 2016/17 and future years.

1.5 Section 3 contains a summary of the DSG allocations from the DFE/EFA and how they were used in Tameside in 2015/16 and the estimated use in 2016/17.

1.6 Section 4 is an update on the potential for reducing the Gains Cap on Mainstream School funding in 2016/17.

2. DEDICATED SCHOOLS GRANT UPDATE 2016/17 & 2017/18 – SCHOOLS BLOCK

2.1 The Schools Block is the largest element of DSG funding which provides the majority of funding for Mainstream Schools, with additional elements potentially being allocated to Mainstream Schools through the Early Years and High Needs blocks. The DFE carried out a "Fairer Schools Funding 2015/16" consultation in relation to proposed changes to the Schools Block element of the DSG earlier this year. As a result of the responses they received to the consultation the DFE agreed to some minor changes to their original proposals, but no significant changes were made to them.

2.2 Over the last three years the DFE have consistently stated that School funding is unfairly allocated. They believe that Schools with similar characteristics in different Local Authority areas are allocated substantially different levels of funding as a result of historic funding allocations. The DFE have used data provided by each Local Authority in relation to the unit rates used in 2013/14 in their respective local funding formulae to arrive at minimum levels of funding for each Local Authority. These Minimum Funding Levels (MFL) per pupil also include a hybrid area cost adjustment which is intended to reflect prevailing market rates.

2.3 The DFE have then taken the Local Authority specific MFL and multiplied it by the number of Schools Block eligible pupils used to calculate funding in 2014/15 (i.e. October 2013 Census data on children in the age groups from Reception to Year 11) to arrive at an estimated Local Authority level MFL for 2015/16 and compared it to the actual Schools Block funding allocated to each Local Authority in 2014/15. This analysis is summarised in the table within section 2.4 below. The 62 Local Authorities who would receive additional DSG Schools Block funding through the MFL calculation than they did through the previous calculation method were allocated a share of £350m additional funding in 2015/16 and this did not include Tameside.

2.4 **Table 1**

Tameside Indicative MFL and DSG Schools Block Allocation for 2015/16		
1	Indicative MFL Schools Block Total Allocation 2015/16 Issued by DFE Summer 2014	£144.170m
2	Indicative MFL Number of Pupils 2014/15	31,677
3	Indicative MFL Schools Block Allocation 2015/16 Per Pupil	£4,551.34
4	Actual DSG Schools Block Allocation Per Pupil 2014/15	£4,717.42
5	Estimated DSG Schools Block Total Allocation 2015/16	£149.434m
6	Estimated DSG Schools Block Total Allocation 2015/16 in Excess of	£5.264m
7	MFL	3.52%

2.5 The table in section 2.4 above shows that Tameside will not receive any additional DSG Schools Block funding in 2015/16 or 2016/17 through the MFL. The DFE have indicated that there will be no reduction in DSG funding rates for Local Authorities in 2016/17, but the use of the new MFL calculation suggests that there is potential for this position to change from 2017/18 onwards. The DFE has given no indication of whether the 2017/18 Schools Block allocation will be based on MFL rates, but if it was fully implemented by the DFE without any protection then there would be an estimated reduction of £5.264m which equates to 3.52% of the current allocation.

2.6 Due to the scale of the potential reduction in funding from 2017/18 onwards which is summarised above it is considered prudent to provide Schools/Academies with estimates of the worst case budgets that could arise from full implementation of the MFL. Therefore during March 2016 the Council will issue funding estimates for 2017/18 that are based on both the DFE's new MFL proposal and on the basis of the current local funding scheme. The DFE have given no clear indication of what level of Minimum Funding Guarantee will be provided to Schools in 2017/18 or the timescales for implementation and phasing of the MFL based allocations.

2.7 One option in relation to 2015/16 funding was to alter the local funding scheme so that the unit rates allocated were based on the MFL unit rates in table 2.4 above, which would have resulted in a large number of Schools being allocated substantial MFG balances in 2015/16. This was not the recommended proposal of the DFE or Tameside Council and was not implemented. There is no proposal to implement this change in 2016/17 either.

2.8 There is no inflation on the DSG in 2016/17 and this means that the only additional funding through DSG next year relates specifically to increased numbers of children. The DFE/EFA have indicated that they will be launching two consultations over the next few months in relation to further nationalisation of the funding formula for Schools, but they had not shared any details of this at the time of writing this report.

2.9 Section 3 of this report summarises the high level use of the DSG in 2015/16 and 2016/17 and a separate report to this meeting provides details of the centrally managed DSG in 2015/16. Based on this information and the lack of clarity from the DFE/EFA about their future proposals the proposal to establish a School Funding Formula Review group to

consider options for formula review in 2017/18 and beyond has been put on hold until the second stage of DFE/EFA consultation details are released. Stage one of the consultation was largely concerned with the proposed principles of the scheme and did not contain any details of the effect on individual School funding. A copy of the consultation document questions and the responses made by the Resource Management service are contained in **Appendix A and Appendix B**.

- 2.10 There is a significant increase in the projected numbers of children attending Secondary Schools over the next four years, which is expected to be anywhere between 350 and 450 children. In the Tameside 2016/17 Mainstream funding formula the average funding allocated per pupil is £4,088 in the Primary School sector and £5,225 in the Secondary School sector, meaning a difference in funding per pupil between the two sectors of £1,137.
- 2.11 Therefore if the number of children in the Primary sector were to decrease by a similar amount as the increase in the Secondary sector then the increase in funding that would have to be allocated to Schools would be approximately £113,700 for every 100 children and there would be no DSG to support this cost.
- 2.12 Alternatively if the number of children in the Primary sector remained static, but there was an increase in the Secondary sector of 100 children then the increase in funding that would have to be allocated to Schools would be approximately £51,509 for every 100 children and as in the example in 2.11 above, there would be no DSG to support this cost. (The DFE/EFA allocate £4,709.91 per Tameside child in DSG funding regardless of age so in this example the calculation is 100 multiplied by the difference between the funding rate per child of £4,709.91 and the average funding per pupil of £5,225).
- 2.13 The Gains Cap is the DFE/EFA method of funding the Minimum Funding Guarantee (MFG) for Schools. In summary the MFG is a mandatory protection applied by the DFE/EFA which protects School budgets from significant annual variations in their per pupil funding and results in £1.946m of funding being allocated to just under half the Schools in Tameside in 2016/17. The DFE/EFA does not allocate any DSG to fund the MFG and their solution to funding the cost of the MFG is to allow a cap on per pupil gains for Schools who would otherwise have gained from the changes to the funding that started in April 2013.
- 2.14 The Gains Cap was originally set at 100% for 2016/17 in order to ensure that the School Funding scheme could be fully funded, which amounts to £1.538m in reduced funding affecting just under half the Schools in Tameside. The level of Gains Cap will be reviewed for 2017/18 once more information about the DFE/EFA proposals described above is available. The level of Gains Cap for 2016/17 is discussed further in Section 4.
- 2.15 De-delegation is the terminology employed by the DFE in relation to Schools Forum representatives of Council Maintained Schools voting on whether to support mandatory charging to all other Council Maintained Schools of certain Council services. The Primary and Secondary sector vote separately in relation to each of the services. The De-delegation rates in 2016/17 were the same for 2016/17 as in 2015/16.

