



## Wirral Schools Forum

<b>Date:</b>	Wednesday, 28 March 2012
<b>Time:</b>	6.00 pm
<b>Venue:</b>	Council Chamber, Wallasey Town Hall

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## AGENDA

1. MINUTES OF THE PREVIOUS MEETING (Pages 1 - 6)
2. MATTERS ARISING
3. OUTCOME OF SPECIAL SCHOOL AGREEMENTS AND SURPLUS PLACES (Pages 7 - 8)
4. SEN ACTION PLAN (Pages 9 - 10)
5. FUNDING FORMULA 2012-13 (Pages 11 - 12)
6. ACADEMIES UPDATE (Pages 13 - 16)
7. HARMONISATION UPDATE (VERBAL REPORT)
8. TRADED SERVICES UPDATE (Pages 17 - 18)
9. SCHOOLS FINANCE REGULATIONS (Pages 19 - 20)
10. SCHEME FOR FINANCING SCHOOLS - UPDATE (Pages 21 - 26)
11. ANALYSIS FROM CONSULTATION ON SCHOOL FUNDING REFORM (Pages 27 - 32)
12. WORK PLAN (Pages 33 - 34)

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## WIRRAL SCHOOLS FORUM

24<sup>TH</sup> January 2012

### Minutes

#### Present

R. Longster (Chair)

#### Schools Group

A Baird	D Kitchin
E Cogan	M Kophamel
B Cummings	J Owens
S Dainty	C Penn
P Dixon	L Seargeant (for N Greathead)
K Frost	S Wall
J Gordon	J Weise
L Ireland	G Zsapka

#### Non-Schools Group

S Davies	D McDonald
J Kenny	B McGregor
	N Reilly

#### In Attendance

D Armstrong	Cllr S Clarke
P Ashcroft	M Lightburn
S Ashley	M Parkinson
J Bevan	A Roberts
S Blevins	

#### Apologies

I Cubbin	S McNamara
B Cummings	M Mitchell
I Davies-Foo	S Peach
Cllr P Hayes	M Potter
C Mann	

#### **1. Apologies**

Apologies were received as recorded above.

#### **2. Minutes from Previous Meeting**

The minutes of the meeting were accepted as a true record (Jeff Bevan confirmed he attended the meeting)

#### **3. Matters Arising**

There were no matters arising.

#### **4. Outcome of the Local Formula Consultation**

Andrew Roberts outlined the results from the consultation. Although schools supported using Free School Meals (FSM) eligibility deprivation element over the last 3 or 6 years rather than FSM only (question 3), this is no longer recommended as it moves funding from primary to secondary and it provides additional protection over and above that provided by the Minimum Funding Guarantee.

The funding arrangements for WASP and the funding for CLCs will be considered at meetings later in the year.

#### Resolved:

- (i) The Forum noted the responses from schools
- (ii) (1 abstention). The forum agreed the implementation of the views of the majority of schools, with the exception of Question 3.

#### **5. School Budget 2012-13**

Andrew Roberts outlined the report as follows:-

- Overall school funding will remain at £5,028.39 per pupil, so in total DSG will be approximately £230m.
- The grant adjustment for schools converting to academy status is estimated to be £49m.
- There are a number of changes to the ISB including funding for full time provision at the Hospital School and additional places at Claremount School.
- There are no significant changes to the Early Years Single Funding formula.
- SEN budgets will be increased to reflect harmonisation and job evaluation costs.
- The PFI affordability gap will be included in the Schools Budget in future (resourced by the LA) as advised by the DfE.
- PPM will be included in the Schools Budget and will be offset by £200k savings from the closure of Cole Street School.
- There is an uncommitted balance (headroom) of £250k in the Schools Budget.

David Armstrong informed the Forum that Phil Sheridan is working with the City Learning Centres and the schools to consider how the facilities can be managed more cost effectively in the future.

It was suggested that the headroom of £250k should be allocated through the local formula over all schools and early years providers.

#### Resolved:

- (i) That the Schools Forum noted the Schools Budget for 2012-13 and the level of central costs
- (ii) That the contribution to the combined budgets was unanimously agreed.
- (iii) That to fund £200,000 of PPM from the school budget was unanimously agreed.
- (iv) That the headroom of £250k be allocated through the Schools local formula, including Early Years.

- (v) That the Schools Budget and views of the Schools Forum be referred to the budget meeting of Cabinet on 20<sup>th</sup> February 2012.

## **6. Minimum Funding Guarantee Exceptions**

Carolyn Warburton outlined the MFG changes. The first table identified changes to Education Inclusion Bases. The second table identified the reduction of surplus places for 4 special schools. The outcome of the review cannot be confirmed until March after the process is complete.

It was requested that it would be useful to include the old baseline figure in future.

### Resolved:

- (i) The Forum unanimously agreed the changes to the MFG baselines.
- (ii) The Forum unanimously agreed to support an application to the Secretary of State for MFG baseline changes.

## **7. Pupil Premium**

Carolyn Warburton outlined the changes to the Pupil Premium Allocation for 2012-13. The eligibility for Free School Meal (FSM) Pupil Premium will be extended to pupils on roll in January 2012 who have been eligible for free school meals at any point over the last 6 years, known as "Ever 6". This will reduce the impact of the recent reduction in the level of Wirral FSM. This funding will be calculated from a national database, and until finalised, the amount on the Budget Allocations will be estimates.

The amounts for eligible children in 2012/13 are £600 for FSM, £600 for Looked after Children and £250 for Service Children.

In future, Schools will have to publish details of their Pupil Premium and spending plans for the current year and how it was spent and the impact on educational attainment for the previous year.

The Benefits Section, who administers the FSM applications, is encouraging all eligible claimants to apply.

