

## **Schools Forum 17<sup>th</sup> October 2012**

### **Consultation on Centrally Retained Funding – For Action**

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#### **Introduction:**

Since November 2011 Schools Forum and Schools have been informed about the new school funding arrangements being introduced by the DFE for 2013-14. These arrangements were finalised in July 2012. As previously advised to schools, central funding will be split over three funding blocks called the Schools Block, the Early Years Block and the High Needs Block. Within the Schools Block the new regulations allow certain functions to be retained centrally for the benefit of schools. There are three groups of functions that can be retained centrally and they all need approval from Schools Forum and therefore will form the basis of further consultation with schools, other than the Growth Fund where approval has already been given by Schools Forum in September.

The first group consists of:

- Growth funding for significant pre-16 growth
- Equal pay back pay
- Places in independent schools for non-SEN pupils.

For these three functions, the Local Authority requires the approval of Schools Forum on the amount to be retained before delegation of funding occurs. Approval has already been agreed in September to hold back £2.850m. Growth funding and Equal Pay covers maintained schools and Academies equally.

The second group can be retained centrally before allocating the formula. The approval of Schools Forum is required to confirm the amounts for each function.

- Admissions
- Servicing of Schools Forum
- Termination of Employment Contracts
- Carbon reduction commitment
- Capital expenditure funded from revenue [CERA]

This report summarises all the central functions in the third group for consultation, as more explanation is needed on what these functions cover. It is proposed to report on feedback from consultation at Schools Forum due to be held on 5 December 2012.

#### **Central Expenditure in 2012/13**

The LA currently retains a sum of £13.634 million. It is the second highest delegator in London and fifth highest in the England. Table 1 below shows the various headings that

constitute central expenditure as defined by the Section 251 statutory budget return for 2012-13. This table is re-ordered to show the relative size of spend.

**Table 1: Budget Central Expenditure 2012/13 and budgets to be moved into the Schools Block**

Function	Expenditure	%	Sum delegated to Schools Block ( Proposed for Retention in 2013-14)
	£(000)		£(000)
Fees for Pupils with SEN *	4,152	30.4	
Pupil Referral Unit *	2,028	14.9	
LMS Contingency	1,850	13.6	712
Provision for Children with SEN *	1,331	9.8	
Early Years Support Services **	1,109	8.1	
Education Out of School *	920	6.7	
Capital Expenditure funded from Revenue	810	5.9	694
School Admissions	788	5.8	738
Support for Inclusion *	661	4.8	
Staff Costs, Trade Union and Occupational Health	315	2.3	
Carbon Reduction Commitment	300	2.2	257
Termination of Employment Costs	300	2.2	257
Support for Schools in Financial Difficulty	250	2.0	
Servicing Schools Forum	60	0.4	52
Inter Authority Recoupment	(1,240)	(9.1)	
<b>Total</b>	<b>£13,634</b>	<b>100%</b>	<b>£2,710</b>

\*Budgets will move into the High Needs Block \*\* Budgets to move into Early Years Block

Under the new arrangements information will be presented within the three blocks and include overheads. For functions falling within the schools block, the DFE have imposed two restrictions:

- That expenditure in 2013-14 cannot exceed planned expenditure in 2012-13.
- In the case of Termination of Employment Costs and Capital Expenditure funded from Revenue, expenditure is limited to commitments agreed by 31 March 2013. From 2014-15, expenditure under these headings will no longer be allowable as central expenditure items against the DSG.

All other items are not shown below have been fully allocated into the Early Years, High Needs and Schools blocks.

Table 2 below shows the remaining items split across blocks based on section 251.

**Table 2: Central Services expenditure set out under Funding Blocks for 2013-14**

Function	High Needs Block	Early Years Block	Schools Block	Total
	£(000)	£(000)	£(000)	£(000)
Admissions	0	50	738	788
Servicing Schools Forum	5	3	52	60
Carbon Reduction commitment	26	17	257	300
Termination of Employment costs	26	17	257	300
Capital Expenditure Funded from Revenue	70	46	694	810
<b>Total</b>	<b>127</b>	<b>133</b>	<b>1,998</b>	<b>2,258</b>