3. DEDICATED SCHOOLS GRANT SUMMARY 2015/16 & 2016/17

- 3.1 The table below summarises the gross allocations of DSG to Tameside from financial year 2015/16 by DFE/EFA funding block.

Table 2

2015/16 DSG Allocations from DFE/EFA	£'000
Schools Block	150,892
Early Years Block	7,401
Pre 16 High Needs Block	13,263
Post 16 High Needs Block	1,469
2 Year Old Block	2,469
NQT Block	48
Early Years Pupil Premium	265
2015/16 Gross DSG Allocation Before DFE/EFA Recoupment	175,807

- 3.2 The table below summarises the deductions made to the gross DSG allocation in 2015/16 by the DFE/EFA in relation to Mainstream Academies and both Academy and Non Maintained Special School places. It also shows the net allocation of DSG after those deductions. In addition to the deduction values shown in Table 3 below the DFE contacted the Council by email on 5 May 2016 to advise that they would be increasing the Academy Recoupment value in relation to Inspire Academy by £92,763. As this notification was so late and all of the DSG funding for 2015/16 had already been committed, this deduction will be funded from the unspent 2 year old funding brought forward from 2014/15.

Table 3

	£'000
2015/16 Gross DSG Allocation Before DFE/EFA Recoupment	175,807
DFE/EFA Recoupment Deduction for Academy Mainstream Schools	-40,223
DFE/EFA Recoupment Deduction for Non Maintained Special School High Needs Places	-227
DFE/EFA Recoupment Deduction for Academy Special School High Needs Places	-660
2015/16 Total DFE Recoupment Deduction	-41,110
2015/16 Net DSG Allocation to Tameside	134,697

- 3.3 The table below summarises how the net DSG allocation has been used in Tameside and the estimated shortfall in the 2015/16 grant compared to how it has been used.

Table 4

- 3.4 The table below summarises how the shortfall in DSG funding in 2015/16 will be managed.

	£'000
2015/16 Net DSG Allocation to Tameside	134,697
2015/16 Net DSG Allocation in Tameside	
Schools Block	108,171
Early Years Block	7,578
Pre 16 High Needs Block	14,097
Post 16 High Needs Block	2,354
2 Year Old Block	2,858
NQT Block	48
Early Years Pupil Premium	265
2015/16 Total Net DSG Allocations in Tameside	135,371
2015/16 Allocations in Excess of Current 2015/16 DSG Allocation from DFE/EFA	674

Table 5

2015/16 Allocations in Excess of Current 2015/16 DSG Allocation from DFE/EFA	674
2015/16 Excess Allocations to be funded from :	
Estimated DSG Grant Debtor	567
Estimated Shortfall in DSG Needed from DSG Carried Forward 2014/15	107
	674

- 3.5 The table below summarises the estimated gross allocations of DSG to Tameside from the current financial year 2016/17 by DFE/EFA funding block. The only significant change in gross funding terms between 2015/16 and 2016/17 is in the Schools Block and directly relates to increased numbers of children from the Autumn Pupil Census 2015.

Table 6

2016/17 DSG Allocations from DFE/EFA	£'000
Schools Block	153,652
Early Years Block	7,401
Pre 16 High Needs Block	13,515
Post 16 High Needs Block	1,469
2 Year Old Block	2,469
NQT Block	47
Early Years Pupil Premium	265
2016/17 Gross DSG Allocation Before DFE/EFA Recoupment	178,818

- 3.6 The table below summarises the estimated deductions made to the gross DSG allocation in 2016/17 by the DFE/EFA in relation to Mainstream Academies and both Academy and Non Maintained Special School places. The most significant changes since the last report in March 2016 relate to Academy conversions from 1 April 2016 onwards. Table 7 also shows the estimated net allocation of DSG after those deductions.

Table 7

	£'000
2016/17 Estimated Gross DSG Allocation Before DFE/EFA Recoupment	178,818
DFE/EFA Recoupment Deduction for Academy Mainstream Schools	-44,004
DFE/EFA Recoupment Deduction for Non Maintained Special School High Needs Places	-92
DFE/EFA Recoupment Deduction for Academy Special School High Needs Places	-660
2016/17 Total DFE Recoupment Deduction	-44,756
2016/17 Net DSG Allocation to Tameside	134,062

- 3.7 The table below summarises how the estimated net DSG allocation has been used in Tameside and the estimated shortfall in the 2016/17 grant compared to how it is expected to be used.

Table 8

	£'000
2016/17 Net DSG Allocation to Tameside	134,062
2016/17 Estimated Net DSG Allocation in Tameside	
Schools Block	106,497
Early Years Block	7,556
Pre 16 High Needs Block	14,231
Post 16 High Needs Block	2,500
2 Year Old Block	3,008
NQT Block	47
Early Years Pupil Premium	265
Total 2016/17 Estimated Net DSG Allocations in Tameside	134,104
Allocations in Excess of Current 2016/17 Estimated DSG Allocation from DFE/EFA	42

- 3.8 The estimated shortfall of £42,000 of DSG funding in 2016/17 shown in Table 8 in section 3.7 above, does not take account of expected retrospective allocations of DSG which relate to 2, 3 and 4 year old Nursery funding. Once those retrospective allocations are made there is expected to be a surplus of DSG funding in 2016/17 of approximately £307,000. Section 4 of this report describes how the Council is proposing to use this surplus and the DFE/EFA regulations surrounding its use.