### Resolved:

The report was noted

## **8. Schools Budget Monitoring 2011-12**

Andrew Roberts highlighted the items that make up the estimated £2m net reduction in centrally held school's expenditure. It is proposed that this saving is used to:-

- Fund Schools PPM of £649k from DSG
- Repay the Harmonisation loan in full in the current year
- Create a reserve to fund future harmonisation costs.

### Resolved:

The Forum supported the proposal for the estimated School's Budget underspend 2011-12.

#### **9. Scheme for Financing Schools Update**

Sue Ashley outlined the proposed updates to the Scheme for Financing Schools which will be issued to schools for consultation.

Resolved:

The forum agreed the changes for consultation with schools.

#### **10. Early Years Formula review**

Andrew Roberts outlined the outcomes of the Early Years Single Funding Formula consultation. The consultation highlighted that the new formula is operating as intended, but it is too early to determine if the range of supplements offered provides the right incentives to providers. A further review in 12 months should be undertaken to include the impact of the formula on Nursery Schools. A trigger mechanism for unfunded hours in settings should be introduced to ensure providers are not excessively penalised for accepting children after the headcount dates.

A draft Early Years Funding agreement was attached which sets out the responsibilities of the council and providers, covering a number of areas.

Resolved:-

- (i) The Forum unanimously agreed no change to the structure of the EYSFF
- (ii) The Forum unanimously agreed that a trigger mechanism is introduced to fund pupils arriving after head count dates.
- (iii) The Forum unanimously agreed that a further review is undertaken in 12 months time.
- (iv) The Forum unanimously agreed a Funding Agreement is issued to all providers.

#### **11. Music Hub Report for Schools**

Carolyn Warburton explained the changes to the funding of the Wirral Schools Music Service. From August 2012 the grant will be managed by Arts Council England and any organisation interested in running a music education hub can apply.

Wirral Schools Music service will be applying to be a hub as it already carries out many of the roles required. It is expected that Wirral LA will run the Wirral Music hub, however, if they do not win the bid schools may be required to work with a private organisation.

Resolved:

The Forum noted the report

#### **12. Academy Consultation**

Andrew Roberts outlined the responses made by Wirral to a consultation by the DfE regarding the Local Authority Central Equivalent Grant for Academies.

Resolved:

The Forum noted the report and the response to the DfE

**13. Finance Regulations 2012**

The draft Finance Regulations were provided for information.

**14. Workplan Update**

The workplan for the Forum was provided in the meeting papers. The Forum noted the areas of work for future meetings

**15. Date of Next Meeting**

Wednesday 28<sup>th</sup> March 2012

Tuesday 3<sup>rd</sup> July 2012

Tuesday 25<sup>th</sup> September 2012

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## WIRRAL COUNCIL

### WIRRAL SCHOOLS FORUM - MARCH 2012

#### REPORT OF THE ACTING DIRECTOR OF CHILDREN'S SERVICES

#### PLACES IN SPECIAL SCHOOLS - SURPLUS PLACE FUNDING ARRANGEMENTS

##### EXECUTIVE SUMMARY

This report outlines the progress made piloting and implementing a process designed to respond to reduced demand for places in special schools. The process was fully implemented in January 2012 and recommendations are made about reducing the number of places in two special schools.

##### Background

A report was received by the Forum in January 2011, and its recommendations accepted, that led to a pilot being conducted for 12 months about reducing the number of places and consequent budget reduction in special schools. The report had support from headteachers of special schools and their governing bodies. The approach adopted involved those schools with more than five surplus places in the January census agreeing to a reduction in places, or submitting proposals for the use of the funding that was in addition to what the school ordinarily provided. A report was presented to the Forum in July 2011 describing the process of submissions being considered by a Surplus Places Panel, with the opportunity for schools to appeal to an Appeals Panel if they disagreed with the Surplus Places Panel. No appeals were made during the pilot phase and the report made the following recommendations for the use of future surplus place funding.

- To convert the £196,665 of funding at Orrets Meadow in to part-time places for non-statemented children with severe literacy difficulties with effect from September 2011.
- To reserve £120,000 to commission 8 places for children in the growing area of demand of social and communication difficulties in either a special school or primary school for September 2012.
- To use the balance of £66,685 to fund additional demand for places in oversubscribed special schools and to meet the cost of primary provision in Wirral Hospital School.
- To allocate £100,000 to the exceptional needs budget in September 2012.

This approach to funding methodology is in line with Government proposals in its Green Paper (March 2011) about SEN '*Support and Aspiration; A new approach to special educational needs and disability*'.

##### Surplus Places 2012-2013

Following the January census in 2012 four special schools; The Lyndale, Foxfield, Orrets Meadow, and Hayfield submitted proposals about the use of surplus funding to the Surplus Places Panel that met on 6<sup>th</sup> February 2012. The Panel's decisions were communicated to schools by the 10<sup>th</sup> February with an opportunity for appeal by 27<sup>th</sup> February 2012. No appeals were received and the Appeals Panel was cancelled.

After due consideration the Surplus Places Panel agreed to support the innovative proposal to convert surplus places at Orrets Meadow into places for children without statements for up to 12 months. The submissions from Foxfield and Lyndale were declined for one or a combination of the following reasons:

- Schools were not offering activity above and beyond what they should ordinarily provide.
- The funding they were requesting could be requested through the exceptional needs budget.
- The service they were offering could be bought in from schools should they so wish.

The Panel decided that the census data about Hayfield Special School did not demonstrate that a downward trend was established and so no change to the number of places at the school is recommended.

The projected savings are £156,000.

The recommendations made for the use of the projected savings forecast in the report of July 2011 are met with the exception of monies to be allocated to the exceptional needs budget.