**Admissions:** This is a local authority function under section 85a of the 1998 Act (as inserted by s46 2002 Act).

**Services to Parents:**

- Processing applications for school places. Reception/Secondary and In-Year
- Liaising with parents and other agencies, internal and external to obtain supporting evidence to meet requirements of the PLR contact.
- Allocation Round Offers to statutory timescales in accordance with the School Admissions Code and the PAN London Register coordination system.
- Providing front-line service to impart guidance and advice to parents
- Open Evenings attendance at schools/Drop in workshops to support parents through the application process (paper and online)
- Parental Appeal Guidance and Appeal Forms for completion by parents (on request)
- Deferment (of Reception Place) acknowledgment to parent letter.
- Delivery of brochures to all pupils and their parents, who reside in WF via their nursery environment or primary school.
- Mailing of brochures to those children who reside in WF but attend an out-of authority school to their home address.
- Home to school travel grants guidance and processing

**Services to Schools:**

- Allocating School places and sending over the relevant paperwork for pupil entry onto school roll
- Allocation lists and allocation updates in timely manner throughout coordination process.
- Advice on Admission Code (regular documented updates) on schools responsibilities e.g. Elective Home Education Protocol, Fair Access Panel Protocol etc.
- Advice on Admissions Procedures
- Deferment (of Reception Place) requirements and information spreadsheet

- Guidance on Statutory Changes in the Admissions Code
- Year 11 Project – Processing Applications and assessing and identifying Alternative Provision
- Fair Access Panel Attendance by Admissions Representative
- Advising own Admission Authority Schools on their own arrangements
- Updating and printing of Rec/Sec brochures and other publicity material

### **Internal Agency Requirements**

- Children Missing Education (CME) liaising with education welfare service and social Inclusion – Regular meetings to revise/amend and improve on protocol within changing environment
- Fair Access Panel (FAP) in line with Fair Access Protocol for Waltham Forest - Assessing casework for future educational pathway of hard to place pupils.
- Appeal organisation – Scheduling appeals sessions with the Democratic Unit
- Consulting on Admission Arrangements
- Cabinet Approval of Admission Arrangements
- Statistical returns for the Department for Education
- Responding to enquiries from Councillors, MP's and parents
- FOI requests from members of the public
- Updating Application forms for allocation rounds and in-years
- Liaising with other authorities on co-ordination
- EMS housekeeping – maintaining integrity of EMS through Returns and Census updates
- LGFL (London Grid for Learning) housekeeping for online applications.
- Website maintenance
- Providing data on weekly/monthly basis for School Place Planning purposes

**Servicing Schools Forum:** This is a local Authority function as defined under section 47a of the 1998 act (addition under section 43 of Education Act 2002). This covers the costs of administering the Forum and the strategic input required for reports being considered. Specific functions include consultation on proposed changes to the funding formula and its effects, and considering arrangements such as for SEN, pupil referral units and free school meals.

**Termination of Employment Costs:** This is expenditure in respect of premature retirement costs, or for the purposes of securing the resignation of any person employed in a school where there are consequential savings to the schools budget and such cost has been approved by the Schools Forum (paragraph 36(b) of schedule 2 to the School Finance (England) Regulations 2012). In the case of Termination of employment costs and Capital expenditure funded from revenue, expenditure is limited to commitments agreed by 31 March 2013. From 2014-15, expenditure under these headings will no longer be allowed as central expenditure items against the DSG. Schools will be consulted to hold the budget of £257,000 for 2013-14 only.

**Carbon Reduction Commitment:** All maintained schools and academies are required to participate in the Carbon Reduction Commitment Scheme. At the start of each financial year allowances have to be bought to cover the expected total emissions for the year. The LA will purchase these allowances on behalf of the schools and academies. Previously, the DfE have advised that the allowances from schools and academies can be held as part of central spend on schools budgets.

**Capital Expenditure Funded from Revenue:** This relates to capital expenditure which an authority expects to charge to a revenue account of the authority within the meaning of section 22 of the Local Government Act 2003. Contractual commitments going forward for three primary schools means that £810,000 of the budget will need to be held for 2013-14. From 2014-15 this budget will be delegated to schools.

**Action by Schools Forum:**

- (a) To note the current and proposed level of funding held centrally by the Local Authority and the change in format under the new arrangements.
- (b) To agree that schools and Academies are invited to comment on the functions to be retained. Feedback will follow at Schools Forum to be held on 5 December 2012.