4. PROPOSED REDUCTION OF GAINS CAP FUNDING IN 2016/17

- 4.1 When the Dedicated Schools Grant (DSG) budgets for 2016/17 were set in late January 2016 the cap on gains in the Mainstream School funding formula was set at 100% compared to the equivalent cap being set at 80% and 60% in previous financial years. When the 2016/17 funding scheme was presented to Schools Forum on 2 March 2016 it was proposed that any unspent DSG funding in 2016/17 would be used to reduce this cap on gains and we are now in a position where the cap can in theory be reduced by 20%.
- 4.2 This change in the overall funding position for 2016/17 relates to greater clarity about Post 16 High Needs costs and the use of unspent 2 year old funding from 2014/15 to support the newly opening Academy Diseconomies costs discussed in a Forum report in March 2016. This means that Schools with a Gains Cap could in theory now receive a share of £307,000 which would equate to a Gains Cap of 80%, rather than 100%. This allocation would be funded from the unallocated DSG in 2016/17 referred to in Section 3 above.
- 4.3 Those Schools which have a Minimum Funding Guarantee (MFG) allocation are not affected by this change, as their funding was already being protected. The Schools who will receive funding as a result of this change are those where allocations were reduced to enable the MFG Schools to receive their funding protection.
- 4.4 However, when the EFA were contacted about this delayed reduction of the Gains Cap they confirmed that the Council could not make this allocation to Schools/Academies this late in the year. Their advice is that the Council would need to seek a disapplication of the funding regulations from the Secretary of State, which would allow the Council to make these payments as a one off payment in 2017/18. Clearly this decision is not what we had hoped for in order to support Schools in a timely manner, but given the EFA advice on the issue the Council will progress the disapplication request and advise Schools of the Secretary of State decision. If the proposal is refused then the funding would be added to the 2017/18 funding and allocated through the formula in 2017/18, but ideally it would be approved to ensure that the allocation is based on 2016/17 levels of funding for each School, rather than 2017/18 levels.

5 RECOMMENDATIONS

5.1 Members of the Schools Forum are requested to note the contents of the report.

Response to Stage 1 of DFE/EFA Funding Consultation on Schools National Funding Formula - 7 March to 17 April 2016

Overview

The DfE are seeking views by Sunday 17 April 2016 on proposals to introduce a national funding formula for schools.

Question 1

Do you agree with our proposed principles for the funding system?

The principles outlined in the consultation are perfectly valid. However, the reality of their application through the proposed funding regulations is a different matter and the funding system needs to subject Academy Trusts to the same validation as it does Local Authorities. Specifically the facility to allow Multi Academy Trusts to vire funding between their individual Academies or to potentially top slice significant levels of funding without any approval from the DFE/EFA or the equivalent to a Schools Forum is very concerning. At least under current arrangements Local Authorities have to consult with their Schools Forum about movements in funding and they are unable to simply impose increased overheads on Schools, as the Schools can choose to purchase support from elsewhere.

The timing and length of this first consultation is not appropriate, as Schools across the country have been on their Easter break. For the second stage of the consultation the DFE/EFA need to ensure that it is at least 10 weeks and that it is not carried out over the Summer break.

Question 2

Do you agree with our proposal to move to a school-level national funding formula in 2019-20, removing the requirement for local authorities to set a local formula?

No - the system of targeting resources locally is based on detailed discussions with all interested parties at a local level and reflects unique local demographic characteristics. As referenced to in the response to question 1 above there is also concern about the potential flexibilities being made available to Multi Academy Trusts which would effectively enable them to ignore the national formula, by redistributing funding with impunity.

Question 3

Do you agree that the basic amount of funding for each pupil should be different at primary, key stage 3 and key stage 4?

Yes - it would be best to have different values for these age groups to reflect different demands.

Question 4

a) Do you agree that we should include a deprivation factor?

Yes – this funding factor should be retained and it needs to be a significant element of the new funding formula, as the Universal Infant Free School Meals initiative will start to reduce the number of children who are eligible for Pupil Premium funding over the next couple of years.

b) Which measures for the deprivation factor do you support?

- Pupil-level only (current FSM and Ever6 FSM)
- Area-level only (IDACI)
- Pupil- and area-level

Pupil and Area level measures, but with the lowest weighting for IDACI as the 2015 updates to the index don't seem to match the reality of changes in deprivation levels in Tameside and some of our neighbouring authorities.

The importance of this funding factor will potentially need to increase as the effect of the UIFSM initiative reduces School's Pupil Premium funding as described in the response to 4 a) above.

Question 5

Do you agree we should include a low prior attainment factor?

Yes – and the current indicators are a good measure, but the Notional SEN budget concept is not helpful for Schools, as it tends to cause confusion for them.

Question 6

a) Do you agree that we should include a factor for English as an additional language?

Yes

b) Do you agree that we should use the EAL3 indicator (pupils registered at any point during the previous 3 years as having English as an additional language)?

Yes

Question 7

Do you agree that we should include a lump sum factor?

Yes – it is important to have a fixed element to the funding formula.

Question 8

Do you agree that we should include a sparsity factor?

Yes – but this should be a proportionately small factor and only be applied to Schools that have a genuine need based on relatively low numbers on roll for that sector.

Question 9

Do you agree that we should include a business rates factor?

Yes – and this should still be linked to the actual cost of the Rates for each School.

Question 10

Do you agree that we should include a split sites factor?

Yes – but the measure needs to be consistent and applied fairly across all areas.

Question 11

Do you agree that we should include a private finance initiative factor?

Yes - It is essential that schools/academies are funded in full for their PFI liabilities and that this is adjusted annually to keep pace with contractual obligations. Without this schools and academies with PFI arrangements will be severely disadvantaged and in some instances may not be viable.

As discussed within the consultation documents, Schools rebuilt under building schools for the future and PFI schemes are tied into long contractual arrangements through the local authority, affecting facilities management, repairs and maintenance and many other aspects of basic school running costs. Each school in each local authority has a different arrangement for meeting these costs, depending on the nature of the contract and the balance between delegated funding, local authority contribution and specific grant.

Allocating on the basis of local authorities' historic spend on PFI in 2017-18 and 2018-19 would not be appropriate as LA's and governors are contractually obliged to fund inflationary costs as specified within agreements and this should be fully funded by the DfE if moving towards a national formula.

This would need to be done on a scheme by scheme basis as these contracts are complex and vary considerably from one scheme to another.

Question 12

Do you agree that we should include an exceptional premises circumstances factor?

Yes – but the criteria need to be easy to assess and be reviewed annually.

Question 13

Do you agree that we should allocate funding to local authorities in 2017-18 and 2018-19 based on historic spend for these factors?

- Business rates
- Split sites
- Private finance initiatives
- Other exceptional circumstances

No – As described in the responses above it is not appropriate to fund any of Business Rates, Split Sites or PFI based on historic costs,, particularly PFI costs where School funding is cash frozen whilst the providers continue to inflate costs substantially each year.

The position is the same for Exceptional Circumstances where the criteria need to be transparent for each case and reviewed annually.

Question 14

Do you agree that we should include a growth factor?

Yes

Question 15

Do you agree that we should allocate funding for growth to local authorities in 2017-18 and 2018-19 based on historic spend?

No - historic spend is not an appropriate allocation method, as there are significant rises and falls in pupil numbers across the country in different time periods. Any allocation should be linked to increases in numbers on roll which can be measured and assessed annually based on demographic data that is already used to calculate capital funding allocations.

Question 16

a) Do you agree that we should include an area cost adjustment?

b) Which methodology for the area cost adjustment do you support?