## **RECOMMENDATIONS**

- To continue to pilot a scheme to convert surplus places at Orrets Meadow into places for non-statemented children with severe literacy difficulties for the academic year September 2012 – August 2013.
- To reduce the budget for places at Foxfield School from 138 to 133 from September 2012 to April 2013 using trigger funding arrangements.
- To reduce the budget for places at The Lyndale School from 45 to 40 from September 2012 to April 2013 using trigger funding arrangements.
- The total savings of £156,000 to be used to:
  - Fund eight places costing £120,000 a full year (£68,300 part year) that consultation has agreed to be commissioned from Clare Mount Specialist Sports College for young people with social and communication difficulties.
  - To use the balance to fund additional demand costing £36,000 full year (£23,000 part year) for places in over-subscribed special schools and to meet the cost of primary provision in Wirral Hospital School. Any shortfall in funding would be met from the SEN Action Plan.
- The process will be evaluated with stakeholders and a final policy produced for adoption before the end of the financial year.

David Armstrong  
Acting Director of Children's Services

# Agenda Item 4

## WIRRAL COUNCIL

### WIRRAL SCHOOLS FORUM - MARCH 2012

#### REPORT OF THE ACTING DIRECTOR OF CHILDREN'S SERVICES

#### SPENDING FORECAST FOR SPECIAL EDUCATIONAL NEEDS ACTION PLAN

This report outlines the broad spending plans for the use of schools budgets made available to support developments in the areas of special educational needs and vulnerable pupils. In the past this funding has been used for range of actions, including funding; Inclusion Events, investments to develop provision e.g. at Clare Mount School, SENCO training, research work, secondments, etc.

The plans comprise a number of rolling commitments. The sums earmarked for developments are in areas where working and steering groups are reviewing policy and practice to develop strategic plans that may become the subject of future papers to the Forum if permanent changes to budgets result.

The budgets for 2012-2013 are the following:

	£
1. SEN Action Plan	228,800
2. Other SEN, Vulnerable Children and Behaviour Support	534,400
<b>Total</b>	<b>763,200</b>

Table One: On-going Commitments

	£
Primary Learning Difficulties	40,000
CAMHS Service to BESD special schools	40,000
Bullying Helpline	16,000
Primary Schools First Day Exclusion	40,000
LAC Achievements	3,000
Data handling and admin support	31,000
Police Support Programme	80,000
Developments at WASP/Integrated Behaviour Support/Hospital School	57,000
Specialist Training: EPs, Sensory, Portage, etc.	15,000
<b>Total</b>	<b>322,000</b>

Table Two: Developments

Primary Resourced Base provision support	67,000
Secondary Resourced Base provision support	67,000
ASD provision	100,000
Change Programme for SEN framework	55,000
Integrated Behaviour Support	55,000
*Complex Social Communication Team: additional staffing costs (see note below)	30,000
<b>Total</b>	<b>374,000</b>

Total Committed £696,000

Uncommitted Balance: **£ 67,200**

Complex Social Communication Team

\* Forum agreed last year that £70K would be used to continue funding part of a Complex Social Communications Team that had been set up with grant funding some year ago. On cessation of the funding a plan was to be put together that looked at the possibility of placing this money into the budget at Clare Mount School for it to run an Outreach Service. Planning around that particular option, and others, has not been completed and a further period of time is needed to complete planning. An additional £30,000 is needed to meet the costs of the Team for the next 12 months.

**Recommendation**

Members note the use made of funds to develop SEN and Behaviour Support within the Schools Budget.

David Armstrong  
Acting Director of Children's Services

## WIRRAL COUNCIL

### WIRRAL SCHOOLS FORUM – 24<sup>th</sup> JANUARY 2012

#### REPORT OF ACTING DIRECTOR OF CHILDREN'S SERVICES

#### FUNDING FORMULA 2012-13

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#### EXECUTIVE SUMMARY

This paper summarises the school funding formula for 2012-13.

#### BACKGROUND

Following consultation with schools, the structure of the funding formula remained unchanged for 2012-13, although pupil data was updated from the January 2012 School Census.

The DfE have released two consultation documents regarding changes to local formulae and plans to limit the number of elements that a local authority funding formula can contain. This paper provides information about the structure of the Wirral formula to inform any future discussions about formula changes.

#### STRUCTURE OF THE FORMULA

The structure of the Wirral funding formula is outlined below. The formula distributes the Individual Schools Budget (ISB) by allocating percentages of the total to different elements. Allocations for Education Inclusion Bases, Looked After Children, rates and grants are deducted from the total ISB before the percentages are calculated.

##### Mainstream Schools

Element	Total Spend 2012-13	% Spend 2012/13
Age Weighted Pupils	£125,399,300	83.8
Admissions	£16,500	0.1
Deprivation FSM	£8,436,900	5.6
Deprivation IMD	£3,849,800	2.6
Meals FSM	£4,260,300	2.8
SEN	£7,630,700	5.1
<b>TOTAL</b>	<b>£149,593,500</b>	<b>100</b>

##### Special Schools

Element	Total Spend 2012-13	% Spend 2012/13
Weighted Places	£13,424,600	93.8
Pupils	£459,400	3.2
Premises	£174,700	1.2
Meals	£250,400	1.8
<b>TOTAL</b>	<b>£14,309,100</b>	<b>100</b>

The DfE consultation document issued in Summer 2011 indicated that the number of factors which could be included in a funding formula would be limited. The suggested formula factors for mainstream schools are:

- Basic entitlement per pupil (currently Age-Weighted Pupil Units)
- Funding for additional educational needs (e.g. deprivation, SEN, EAL)
- Rates
- Exceptional site factors (e.g. split site, PFI and rent)

e) Lump sums for schools

Under these proposals, it is expected that there would be a single measure for deprivation and a single measure for SEN, offering less flexibility than the current Wirral formula.

The Special school formula is also proposed to change based on levels of need and the outcome of the Green Paper.

## UNIT VALUES

The table below shows unit values for 2011 and 2012, and indicative unit values for 2013. These are as published in the School Allocations (issued on 21<sup>st</sup> March).

