



Wirral Schools Forum

Date:	Wednesday, 23 January 2013
Time:	4.30 pm / 6 pm
Venue:	Committee Room 1, Wallasey Town Hall

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AGENDA

- 1. 4.30PM TO 5.30PM TRAINING SESSION FOR NEW MEMBERS**

School budgets and funding formula

Please Note: This training session is open to all members.

Schools Forum Meeting to start at 6pm
- 2. MINUTES OF THE MEETING HELD ON 25TH SEPTEMBER 2012 (Pages 1 - 6)**
- 3. MINUTES OF THE MEETING HELD ON 28TH NOVEMBER 2012 (Pages 7 - 10)**
- 4. MATTERS ARISING**
- 5. SCHOOLS BUDGET REPORT 2013-14 (Pages 11 - 22)**
- 6. DE-DELEGATION OF SCHOOLS BUDGETS (Pages 23 - 26)**
- 7. ADVANCED SKILLS TEACHERS (Pages 27 - 28)**
- 8. PUPIL PREMIUM (Pages 29 - 30)**
- 9. FUNDING FORMULA TEMPLATE (Pages 31 - 34)**
- 10. SCHOOL MILK CONTRACT ARRANGEMENTS (Pages 35 - 36)**

- 11. HIGH NEEDS FORMULA AND SEN TOP UP - UPDATE (Pages 37 - 42)**
- 12. LETTER FROM DFE CONCERNING EARLY YEARS AND DSG (Pages 43 - 46)**
- 13. SCHOOLS BUDGET MONITORING 2012-13 (Pages 47 - 48)**
- 14. EARLY YEARS UPDATE (Pages 49 - 54)**
- 15. FORUM WORKING GROUP UPDATES**
- 16. HARMONISATION AND JOB EVALUATION UPDATE**
- 17. WORK PLAN (Pages 55 - 56)**

WIRRAL SCHOOLS FORUM
25th SEPTEMBER 2012
MINUTES

Present:

R. Longster (Chair)

Schools Group

A. Baird

B. Cummings

P. Dixon

K. Frost

J. Gordon

C. Hughes

L. Ireland

D. Kitchin

M. Kophamel

J. McCallum (substitute)

A. Moore

S. Peach

C. Penn

K. Podmore

G. Pritchard

D. Stenhouse

M. Walker

J. Weise

Non-Schools Group

J. Kenny

D. McDonald

B. McGregor

J. Owens

N. Reilly

In Attendance:

D. Armstrong

P. Ashcroft

S. Ashley

J. Bevan

S. Blevins

C. Chow

Cllr. W Clements

S. Dainty

J. Hassall

A. Houghton

M. Lightburn

A. Roberts

Cllr. P. A. Smith

C. Warburton

S. Allen

Apologies:

M. Brown

E. Cogan

S Davies

S. McNamara

P. Roberts

G. Zsapka

1. Election of Chair and Vice Chair

Richard Longster was re-elected as Chair of the Schools' Forum and Morag Kophamel was elected as vice chair to serve for the coming 12 months.

2. Minutes from the Previous Meeting

The minutes from the meeting were accepted as a true record (Jane Gordon confirmed she attended the meeting.)

3. Matters Arising

All matters arising are covered in the agenda.

4. **Final DSG Calculation 2012-13**

Andrew Roberts summarised the report highlighting that the grant for 2012-13 is £227m. This is £1.4m less than expected due to an error in the submission of the Early Years census data. Children and Young Peoples Department (CYPD) has been involved in lengthy correspondence with the Department for Education (DfE) and the Education Funding Agency (EFA). Their view is that mistakes cannot subsequently be corrected.

Discussion is ongoing with the DfE/EFA and the Forum will be informed of the outcome.

Resolved

Forum members noted the report and agreed that the Richard Longster, the Chair, should write to the DfE/EFA on behalf of the Wirral Schools' Forum.

5. **Mainstream School Funding Consultation**

Andrew Roberts presented the responses from the consultation on changes to the local formula for 2013-14.

The Forum supported the following changes to go to Cabinet on 18th October:-

- to use 6 IDACI bands to allocate funding that was previously based on IMD data
- to transfer equivalent funding for scores below 0.2 into Pupil Entitlement
- To use the existing Primary lump sum within the formula for all schools
- To redistribute the remaining secondary lump sum funding over secondary pupil entitlement
- to allocate the historic grant funding in a way that mirrors the current formula, whilst maintaining primary / secondary totals
- to set the MFG for 2013-14 at minus 1.5%
- to include additional funding in the formula using the elements outlined for Advanced Skills Teachers, School Library Service, Insurances, School Milk and Meals, FSM Eligibility, Special Staff Costs (Maternity etc), Schools Contingency, Licences and Subscriptions, Minority Ethnic Achievement, Behaviour Support.
- not to delegate funding for City learning Centres
- an additional formula element for the rent for Church Drive (the building is owned by the diocese)
- a Primary school reception uplift to account for average increases in reception pupil numbers between the October and January census.
- to cap the formula gains (above the MFG) to cover formula issues elsewhere
- not to include a 6th form element in respect of amounts previously distributed through grants.

The decision to delegate/de-delegate additional services to schools was deferred until the January 2013 meeting.