- general labour market methodology
- hybrid methodology

No – there is insufficient evidence to demonstrate that Schools in the areas that would receive allocations through ACA have demonstrably higher costs than Schools in areas that would not receive an ACA.

However, if an ACA is to be used then it needs to be based on a Hybrid methodology that takes account of all relevant costs which can be achieved through the use of Schools Consistent Financial Reporting data.

Furthermore, in terms of regional differences, the levels of charging paid in the North West of England (United Utilities area) for surface water drainage charges is significantly different than that that paid in other areas of the Country. It is understood that from DfE records on schools expenditure on water and sewerage charges, the North West region pays £27 million per year compared to just £11 million per year in the South East. Both these areas have almost identical numbers of schools and pupils yet in the North West, schools budgets cumulatively must pay £16 million pounds more. We request that the DfE takes this regional

difference into account in the developing funding formula until there is an equity in the liabilities faced by schools in the North West Region.

Question 17

Do you agree that we should target support for looked-after children and those who have left care via adoption, special guardianship or a care arrangements order through the pupil premium plus, rather than include a looked-after children factor in the national funding formula?

Yes – targeting through the Pupil Premium Plus is more appropriate, providing Virtual School Head Teachers are still able to have significant influence over its use. However, if this factor is removed then the funding should not be removed from global School funding.

Question 18

Do you agree that we should not include a factor for mobility?

Yes

Question 19

Do you agree that we should remove the post-16 factor from 2017-18?

Yes

Question 20

Do you agree with our proposal to require local authorities to distribute all of their schools block allocation to schools from 2017-18?

No - until greater clarity is available in relation to the allocations of the Central Schools Block.

In theory it should be yes, but this is also dependent on the detail of how the DFE plans to distribute funding and is subject to the caveats of following the responses provided to other questions above.

Question 21

Do you believe that it would be helpful for local areas to have flexibility to set a local minimum funding guarantee?

Yes - Sufficient temporary transitional funding should be provided to enable Schools in areas such as Tameside (where funding will be lost through nationalisation) to manage the reduced funding.

Based on the assumption that this transitional funding won't be made available, then Councils will need local flexibility over the MFG to enable them to make the School funding formula affordable.

Question 22

Do you agree that we should fund local authorities' ongoing responsibilities as set out in the consultation according to a per-pupil formula?

No – this method is too simplistic and does not take account of the fact that there is a fixed element to these areas of cost. A more acceptable proposal would be to have fixed lump sum element alongside a per pupil amount and the value of this allocation should be standardised nationally, rather than look at historic spend.

Question 23

Do you agree that we should fund local authorities' ongoing historic commitments based on case-specific information to be collected from local authorities?

Yes – but this should now be a much lower value nationally and needs to be reviewed annually

Question 24

Are there other duties funded from the education services grant that could be removed from the system?

Sufficient funding needs to be provided to Local Authorities to enable them to deliver on their statutory duties. This funding should be based on a fixed lump sum element alongside a per pupil amount. This is essential for Councils that have been losing substantial portions of their non-School funding for several years and who will continue to lost further funding over the next few years.

Question 25

Do you agree with our proposal to allow local authorities to retain some of their maintained schools' DSG centrally – in agreement with the maintained schools in the schools forum – to fund the duties they carry out for maintained schools?

The new Central Schools block should be funded at a level which ensures that this mechanism is not required. All the statutory duties that are still carried out by the LA in relation to its schools and pupils should be funded without the need for this arrangement.

However, if the Central Schools block is not properly funded then this mechanism may be essential.

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Agenda Item 6

Report To:	SCHOOLS FORUM
Date:	18 July 2016
Reporting Officer:	Bob Berry – Assistant Executive Director - Learning. Ian Duncan – Assistant Executive Director - Finance.
Subject:	ACADEMY SCHOOL CONVERSION COST
Report Summary:	A report on the related expenditure incurred by the Council when a school converts to Academy status.
Recommendations:	<p>Members of the Schools Forum are requested to note the contents of the report and that the associated cost detailed within section 3.4 (table 1) will be charged to any school which converts to Academy status effective from 1 August 2016.</p> <p>Schools Forum members are also requested to note that the cost of the related conversion process will be reviewed on an annual basis as a minimum. Schools will be notified of any subsequent amendment to the price stated within section 3.4.</p>
Links to Community Strategy:	Effectively calculated and targeted resources will improve access to a high quality education experience for all our children.
Policy Implications:	In line with current policy
Financial Implications: (Authorised by the section 151 officer)	<p>Section 2 of the report details the related expenditure incurred by a number of services within the Council when a school converts to Academy status. The associated cost detailed within section 3.4 (table 1) will be recovered from any school converting to Academy school status from 1 August 2016.</p> <p>It should be noted that schools receive a non-recurrent grant sum of £25,000 from the Department For Education to support Academy conversion related expenditure.</p> <p>It is essential the cost of the related conversion process is reviewed on an annual basis as a minimum and that schools are notified of any amendment to the price stated within section 3.4.</p>
Legal Implications: (Authorised by the Borough Solicitor)	<p>There is a statutory duty to use resources efficiently and effectively against priorities. Schools are provided with a grant to meet the costs of conversion these include those of the LA in order to ensure process is not subsidized hence the grant. Most other council's recover their costs from this grant</p>
Risk Management:	It is essential the Council recovers all related expenditure on services it is requested to provide. Failure to recover such expenditure will contribute to the non delivery of an annual balanced budget which the Council is statutorily required to deliver.

ACCESS TO INFORMATION

NON-CONFIDENTIAL

This report does not contain information which warrants its consideration in the absence of the Press or members of the public.

Background Papers

The background papers relating to this report can be inspected by contacting Stephen Wilde – Head of Resource Management, Resource Management, Governance and Resources by :



Telephone:0161 342 3726



e-mail: stephen.wilde@tameside.gov.uk

1. BACKGROUND

- 1.1 A range of Council services support the conversion of a school to Academy status.
- 1.2 To date the Council has not recovered related expenditure of the process from converting schools within the borough.

2. SERVICES WHICH SUPPORT THE CONVERSION PROCESS

2.1 As the ceding employer, and in order for each academy conversion to transpire, the Council is obliged to carry out a number of functions on behalf of the convertor school. These functions are supported by the following Council services:

- Finance
- Legal
- Human Resources
- Payroll
- Estates
- Education

2.2 The functions delivered within the process include the following:

- Providing initial information to the Department For Education (DfE)
- Leading or supporting the formal TUPE process
- Carrying out the financial reconciliation and closure of school accounts
- Preparing documents for the transfer of land and assets
- Liaising with the schools appointed solicitors on the CTA (Commercial Transfer Agreement)
- Preparation of documents for the transfer of pensions

3. FINANCIAL IMPLICATIONS

- 3.1 Converting schools are entitled to a DfE grant of £25,000 to prepare for conversion. It should be noted that the Council receives no additional funding to support the financial impact and increased workloads created by and associated with the conversion process.
- 3.2 The activities detailed within section 2 require a considerable amount of officer time. There is therefore a considerable cost to the Council whenever a school becomes an Academy.
- 3.3 The only charge currently levied by the Council on a school converting to Academy status relates to the transfer of the related payroll service.
- 3.4 The Council will therefore make the following charges (within table 1 below) to related schools for conversion to Academy status to finance the expenditure incurred by the Council. The charges are inclusive of the payroll transfer service where the Council is currently providing that service to the converting school.