### Mainstream

Element	Unit Value		
	2011	2012	2013
Age Weighted Pupils	£1656.12	£1664.01	£1668.64
Admissions	£1.18	£1.09	£1.10
Looked After Children	£500.00	£500.00	£500.00
Lump Sum	£1656.12	£1664.01	£1668.64
SEN: FSM (primary)	£440.21	£567.46	£564.90
SEN: KS2 (secondary)	£134.38	£124.11	£123.55
SEN: Lump sum (primary)	£9154.64	£9897.81	£9853.31
SEN: Lump sum (secondary)	£13547.50	£12029.27	£11975.19
SEN: Pupils (primary)	£32.36	£34.17	£33.82
SEN: Pupils (secondary)	£19.91	£18.26	£18.54
Deprivation: FSM	£622.08	£816.70	£813.03
Deprivation: IMD	£3.03	£3.14	£3.13
Meals: Free School Meals	£306.53	£389.92	£388.17
Inclusion Base (primary)	£5662.14	£5668.77	£5668.77
Inclusion Base (secondary)	£7831.66	£7845.88	£7845.88
Split Site	£18.09	£17.76	£17.97

### Special

Element	Unit Value		
	2011	2012	2013
Weighted Places	£7564.89	£7569.74	£7577.18
Pupils	£522.93	£525.83	£526.16
Excess Pupils	£7564.89	£7569.74	£7577.18
Looked After Children	£500.00	£500.00	£500.00
Premises	£7.66	£7.70	£7.70
Meals: Free School Meals	£541.24	£613.73	£614.11

There has been no overall increase in funding. Unit value changes are a result of:

- Small amounts of headroom
- Changes in pupil data
- A reduction in FSM
- Implications of the MFG

## RECOMMENDATIONS

That the Forum notes the report.

**David Armstrong**  
Acting Director of Children's Services

## **WIRRAL COUNCIL**

### **SCHOOLS FORUM 28th MARCH 2012**

#### **REPORT OF THE ACTING DIRECTOR OF CHILDREN'S SERVICES**

#### **ACADEMY UPDATE**

#### **EXECUTIVE SUMMARY**

This report updates members on the current position regarding academies, funding transfers and charging proposals.

#### **BACKGROUND**

Academies are schools that are independent from the Local Authority. They are funded directly from the Education Funding Agency, using allocations based on Wirral's existing funding formula.

Wirral has 10 Secondary Academies as at 1<sup>st</sup> March. In 2012-13 the Schools Budget has made provision for the transfer of the following resources to fund academies:

Individual Schools Budget	£48.8m
Central School budgets	£0.5m

The final amount will be adjusted to take account of any variation in the actual number of schools transferring to academy status.

#### **LACSEG**

The DfE have published revised rates for the Local Authority Central Spend Equivalent Grant for the 2012-13 academic year. LACSEG is a grant paid to academies to ensure that they are funded to cover the cost of services that they are required to secure (and are provided to maintained schools at no cost). These include teacher maternity costs, school improvement, education welfare services and a share of the department's legal and statutory costs.

Changes in LACSEG rates for 2012-13 reflect:

- A reduction to take into account that not all local authority responsibilities can be delegated to schools – in areas such as Education Social Welfare, Asset Management and Statutory Regulatory Duties.
- Additions to include Minority Ethnic Achievement Service and Schools Contingency.

#### **RECOUPMENT**

The recovery by the DfE of DSG LACSEG will be based on Wirral's Section 251 Budget Return and is estimated above to be £0.5m.

The recovery of LACSEG in respect of Local Authority services is currently a national top slice. For Wirral this is about £1.7m.

There are proposals to refund authorities centrally where the top slice exceeds the funding that is transferred to academies.

### **ACADEMY TRADED SERVICES**

In both the Schools budget and the LA budget where it has been agreed that services should continue to be provided, this will be on a traded basis. Attached is a brief outline of the costs identified to date and the basis of charging.

In total, if agreed, this is likely to yield about £270,000, of which £80,000 is Schools budget and £190,000 LA budget.

The level of charges are significantly less than funding transferred. This is because:

- in some areas central provision will cease for example maternity / paternity costs
- the budget for central LA costs and funding has reduced
- the level of retained statutory costs are higher than estimated nationally
- there is no reduction in fixed costs
- there are differences in the demand and provision of support to schools that is not fully recognised in LACSEG .

### **RECOMMENDATION**

That the Forum notes the report



**Academic Year 2011-12 Academy Charges re LACSEG**

	<b>Total Cost</b>	<b>Service</b>	<b>Basis of Charge</b>
	£		
<b>Schools Budget (Secondary)</b>			
SEN Support	509,300	Hearing, vision and communication support	No charge - Academy and LA funded
MEAS	46,800	Minority Ethnic Achievement Service	Cost per session (some via EQ)
Behaviour Support			
Embedded Police	80,000	Charge for 1.5 police officers over 7 sites	Academies with Embedded Police pay 1/7th of total cost
Managed Moves	20,000	1.5 days support for pupils	Cost divided by number of Secondary Schools and Academies
Other	59,000	Behaviour support post (vacant)	
Meals	5,600	Cost of administering FSM data	Cost divided by number of Secondary Schools and Academies
Admissions	123,400	Cost of 11 +	Grammar school admissions LACSEG formula
Licences and Subscriptions	42,400	Performing Rights and Copywrite Licences	None charged direct to school
Miscellaneous	13,300	Medical waste	Charged / paid directly
Special Staff			
Teacher Trade Union Facility Time	90,000	Costs of time of staff supporting professional associations reimbursed to schools	Pupil numbers
Other - maternity / paternity	404,900	Cost of cover	Costs paid by academies directly
Termination of employment costs	150,000	Support for costs	Costs paid by academies directly
	<b>1,544,700</b>		
<b>CYP Budget (All Schools)</b>			
Education Social Worker	687,000	ESW support in schools	Cost per session billed by ESW service
School Improvement	2,249,300	Support to maintained schools only	N/A
Asset Management			
PFI support	95,600	Support costs (not including PFI affordability gap)	PFI academies pay 1/9th of total cost
Other	430,000	Support for Capital Programme	N/A
Outdoor education	56,600	Net cost of Oaklands Outdoor Facility	No additional charge
Health Services - speech therapy	37,500	Hearing Support costs	No charge
Statutory			
Non teaching Trade Union Time	83,900	Cost of Trade Union support to non teaching staff	Proportion re schools allocated over pupil numbers
Fischer Family Trust	3,800	Cost of LA access to data	Cost per academy
Any Comms Licence	6,400	Cost of Licence	Cost per academy
Other	1,509,600	Department and Authority statutory costs	N/A
Premature Retirement	1,349,400	Mainly existing costs also small redundancy budget	Costs paid by academies directly
	<b>6,509,100</b>		
<b>Total Pupils</b>	<b>48,138</b>		
Secondary	22,005		
Primary and other	26,133		

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## Traded Services Group

6 February 2012

### Notes of Meeting

#### 1. Membership

Membership of the group was discussed as concern had previously been raised with regard to the representative balance, currently there were no representatives from either Secondary or Special Sector.

#### 2. ICT

Following the announcement of the new Service Level Agreement for ICT. Clarification was provided as to what each service heading was covering. More information is available via [www.wirral.gov.uk/itsos](http://www.wirral.gov.uk/itsos) or any specific queries or concern should be directed 666 5056.

#### 3. Grounds Maintenance

A short presentation was provided by the Grounds Maintenance service. Originally the service was due to be transferred to an External Provider and therefore the SLA would become void. However, a decision was taken to keep the service "in-house" and as such the service will continue. The service over the next few months will be reviewed and information will be provided to the schools regarding the service available. Any questions should be directed to 606 2294.

#### 4. Human Resources Advice & Guidance

The HR Service is currently under a review with the intention to provide a more effective service in both the Administrative and Advice service areas. A separate review of the Occupational Health provision was due to be concluded shortly. The findings of which would be incorporated into the review of the HR SLA to ensure that the service is affordable and effective.

#### 5. Facilities Management

The Service was requested to attend to provide an update on the service. Concern was raised that due to the cut in Capital Funding, etc there may be an impact on the amount of income as fewer projects will be commissioned. The service management will report back to the group on any future concerns or impact

#### 6. Next Meeting

21 May 2012 1.30pm at Professional Excellence Centre

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## WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM Wednesday 28<sup>th</sup> March 2012

### REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

#### School Finance Regulations 2012 – Summary of changes

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#### EXECUTIVE SUMMARY

Last October, the Department consulted on changes to the School Finance (England) Regulations 2012 to give effect to the Government's policy developments. The following changes have been made in the 2012 Regulations:

- Minimum Funding Guaranteed (MFG) – to improve the process of dis-application the number of exceptions that can be agreed locally have been widened;
- Pupil Premium – for excluded pupils that attract the Pupil Premium, this funding will now follow the pupil as well as the age-weighted funding;
- Remission of boarding fees – new category allowing central expenditure within the central schools budget to enable Local Authorities to replicate arrangements for registered pupils boarding at Academies as they do with registered pupils boarding at maintained schools;
- Strategic management – wording in Schedule 1, 20(g), has been updated. This clarifies that work developing and reviewing schools funding formula is an LEA cost.
- Deficits for closing schools – clarified that deficits for closing schools can be charged to the Schools Budget, including deficits relating to sponsored Academies;
- Single budgets for Federation – requirement has been added that in the event of one or more schools leaving a federation the local authority must determine budget for leaving school(s) and re-determine budget for federation.

#### RECOMMENDATION

1. The Forum notes the report

**David Armstrong**  
Acting Director of Children's Services

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## WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM Wednesday 28<sup>th</sup> March 2012

### REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

#### Scheme for Financing Schools - Update

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#### EXECUTIVE SUMMARY

The changes to the Scheme for Financing Schools are currently being consulted with schools. However, the Secretary of State has subsequently issued directed scheme revisions under the Education Act 2002 which must be actioned by Local Authorities. LAs are not required to consult on directed revisions.

#### The Directed Revisions are:-

- Removal of Best value and FMSiS, which has been taken out as part of the recent consultation.
- Removal of General Teaching Council (section 6.3), which will be taken out before the scheme is re-issued. The GTC will be abolished by the Education Act 2011 with effect from 1<sup>st</sup> April 2012.
- Inclusion of Efficiency and Value for Money (replaces Best Value in section 2.4). This will read:-

*Schools must seek to achieve efficiencies and value for money, to optimise the use of their resources and to invest in teaching and learning, taking into account the Authority's purchasing and tendering and contracting requirements.*

*It is for head teachers and governors to determine at school level how to secure better value for money.*

- Inclusion of Schools Financial Value Standard (new section 2.16, will replace section 2.15) will read as follows:-

*All local authority maintained schools (including nursery schools and Pupil Referral Units (PRUs) that have a delegated budget) must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis. It is for the school to determine at what time in the year they wish to complete the form.*

*Governors must demonstrate compliance through the submission of the SFVS assessment form signed by the Chair of Governors. The form must include a summary of remedial actions with a clear timetable, ensuring that each action has a specified deadline and an agreed owner.*

*Maintained schools that did not achieve the Financial Management Standard in Schools (FMSiS) must submit the form to the local authority before 31 March 2012, and annually thereafter.*

*All other maintained schools with a delegated budget must submit the form to the local authority before 31 March 2013 and annually thereafter.*

- Inclusion of a section on Fraud and improper use of public money and assets (Section 2.17). This will read:-