Table 1

	£
Convertor / Sponsored Academy – non PFI	13,200

Converter / Sponsored Academy – PFI	To be determined and will include an indemnity to fund all the external legal costs required to deal with the complex PFI documentation including that of all parties (Council PFIco, funders etc)
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- 3.5 The charges stated within table 1 will be levied on any school converting to Academy status from 1 August 2016.
- 3.6 It should be noted the cost of the related conversion process will be reviewed on an annual basis as a minimum and that schools will be notified of any subsequent amendment to the price stated within section 3.4.

4. RECOMMENDATIONS

- 4.1 As stated on the report cover.

Report To:	SCHOOLS FORUM
Date:	18 July 2016
Reporting Officer:	Bob Berry – Assistant Executive Director - Learning. Ian Duncan – Assistant Executive Director - Finance.
Subject:	FINANCING OF SCHOOL ADMISSION APPEALS
Report Summary:	This report outlines the details of the Department for Education (DfE) proposed changes for the funding for schools admission appeals following a consultation during November 2015.
Recommendations:	<p>That Schools Forum Members consider the following recommendations for approval :</p> <ol style="list-style-type: none">1. That the Council applies to the Secretary of State (via the schools finance disapplication request form as stated in section 3.5) in advance of the 2017/2018 financial year to increase the centrally retained DSG sum stated in section 4.1. The funding increase will support the financing of school appeals for Voluntary Aided schools should those schools require the Council to continue the administration of their associated school appeals.2. That as an interim arrangement for the 2016/2017 financial year, the cost of the school appeals administered on behalf of primary Voluntary Aided schools is financed from the centrally retained DSG contingency budget. This sum has been de-delegated by all non-academy primary schools in the current financial year.3. That also as an interim arrangement for the 2016/2017 financial year, the cost of the school appeals administered on behalf of secondary Voluntary Aided schools is financed from the centrally retained DSG contingency budget if those schools have chosen to de-delegate the sum in the current financial year. However, relevant schools will continue to be charged directly with the associated cost if the contingency sum has not been de-delegated in 2016/2017.4. That in the event that the funding disapplication request detailed in recommendation 1 is rejected by the Secretary of State, it is proposed that from the 2017/2018 financial year, the cost of the school appeals administered on behalf of primary and secondary Voluntary Aided schools is financed from the centrally retained DSG contingency budget where this sum has been de-delegated by the relevant school. However, relevant schools will continue to be charged directly with the associated cost if the contingency sum has not been de-delegated in the applicable financial year to which the school appeal relates5. That Academy Schools continue to be invoiced via existing arrangements to recover the relevant cost where the Council is commissioned to administer their

associated school appeals.

6. That a further update is provided to the 2016 autumn term Schools Forum meeting on the value of the funding disapplication request to the Secretary of State detailed in recommendation 1 and that further updates are provided at future Schools Forum meetings on the outcome of the request.

Links to Community Strategy: Effectively calculated and targeted resources will improve access to a high quality education experience for all our children.

Policy Implications: In line with current policy

Financial Implications: The report provides Schools Forum members with recommendations to support the continued financing of school appeals administered by the Council on behalf of Voluntary Aided schools.

(Authorised by the section 151 officer)

It is essential that the associated cost to the Council is continually reviewed to ensure all relevant expenditure is wholly recovered and that schools are notified in advance of any associated cost increase.

Legal Implications: The Authority needs to ensure that it complies with all current DfE guidance and this report is intended to address this.

(Authorised by the Borough Solicitor)

Risk Management: It is essential the Council recovers all related expenditure on services it is requested to provide. Failure to recover such expenditure will contribute to the non delivery of an annual balanced budget which the Council is statutorily required to deliver.


ACCESS TO INFORMATION

NON-CONFIDENTIAL

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Background Papers

The background papers relating to this report can be inspected by contacting Stephen Wilde – Head of Resource Management, Resource Management, Governance and Resources by :

 Telephone: 0161 342 3726

 e-mail: stephen.wilde@tameside.gov.uk

1. BACKGROUND

- 1.1 In November 2015, the Department for Education (DfE) issued a consultation regarding the funding for schools admission appeals. The consultation outcome was published in December 2015. **(Appendices A and B)**
- 1.2 Paragraph 1.14 of the School Admission Appeals Code states that: “ *Local authorities must allocate reasonable funds to governing bodies of maintained schools which are admission authorities to meet the admission appeals costs.*”
- 1.3 Local authorities currently have a duty to support maintained schools, which are admission authorities (Voluntary Aided, Foundation and Trust schools). This is in addition to authorities’ responsibilities where they act as the admission authority for maintained Community and Voluntary Controlled schools.
- 1.4 The 2013-14 funding reforms removed the ability of local authorities to specifically allocate funding for own admission authority schools and ended the separate grant paid to academies for admissions. The reforms also restricted local authorities’ ability to increase the amount of budget retained centrally for admissions, to ensure that as much money as possible was allocated to schools.

2. SCHEME FOR FINANCING SCHOOLS

- 2.1 Local authorities are required to publish schemes for financing schools setting out the financial relationship between them and the schools they maintain. The scheme for financing schools guidance lists the provisions which a local authority’s scheme must, should or may include. Section 6.2 of this guidance lists the main circumstances in which a local authority can charge school budgets for agreed services and concerns maintained schools only. This consultation related to proposals to extend the list to provide flexibility for funding admission appeals.

3. PROPOSED CHANGES

- 3.1 For schools for which the local authority is the admission authority, and for which the authority must provide an appeals service, the additional flexibility to the scheme will allow local authorities to use their powers under the Financial Management Scheme to charge those schools. All other schools and academies would be responsible for their own admission appeals, with funding for this function included in their delegated budgets. There is no separate funding available to help cover the costs of providing this service. The local authority could offer a traded service, which schools and academies who are their own admissions authorities would be free to decide whether to use individually.
- 3.2 If a local authority wants to make use of the additional flexibility, a change to the local scheme will be needed. Local authorities would need to consult with all schools in their area and receive approval of the members of their schools forum representing maintained schools.
- 3.3 The existing option whereby a local authority, in agreement with schools forum, can retain funding centrally to cover admission appeals for all types of schools and academies remains, should a local authority and schools forum agree to this approach.
- 3.4 If local authorities are currently compliant with the admissions appeals code they do not have to change their approach to funding appeals. The change is to provide an alternative option and more flexibility for local authorities. Local authorities and schools forums must

discuss and agree which approach best suits their local circumstances, to ensure greater transparency over the funding of admission appeals.