*All schools must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets.*

*The governing body and head teacher must inform all staff of school policies and procedures related to fraud and theft, the controls in place to prevent them; and the consequences of breaching these controls. This information must also be included in induction for new school staff and governors.*

- Inclusion of the responsibility for Redundancy and Early Retirement Costs as detailed below:-

#### *ANNEX B*

#### *RESPONSIBILITY FOR REDUNDANCY AND EARLY RETIREMENT COSTS*

*This guidance note summarises the position relating to the charging of voluntary early retirement and redundancy costs. It sets out what is specified in legislation and provides some examples of when it might be appropriate to charge an individual school's budget, the central Schools Budget or the local authority's non-schools budget.*

*Section 37 of the 2002 Education Act says:*

*(4) costs incurred by the local education authority in respect of any premature retirement of a member of the staff of a maintained school shall be met from the school's budget share for one or more financial years except in so far as the authority agree with the governing body in writing (whether before or after the retirement occurs) that they shall not be so met*

*(5) costs incurred by the local education authority in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school shall not be met from the school's budget share for any financial year except in so far as the authority have good reason for deducting those costs, or any part of those costs, from that share.*

*(6) The fact that the authority have a policy precluding dismissal of their employees by reason of redundancy is not to be regarded as a good reason for the purposes of subsection (5); and in this subsection the reference to dismissal by reason of redundancy shall be read in accordance with section 139 of the Employment Rights Act 1996 (c. 18).*

*The default position, therefore, is that premature retirement costs must be charged to the school's delegated budget, while redundancy costs must be charged to the local authority's budget. In the former case, the local authority has to agree otherwise for costs to be centrally funded, while in the latter case, there has to be a good reason for it not to be centrally funded, and that cannot include having a no redundancy policy. Ultimately, it would be for the courts to decide what was a good reason, but the examples set out below indicate the situations in which exceptions to the default position might be taken.*

*Charge of dismissal/resignation costs to delegated school budget*

- *If a school has decided to offer more generous terms than the authority's policy, then it would be reasonable to charge the excess to the school*



- *If a school is otherwise acting outside the local authority's policy*
- *Where the school is making staffing reductions which the local authority does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit*
- *Where staffing reductions arise from a deficit caused by factors within the school's control*
- *Where the school has excess surplus balances and no agreed plan to use these*
- *Where a school has refused to engage with the local authority's redeployment policy*

*Charge of premature retirement costs to local authority non-schools budget*

- *Where a school has a long-term reduction in pupil numbers and charging such costs to their budget would impact on standards*
- *Where a school is closing, does not have sufficient balances to cover the costs and where the central Schools Budget does not have capacity to absorb the deficit*
- *Where charging such costs to the school's budget would prevent the school from complying with a requirement to recover a licensed deficit within the agreed timescale*
- *Where a school is in special measures, does not have excess balances and employment of the relevant staff is being/has been terminated as a result of local authority or government intervention to improve standards*

*Costs of new early retirements or redundancies can also be charged to the central part of the Schools Budget if the Schools Forum agree and the local authority can demonstrate that the "revenue savings achieved by any termination of employment are equal to or greater than the costs incurred". The Schools Forum must agree to any increase in this budget over the previous financial year. If the Schools Forum does not agree with the local authority's proposal, then the authority can appeal to the Secretary of State. The Schools Forum would also be involved if the additional expenditure resulted in a breach of the central expenditure limit, whereby central expenditure increases faster than the Schools Budget as a whole.*

*An example of where a charge to the central Schools Budget might be appropriate would be a school reorganisation. A reorganisation involving the closure of a number of schools would be likely to result in savings because there would be a reduced amount being allocated through the formula for factors such as flat rate amounts to all schools or floor area. If the savings in the formula exceeded the ongoing costs of the VER/redundancy then this would qualify.*

*It would be possible to consider savings at an individual school level as well, but this needs to be carefully managed so that there are clear ground rules in place for applications, recommendations and approval. It may be sensible to agree criteria for eligibility which are consistent with the general approach as to when costs should be centrally funded.*

*It is important that the local authority discusses its policy with its Schools Forum. Although each case should be considered on its merits, this should be within an agreed framework. It may be reasonable to share costs in some cases, and some authorities operate a panel to adjudicate on applications.*

*There are clearly difficulties in setting a budget, whether inside or outside the Schools Budget, at a point prior to the beginning of the financial year before schools have set their budgets and made staffing decisions. Local authorities can only make a best estimate of what may be needed, based on past experience, local knowledge of the financial position of individual schools and the context of that year's funding settlement. There are dangers in raising expectations that costs will be met centrally if the budget is set too high, and so an alternative would be to keep the budget tight and use contingency or schools in financial difficulties budgets if there is an unexpected need for staffing reductions and it is not appropriate for delegated budgets to fund VER/redundancy costs. To achieve best use of resources, local authorities should also have an active redeployment policy, to match staff at risk to vacancies.*

*One of the permitted uses of the contingency is where "a governing body has incurred expenditure which it would be unreasonable to expect them to meet from the school's budget share" while local authorities are also allowed to retain funding for schools in financial difficulties "provided that the authority consult the schools forum on their arrangements for the implementation of such support."*

*For staff employed under the community facilities power, the default position is that any costs must be met by the governing body, and can be funded from the school's delegated budget if the governing body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement. Section 37 now states:*

*(7) Where a local education authority incur costs—*

- (a) in respect of any premature retirement of any member of the staff of a maintained school who is employed for community purposes, or*
- (b) in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school who is employed for those purposes,*

*they shall recover those costs from the governing body except in so far as the authority agree with the governing body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.*

*(7A) Any amount payable by virtue of subsection (7) by the governing body of a maintained school in England to the local authority may be met by the governing body out of the school's budget share for any funding period if and to the extent that the condition in subsection (7B) is met.*

*(7B) The condition is that the governing body are satisfied that meeting the amount out of the school's budget share will not to a significant extent interfere with the performance of any duty imposed on them by section 21(2) or by any other provision of the Education Acts.*

*(9) Where a person is employed partly for community purposes and partly for other purposes, any payment or costs in respect of that person is to be apportioned between the two purposes; and the preceding provisions of this section shall apply separately to each part of the payment or costs.*

## **RECOMMENDATION**

1. The Forum notes the report

**David Armstrong**  
**Acting Director of Children's Services**

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## **WIRRAL COUNCIL**

### **SCHOOLS FORUM – 28<sup>th</sup> MARCH 2012**

#### **REPORT OF THE ACTING DIRECTOR OF CHILDRENS SERVICES**

#### **ANALYSIS FROM NATIONAL CONSULTATION ON SCHOOL FUNDING REFORM**

### **EXECUTIVE SUMMARY**

In 2011 the DfE consulted schools, academies and local authorities on proposals to change the system of funding for schools. This report, which is for noting, gives a summary of some of the published responses from last years consultation.

### **BACKGROUND**

Proposals for School Funding reform have been made covering the following areas:

- A new national funding formula distributing funding to local authorities
- A simpler local funding formula
- A notional budget for schools
- Reducing the lag in the calculation of academy budgets
- Funding for High Needs pupils
- A simplified Early Years Funding Formula
- Distribution of the Pupil Premium
- Transition arrangements

An on-line consultation was issued by the DfE last summer.

### **RESPONSES TO DfE AND ANALYSIS**

The Schools Forum responded to consultation in October. Overall there were 1,619 responses, 211 from academies, 168 from maintained schools, and 56 from School Forums. Attached to this report is an overview published by the DfE in December.

At this time there does not seem to be a significant consensus view supporting the proposals, a number of which are shown below.

Q. Should there be a notional budget for every school?

A. Yes 56%, no or unsure 44%

Q. Should local formula funding factors for school budgets be limited?

A. Yes 45% (including Wirral). A number asked for greater local flexibility.

Q. What other factors should be included to fund schools?

A. Pupil mobility, staffing, EAL, premises

Q. Should Local Authorities calculate academy budgets?

A. Yes 47% no or not sure 53%

Q. Should there be a defined range for the primary / secondary ratio within the Schools Budget?

A. Yes 44%

Most responses (including Wirral's) were cautious, asking for further information.

Q. Should Schools Forum have greater powers? Should proposals by the Forum have to be agreed by all groups?

A. Yes 27%

Responses supported extra powers but recognised that a veto could result in important decisions being blocked.

Q. Should the Education Funding Agency have a compliance and review role?

A. There was no consensus on this question

Q. Should deprivation funding in the national formula be based on Ever FSM?

A. Ever 3 22%, Ever 6 36%

This also reflects the changes to Pupil Premium and will broaden the definition of deprivation.

Q. Should English as an Additional Language be a factor in the formula?

A. Wirral's response was that EAL is a blunt factor in the formula, however it was supported by 74% of respondents.

Q. In moving to a new funding formula should the MFG maximum decrease of -1.5% be maintained? This would slow down any transition to a new formula.

A. Yes 35%, No 34%

Q. Should school support services be retained centrally if there is agreement?

A. Yes 75%

Q. Should LACSEG be moved to a national formula?

A. Yes 63%

Q. Should LA LACSEG reflect academy numbers?

A. Yes 61%

Q. Should Special Schools be funded on places or pupil numbers?

A. Places 41%, pupil numbers 33%

Wirral's response supported continuing place funding

Q. Who should fund Alternative Provision Academies?

A. Commissioners 28%, Education Funding Agency 8%, not sure 32%

Q. Should Disability Living Allowance be used as a proxy for High Cost Pupils?

A. Yes 39% No 24% unsure 37%

Q. Should short term allocations for High Cost Pupils be based on historic spend?

A. Yes 66%

Q. Should there be a simpler Early Years Formula?

A. Yes 48%, No / not sure 52%

Q. Which option is preferred to distribute the Pupil Premium?

A. Ever 3 - 28%, Ever 6 - 44%

Q. Should the proposed reforms be implemented in 2013-14 or in the next spending period?

A. 2013-14 57%, next spending round 30%

## **CONCLUSION**

The results shown above indicate there are a variety of different views over some key aspects of the planned changes. The Department are working on developing further proposals in the light of responses and are likely to consult again later in the year.

David Armstrong  
Acting Director of Children's Services

**Extract from DfE analysis of responses to the consultation document  
“A consultation on School Funding Reform: Proposals for a Fairer  
System”**

## **Overview**

Just over half of those responding to the first question felt that using a notional budget for every school was the best option as this would be fair and transparent and would be a move towards what was described as a long-awaited national baseline for school funding. There was some concern that an option based on the pupils in each local authority (LA) area simply provided a funding formula for LAs and that it would leave the current system unchanged. Respondents generally supported the formula factors identified in Question 2 as long as they are responsive to local need. Just under half of all respondents to Question 4 agreed that setting a range of allowable primary / secondary ratios around the national average was the right approach but it was noted that using historical data would simply replicate existing poor practice.

Just under half of respondents to Question 5 suggested that LAs should calculate budgets and then tell the Education Funding Agency (EFA) how much Academies should be paid, although most Academies preferred the alternative approach of the EFA calculating Academy budgets. There was strong support from Academies for autonomy and independent control of how their budgets were calculated.

Respondents to Question 6 on the whole did not agree that the changes to Schools Forums would achieve greater representation and stronger accountability. They felt that it was important that all groups needed to be represented fairly but considered that ensuring the agreement of all groups to a decision would lead to deadlock.

Opinion was divided on the options for providing scrutiny and challenge at a national level as set out in Question 7. Some respondents felt that having the EFA check compliance duplicated processes that already existed and that the LA could fulfil this role.