- 3.5 Should local authorities, in agreement with their Schools Forum, wish to continue to retain funding centrally to cover admission appeals for all types of schools, they will be able to do so. If local authorities need to increase their centrally retained admissions funding to do this, they need the consent of the School Forum and Secretary of State to do so. To apply for this, local authorities should use the 'Schools finance disapplication request form'.

4. CURRENT ARRANGEMENTS FOR THE FINANCING OF SCHOOL APPEALS

- 4.1 The sum of £ 0.158 million is centrally retained from the Dedicated Schools Grant (DSG) on an annual basis to finance the cost of school admissions for maintained schools (including voluntary aided schools). Academy schools are charged separately for the cost of their associated school admissions as appropriate.
- 4.2 Maintained school appeals are also financed from the central retained sum referred to in section 4.1 with the exception of Voluntary Aided schools who are charged separately for the number of school appeals administered on behalf of the school. Academy schools are also charged separately on the same basis where they appoint the Council to administer their school appeals.

5. RECOMMENDATIONS

- 5.1 As stated on the report cover



Education
Funding
Agency

Funding for school admission appeals

Government consultation

Launch date 5 November 2015

Respond by 3 December 2015

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Introduction

The Department for Education is seeking views on the proposed change to section 6.2 of the [Scheme for financing schools](#) guidance, as part of its arrangements for local authorities. Local authorities are required to publish schemes for financing schools setting out the financial relationship between them and the schools they maintain. The Scheme for financing schools guidance lists the provisions which a local authority's scheme must, should or may include. Section 6.2 of this guidance lists the main circumstances in which a local authority can charge school budgets for agreed services and concerns maintained schools only. This consultation relates to proposals to extend this list to provide additional flexibility for funding admission appeals

Who this is for

- Chief finance officers and finance officers at local authorities
- Governors
- Chairs and clerks of schools forums
- Diocesan representatives
- Other interested parties

Issue date

The consultation was issued on 5 November 2015.

Enquiries

If your enquiry is related to the policy content of the consultation you can contact the team at:

fundingadmissionappeals.consultation@education.gsi.gov.uk

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the DfE Ministerial and Public Communications Division by email: consultation.unit@education.gsi.gov.uk or by telephone: 0370 000 2288 or via the [DfE Contact us page](#).

Additional copies

Additional copies are available electronically and can be downloaded from [GOV.UK DfE consultations](#).

The response

The results of the consultation and the Department's response will be [published on GOV.UK](#) in winter 2015.

About this consultation

Summary

The Department is proposing to make a change to section 6.2 of the Scheme for financing schools guidance, to include admission appeals as one of the services in which a local authority can charge school budgets for agreed services. The change provides additional local flexibility.

Context

Paragraph 1.14 of the School Admission Appeals Code states that: *“Local authorities must allocate reasonable funds to governing bodies of maintained schools which are admission authorities to meet admission appeals costs.”*

Therefore, local authorities currently have a duty to support maintained schools (Voluntary Aided, Foundation and Trust schools) which are admission authorities. This is in addition to authorities’ responsibilities where they act as the admissions authority for maintained Community and Voluntary Controlled schools.

However, the 2013 to 2014 funding reforms removed the ability of local authorities to specifically allocate funding for own admissions authority schools and ended the separate grant paid to academies for admissions. The reforms also restricted local authorities’ ability to increase the amount of budget retained centrally for admissions, to ensure that as much money as possible was allocated to schools.

Proposed changes

For schools for which the local authority is the admission authority, and for which the authority therefore must provide an appeals service, the additional flexibility the Scheme for financing schools will allow local authorities to use their powers under the Financial Management Scheme to charge those schools. All other schools and academies would be responsible for their own admission appeals, with funding for this function included in their delegated budgets. No separate funding will be available to help cover the costs of providing this service. The local authority could offer a traded service, which schools and academies which are their own admissions authorities would be free to decide whether to use individually.

If a local authority wished to make use of this additional flexibility, a change to the local scheme would be needed. Local authorities must consult all schools in their area and receive the approval of the members of their schools forum representing maintained schools. Should they wish to do so, local authorities will be able to use this approach to admission appeal arrangements for 2016-17. Schools would be protected, as an

authority cannot act unreasonably in the exercise of any power given by the scheme, or it may be the subject of a direction under s.496 of the Education Act 1996. Furthermore, for each of the circumstances in which an authority can charge a school, the authority has to be able to demonstrate that the authority had necessarily incurred the expenditure now charged to the budget share.

The existing option whereby a local authority, in agreement with its schools forum, can retain funding centrally to cover admission appeals for all types of schools and academies remains, should a local authority and its school forum desire and agree to use this approach.

If agreed, the operational guide for schools will also be updated to reflect this change.

We would like to hear your views on our proposals.

How to respond

Respond online

To help us analyse the responses please use the online system wherever possible. Visit www.education.gov.uk/consultations to submit your response.

Other ways to respond

If for exceptional reasons, you are unable to use the online system, for example because you use specialist accessibility software that is not compatible with the system, you may download a word document version of the form and email it or post it.

By email

fundingadmissionappeals.consultation@education.gsi.gov.uk

By post

AMSG: Funding Division
Level 4
Department for Education
Great Smith Street
London
SW1P 3BT

Deadline

The consultation closes on 3 December 2015.

The charging of school budget shares

Background

Section 6 of any Financial Management Scheme should contain a provision which allows the budget share of a school to be charged by the authority without the consent of the governing body **only** in circumstances expressly permitted by the scheme. It requires authorities to consult schools as to the intention to charge, and notify schools when it has been done.

The following has been extracted from section 6 of the current '*Scheme for financing schools*'.

Circumstances in which charges may be made

- 6.2.1 Where premature retirement costs have been incurred without the prior written agreement of the authority to bear such costs (the amount chargeable being only the excess over any amount agreed by the authority);
- 6.2.2 Other expenditure incurred to secure resignations where the school had not followed authority advice;
- 6.2.3 Awards by courts and industrial tribunals against the authority, or out of court settlements, arising from action or inaction by the governing body contrary to the authority's advice

Awards may sometimes be against the governing body directly and would fall to be met from the budget share. Where the authority is joined with the governing body in the action and has expenditure as a result of the governing body not taking authority advice, the charging of the budget share with the authority expenditure protects the authority's position.

Authorities should ensure in framing any such advice that they have taken proper account of the role of aided school governing bodies.

- 6.2.4 Expenditure by the authority in carrying out health and safety work or capital expenditure for which the authority is liable where funds have been delegated to the governing body for such work, but the governing body has failed to carry out the required work;
- 6.2.5 Expenditure by the authority incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the authority or the school has voluntary controlled status;
- 6.2.6 Expenditure incurred by the authority in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that

it has arranged cover at least as good as that which would be arranged by the authority;

See also 10.1. The authority itself needs to consider whether it has an insurable interest in any particular case.

6.2.7 Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes procedure set out in a service level agreement, and the result is that monies are owed by the school to the authority;

6.2.8 Recovery of penalties imposed on the authority by the Board of Inland Revenue, the Contributions Agency, HM Revenue and Customs, Teachers' Pensions, the Environment Agency or other regulatory authorities as a result of school negligence.

6.2.9 Correction of authority errors in calculating charges to a budget share (eg pension deductions)

Before applying any such provision the authority should consider whether it is reasonable to do so. If the error dates back several years it may be questionable whether such charging is reasonable.

6.2.10 Additional transport costs incurred by the authority arising from decisions by the governing body on the length of the school day, or failure to notify the authority of non-pupil days resulting in unnecessary transport costs.

6.2.11 Legal costs which are incurred by the authority because the governing body did not accept the advice of the authority (see also section 11).

6.2.12 Costs of necessary health and safety training for staff employed by the authority, where funding for training had been delegated but the necessary training not carried out.

6.2.13 Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect.

6.2.14 Cost of work done in respect of teacher pension remittance and records for schools using non-authority payroll contractors, the charge to be the minimum needed to meet the cost of the authority's compliance with its statutory obligations;

6.2.15 Costs incurred by the authority in securing provision specified in a statement of SEN where the governing body of a school fails to secure such provision despite the delegation of funds in respect of low cost high incidence SEN and/or specific funding for a pupil with High Needs;

6.2.16 Costs incurred by the authority due to submission by the school of incorrect data;

6.2.17 Recovery of amounts spent from specific grants on ineligible purposes;

6.2.18 Costs incurred by the authority as a result of the governing body being in breach of the terms of a contract.

6.2.19 Costs incurred by the authority or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.

Proposal and rationale

We propose to make the following minor change to section 6.2 of the Scheme for financing schools, so that local authorities are able to include funding for admission appeals in their Financial Management Schemes.

6.2.20 Costs incurred by the authority in administering admissions appeals, where the local authority is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.



Department
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Department
for Education

Funding admission appeals

Government consultation response

December 2015

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Introduction

Paragraph 1.14 of the School Admission Appeals Code states that: “*Local authorities must allocate reasonable funds to governing bodies of maintained schools which are admission authorities to meet admission appeals costs.*”

Therefore, local authorities currently have a duty to support maintained schools (Voluntary Aided, Foundation and Trust schools) which are admission authorities. This is in addition to authorities’ responsibilities where they act as the admissions authority for maintained Community and Voluntary Controlled schools.

However, the 2013/14 funding reforms removed the ability of local authorities to specifically allocate funding for own admissions authority schools and ended the separate grant paid to academies for admissions. The reforms also restricted local authorities’ ability to increase the amount of budget retained centrally for admissions, to ensure that as much money as possible was allocated to schools.

Between the 5 November and 4 December 2015 we conducted an online consultation. Alternatively respondents were able to email or send a response form.

We proposed a small change to the [Schemes for Financing Schools Statutory Guidance](#).

It was proposed to insert the following into the Schemes for Financing Schools Guidance:

6.2.20 Costs incurred by the authority in administering admission appeals, where the local authority is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.

The effect of the change is to make it clear that local authorities may charge the budgets of maintained schools for administering admission appeals, where the authority has included the funding for admission appeals in schools budget allocations.

Summary of responses received and the government's response

This section sets out the views that we have received in response to the consultation on arrangements for funding admission appeals. It also sets out the decisions that have been taken as a result.

In total there were 49 responses to the consultation, with 44 responses to the only closed question of the consultation 'do you agree with this proposal?' 5 respondents chose not to answer this question, but provided comments on the proposal.

The majority of responses received came from local authorities (27%) and 'other' organisations (27%). Within this group five were from Diocesan organisations. The breakdown of the remaining responses were; academies/free schools (8), maintained schools (7), faith schools (7) and non-selective school (1).

Which of these best describes the organisation you represent?		
Options	Responses	Percentage
Local authority	13	27%
Other	13	27%
Academy/Free School	8	16%
Faith School (VA)	7	14%
Maintained School	7	14%
Non-Selective	1	2%

Which of these best describes you as a respondent?		
Options	Responses	Percentage
Other	15	31%
Headteacher/teacher	12	24%
School Governor	8	16%
School Business Manager/Bursar	6	12%
Finance officer	5	10%
Parent	1	2%
No response	2	4%

A full list of the organisations that have responded can be found at Annex A.

The breakdown of responses to the question asking whether respondents agreed with the proposals:

- 41% agreed with the change;
- 41% did not agree; and
- 5% were unsure.

Those that agreed commented that this change was sensible, and ensure equal treatments of schools. Some of those who did not agree misunderstood the proposed changes, whilst others were concerned about any additional pressure this would put on school and academy budgets.

This change will be available to local authorities to use, should they wish to do so, from 2016 to 2017. However, it is **not** compulsory for local authorities to use this method to fund admission appeals. If local authorities are currently compliant with the admission appeals code they do not have to change their approach to funding admission appeals. This change is intended to provide an alternative option and more flexibility for local authorities. Therefore, we intended to proceed with the proposed amendment to the Scheme for Financing Schools Statutory Guidance.

Question analysis

Respondents were asked one question, with an option to comment further.

Question 1

Do you agree with the proposal?

There were 44 responses to this question.	Total	Percent
Yes	20	41%
No	20	41%
Not sure	4	8%
No response	5	10%

5 respondents (10%) chose not to answer this question, but provided comments on the proposals.

There were equal numbers of respondents who agreed or disagreed with the proposal (20). Of those that agreed with the proposal, 6 were from a local authority (LA), 6 were classified as 'Other' and 4 were academies or free schools. A further 3 were from faith schools and 1 from a maintained school.

Of those that did not agree with the proposal, the highest volume were from maintained schools (6), followed by 3 respondents in each of the following categories; faith schools, academies/free schools and 'other' and 1 from a non-selective school.

Respondents were invited to comment on their response. Comments from those that agreed with the proposal welcomed the change as it ensured fair and equitable treatment between all types of schools.

When looking at the comments of those who disagreed, some of the comments were not related to the consultation on admission appeals funding, but changes to the curriculum. Furthermore, some were concerned with the removal of additional funding for academy appeals, whilst others were concerned that this would put pressure on schools budgets. It was also raised that delegating funding on an equitable basis would penalise schools with high numbers of appeals, who would face a higher 'bill' for this service. Some believed that additional responsibility is being transferred to the Dedicated Schools Grant, and so a corresponding amount of funding should be added to the Dedicated Schools Grant.