Most respondents to Question 8 thought that Free Schools should move to a new funding system straight away as they should be funded the same as all other schools. Half of all respondents to Question 9 agreed the factors included in the fair funding consultation were correct and the majority of other respondents suggested that some of them were. There was some discussion about the inclusion of a factor to reflect English as an Additional Language (EAL) when a factor for Special Educational Needs (SEN) was not included. Some respondents suggested that pupil mobility and protection for small schools should be included.

On the question of which measure should be used to allocate deprivation funding, more respondents supported the wider coverage provided through the Ever 6 FSM measure, which would include pupils eligible for FSM in the previous six years. There was however some concern about using Free School Meals (FSM) as a deprivation indicator when it was known that some parents whose children were entitled to it did not claim it. Other deprivation indicators were put forward for consideration.



Opinion was divided on whether £95,000 was sufficient as an amount for a primary school lump sum, as raised in Question 11. Some respondents said that a flat rate was too simplistic and that this could be too high or too low depending on a school's individual circumstance.

Slightly more of those responding to Question 13 favoured a sparsity measure over a primary school lump sum as they felt this would target resources to need more closely. Respondents also suggested that a flat rate lump sum could help to protect schools that were not viable.

Over two thirds of respondents to Question 15 supported a combined approach to calculating the Area Cost Adjustment (ACA), which included a high level of support from residents of Haringey. There was still a majority in favour of this approach with the Haringey responses removed. Most respondents to Question 16 welcomed the inclusion of an EAL factor in the national formula and over half thought it should be time limited, with three years as the preferred option.

Opinion was divided on the options in Question 18 for transitional arrangements with support evenly matched between providing stronger budget protection for schools, which means slower progress towards funding reform, or moving more quickly to a new formula.

Three quarters of those responding to Question 19 agreed that there were some school services that could be retained centrally if there is local agreement by maintained schools. There was concern that it would be difficult for LAs to reinstate, if needed in the future, services which may be lost if not provided centrally.

A majority of respondents to Question 20 gave qualified support to the proposed split of functions between the blocks. It was thought that the support given to schools in financial difficulty, for example, should not be included in the schools block and that current arrangements should remain which provide funding on a targeted basis. The majority of respondents to Question 21 supported the suggestion that Local Authority Central Spend Equivalent Grant (LACSEG) funding should be calculated on a national formula basis as a way of removing funding discrepancies between LAs.

Over two thirds of those responding to Question 23 supported the principles for funding high needs children and young people. Nearly half of those responding to Question 24 supported a base level of funding per pupil but there was uncertainty about whether £10,000 was the correct level to apply.

Just over half of respondents to Question 26 supported the idea of a base rate of funding in the post-16 context and even more agreed that LAs should be responsible for funding high level costs over £10,000 in line with their commissioning responsibilities.

Of those responding to Question 29, just over 40% agreed that funding for high needs children should be based on a place-led system as this allowed for the retention of skilled staff. It was suggested that funding on pupil numbers would create funding uncertainties, possibly resulting in staff redundancies, if numbers of pupils fell. There was some support for the use of a combination of places and numbers.

Opinion was divided for on the method of funding Special and Alternative Provision (AP) Academies and Free Schools, with some supporting funding through the commissioner only and others supporting a combination approach of EFA and commissioner. Just under half of those responding to Question 34 agreed that deprivation was linked more to AP than to SEN but over a third was unsure as to the best link.

The majority of respondents to Question 35 agreed that, in the short term, the allocation of funding to the high needs block should be based on historic spend, as it would allow for continuity of provision. Most respondents to Question 36 agreed that post-16 funding should also become part of the local authority high needs block over time but said that there was a need for transition.

The majority of respondents to Question 38 agreed that AP should be treated alongside SEN for funding purposes but a small proportion thought that AP and SEN were distinct issues and should not be treated the same.

Just under half of all respondents to Question 40 supported a simpler and more flexible Early Years Single Funding Formula (EYSFF) that was responsive to local demands. Just over a quarter of those responding preferred the current system or commented that as the current system was new, further evaluation was needed before reaching a decision. Most of those responding to Question 42 supported the funding to LAs of free early education on the basis of a formula and that it should be based largely on the same factors as the schools formula.

Of those responding to Question 45 more supported the Ever 6 option for determining eligibility for the Pupil Premium on the grounds that this option included more pupils. It was seen as a more inclusive method which would address the issue of the declining numbers taking FSM in secondary schools.

Finally over half of those responding to Question 47 supported the implementation of these reforms in 2013-14 or as soon as possible on the grounds that delay would perpetuate the inequalities in the current funding arrangements. However, nearly a third of respondents proposed waiting until the next spending period as it would allow more time to plan for the changes.

**WIRRAL SCHOOLS FORUM – 28<sup>th</sup> MARCH 2012**

**WORK PLAN**

<b>Meeting Date</b>			
<b>Tuesday 3<sup>rd</sup> July 2012</b>	<b>Tuesday 25<sup>th</sup> September 2012</b>	<b>January 2013</b>	<b>March 2013</b>
	Elect Chair and Vice Chair Membership		
<b>Finance</b> Schools Outturn School Balances Final DSG Calculation Central Limit	Final DSG Calculation	Schools Settlement Schools Budget Pupil Premium MFG Exceptions	Budget update Funding Formula 2013-14
<b>Updates</b> School Redundancies City Learning Centres Hospital School presentation WASP update	Advanced Skills Teachers School Intervention Budget Gilbrook Assessment Class SEN/Home Tuition/LACES 16-19 SEN National Allocations Hospital Sch Primary Provision Insurance	City Learning Centres	SEN plan Special School Surplus Places
<b>Consultation</b> Special School Surplus Place Trigger	Funding Formula changes WASP delegated budget	Outcome of Local Formula Consultation School Finance Regulations	
<b>Working Groups</b> Traded Services	Traded Services Academy Services	Early Years Formula Review	Traded Services

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