However, a number of comments also showed a misunderstanding of the proposed change, with some respondents commenting that they agreed with the current approach, whereby a local authority, in agreement with its schools forum can retain funding centrally to cover admission appeals for all types of schools, and were concerned that the use of the Financial Management Scheme would be imposed upon them.

Of the 5 comments that did not respond to the question, looking at their comments, one respondent would not oppose the change if the existing approach continued to be an option available to local authorities.

Some comments requested that the amendment to the Scheme for Financing Schools Guidance goes further to make clear both options available to local authorities to fund admission appeals.

Government response

If local authorities are compliant with the admission appeals code they do not have to change their approach to funding admission appeals. Should local authorities, in agreement with their Schools Forum, wish to continue to retain funding centrally to cover admission appeals for all types of schools, they will be able to do so. If local authorities need to increase their centrally retained admissions funding to do this, they need the consent of the School Forum and Secretary of State to do so. To apply for this, local authorities should use the 'Schools finance disapplication request form', which is available online at: <https://www.gov.uk/government/publications/schools-funding-arrangements-2016-to-2017>.

The change to the Scheme for Financing Schools Guidance is **in addition** to this option. There is no obligation on Local authorities to use this approach. Local authorities and schools forums must discuss and agree which approach best suits their local circumstances, to ensure that greater transparency over the funding of admission appeals.

However, if local authorities are not compliant with the admission appeals code, they will have to change their approach regardless of whether we implemented the change to the Scheme for Financing Schools Guidance. The amendment to the guidance simply makes clear that local authorities may charge the budgets of schools for which they are the admissions authority for administering admission appeals, allowing greater flexibility for local authorities.

Some respondents argued that the change to the Financial Management Scheme would penalise oversubscribed schools and believed that additional responsibility is being transferred to the Dedicated Schools Grant. However, this is not the case. Currently, funding for admission appeals can be retained centrally and it is therefore deducted before schools receives their individual budgets, but it is still deducted from the Dedicated Schools Grant allocated to the local authority. Therefore, this is not a new responsibility and additional funding will not be added to the Dedicated Schools Grant. Similarly, under the current arrangements, funding is retained centrally on an equal basis, regardless of the volume of appeals a school has.

As outlined in the consultation document, local authorities would only be able to charge those schools for which they are the admission authority and therefore must provide an appeals service. Local authorities would therefore not be able to charge the budget shares of voluntarily aided or foundation schools, without prior agreement. We have amended the Scheme for Financing Schools Guidance to make clear the circumstances in which local authorities may charge for admission appeals. This response sets out both options available to the local authority for funding admission appeals, as the Scheme for Financing Schools Guidance is not the document in which to do this.

Some of the respondents who disagreed with the change, raised concerns about the removal of additional funding for academies with a high volume of admission appeals.

We acknowledge the concerns regarding the removal of additional funding for academies with a high volume of admission appeals, and **we are** considering the approach to take on this issue.

We are issuing this response **now because** we want to give local authorities who wish to use their Financial Management Scheme in 2016-17 the opportunity to do so, and will respond to the removal of additional funding for academies **for admission appeals** in due course.

Some respondents made additional proposals which we will consider for 2018-19.

Next steps

We will proceed with the revised change to the scheme for financing schools guidance. It is intended that, from 2016-17, local authorities will be able to charge all schools, including those for which they are the admissions authority, for admission appeals. We recognise that funding is currently held centrally for this purpose and that local authorities may wish to increase delegation to schools for 2016-17 in order to transfer both the funding and responsibility for admission appeals. We will therefore consider favourably, any MFG exclusion requests received, where funding for admissions is to be delegated in 2016-17.

The option to use the Financial Management Scheme will be available to all local authorities, in agreement with their Schools Forum, to pursue from 2017-18.

We will respond to the removal of additional funding for academies for admission appeals in due course.

Annex A: List of organisations that responded to the consultation

- ASCL
- Birch C of E (VA) Primary School
- Catholic Education Service
- Central Bedfordshire Council
- Churchill Community College
- Clifton Diocese
- Diocesan Board of Education
- Diocesan Board of Education, The
- Diocese of Westminster
- East Morton CE Primary School
- Eldwick Primary School
- Eldwick Primary School
- FASNA
- Guildford Diocesan Board of Education
- Hardenhuish School
- Hartlepool Borough Council
- Hertfordshire County Council
- ICCeD
- Kent County Council
- NAHT
- Norfolk County Council
- North East Lincolnshire Council
- Northern Saints Church of England Primary School
- Nottingham City Council
- Oxfordshire County Council
- Redborne Upper School
- Robinswood Academy Trust, The
- Solihull MBC

- Southampton City Council
- St Clare's Catholic Primary School
- St Mark's CE Primary School
- Suffolk County Council
- Surrey County Council
- Tendring Technology College
- Trafalgar School at Downton, The
- West Berkshire Council



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School Admissions

Charging for appeals

Previous briefings have referred to concerns expressed by some schools at the situation which arose in some local authorities, where the LAs had introduced charges for arranging appeals in voluntary aided and foundation schools, but had not allocated funds to the schools for this purpose. The Diocese provided advice when contacted by schools, and the matter was taken up with the DfE by the National Society. Following a short consultation in November/December 2015, DfE have re-stated the requirement in the School Admissions Appeal Code that "Local authorities must allocate reasonable funds to governing bodies of maintained schools which are admission authorities to meet admission appeals costs." (If the schools have agreed that the LA should retain funding centrally and arrange appeals on behalf of voluntary aided and foundation schools, without charge, it is not necessary for the LA to allocate the funds to the schools).

DfE also advised that "If local authorities are compliant with the admission appeals code they do not have to change their approach to funding admission appeals. Should local authorities, in agreement with their Schools Forum, wish to continue to retain funding centrally to cover admission appeals for all types of schools, they will be able to do so. If local authorities need to increase their centrally retained admissions funding to do this, they need the consent of the School Forum and Secretary of State to do so...However, if local authorities are not compliant with the admission appeals code, they will have to change their approach".

In the light of the above, the Diocesan advice is that voluntary aided and foundation schools in those local authorities (including Tameside and Salford, and possibly some others) where schools have been charged for admission appeals but have not been allocated funds for this purpose should now contact their Schools Forum to ensure that this matter is (or has recently been) placed on the agenda. As well as sorting out how this will be handled in future, the schools may wish to seek reimbursement of any charges that have been made previously, as it is clear that the local authorities in question were not discharging their statutory responsibilities, and were exceeding their powers under their local scheme for financing schools. The Diocese understands that Salford LA has recently addressed the matter and is arranging to reimburse voluntary aided and foundation schools for the costs incurred.

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