6. **Funding for Pupils with High Needs Consultation**

Paul Ashcroft summarised the responses of the consultation for the funding arrangements for pupils and students with high needs. There will be transitional arrangements for April 2013 with the new funding arrangements taking full effect from April 2014.

The Forum Agreed

- to adopt the principles and approach outlined in the School Funding Reform paper of funding pupils with high needs.
- that the current arrangements for inclusion monies are retained subject to a future review of current projects and initiatives.
- that a working party is set up to develop a local banding model for top-up funding for pupils with high needs.
- that the MFG would be used to construct budgets for specialist provision for the transitional year.
- that local protection may be considered for individual special schools affected by significant turbulence for a number of reasons, e.g. empty places.
- that additional pupils in specialist provision is funded on the basis of high need pupil top-up (rather than the trigger).
- that the current local arrangements for reviewing surplus places are amended to keep all places under review and integrated with EFA arrangements.
- that the exceptional needs budget is placed in the high needs block to honour existing agreements, and in future the monies will be used to fund top-ups.
- that the planned changes to reduce places by five each at Foxfield Secondary Special School and the Lyndale primary Special school should proceed.
- that the Authority move ahead with the increase to the number of places at Gilbrook Primary Special School from 50 to 55 by April 2013.
- that the Authority move ahead with the closure of the Education Inclusion Base at Rock Ferry Primary at the end of the 2013 academic year.
- that the Authority increase the place number at Elleray Park to 80 from April 2013.
- That the sum of £250,000 is delegated to mainstream schools so that Wirral's five units of individually assigned support is increased in value from £5,665 to £6,000.

7. **School Redundancy Numbers and Costs**

Sue Blevins updated the Forum on School redundancies for the academic year 2011-12. The cost of redundancies has reduced compared to the previous academic year. There has been a significant increase in the number of support staff subject to voluntary or compulsory redundancies, whilst there has been a decrease in the number of teachers.

It is anticipated that redundancy costs will rise in the future due to the continued falling rolls in secondary schools, changes to the funding formula for mainstream and 6th forms, flat budgets and changes to curriculum requirements.

Resolved

The forum noted the contents of the report.

8. **School Intervention Budget**

Paul Ashcroft outlined the expenditure and impact of the schools Intervention and School Improvement budgets. The majority of the Primary Intervention budget is

used to support vulnerable schools identified in the LA School Improvement Strategy. Secondary school intervention is split into three streams school improvement support, '100 club' project and raising attainment.

Resolved

The Forum noted the report

9. **Laces Update**

Paul Ashcroft informed the Schools Forum of the statutory duty of the Wirral Looked After Children's Education Service (LACES) to promote the educational achievement of children in care. The educational progress of looked after children is reviewed termly and is updated in the child's Personal Education Plan.

Resolved

The Forum noted the report

10. **Home Education Service**

Paul Ashcroft outlined the service provided by the Home Tutor Service, highlighting the statutory change of provision from 16 to 17 years. He also commented on the changing profile over the years, particularly the increase in students suffering from severe anxiety, depression and chronic fatigue.

Resolved

The Forum noted the report

11. **Funding High Needs Students aged 16-24 Update**

Paul Ashcroft updated the Forum on the changes to funding High Needs students aged 16 – 24 years. Budget pressures will remain in this area when the funds transfer to the LA in 2013-14. The LA is required to provide baseline learner data to the EFA to ensure the final allocation for 2013-14 is accurate for high needs students.

Resolved

The Forum noted the report

12. **Provision of Insurance Services to Schools**

Andrew Roberts summarised the insurance and ancillary services available to schools, highlighting that the overall insurance costs have reduced over the last 3 years as a result of better procurement and claim experience.

The centrally held budget for VA school's governor liability will be delegated to all schools as part of the Funding Formula changes. The representatives on the Forum can agree to de-delegate this budget.

Resolved

The Forum noted the report

13. **Breach of Central Expenditure Limit 2012-13**
Andrew Roberts explained that mainly as a result of academy transfers the central expenditure limit has been breached. The Schools Budget has reduced by 18% and Central Expenditure by 3.1%.

Resolved

The Forum agreed to approve the increase in the Central Expenditure Limit.

14. **Forum Membership Update**
Sue Ashley updated the Forum on the current membership. Four members have been re-elected and there are 6 new members.

Resolved

The Forum noted the changes to the membership.

15. **Forum Training**
Andrew Roberts has agreed to provide two training sessions for Forum members. The first to cover the role of the forum and the second to cover the schools budget and funding formula. Members will be contacted with venue, dates and times shortly.

16. **School Forum Regulations 2012 and Guidance**
These regulations are included for information.

17. **School Finance Regulations 2013**
A summary of the new features in the School Finance Regulations was circulated.

18. **EFA Letter to Forums with Contact Details**
The letter to School Forums identifies our contacts as Liz Butcher and Gavin Monument. Richard Longster, Forum Chair, will invite them to a future meeting.

19. **Workplan**
The dates of future meetings were noted:-
Wednesday 23rd January 2013
Wednesday 10th April 2013
Wednesday 3rd July 2013
Wednesday 2nd October 2013

There is also a reserve meeting for 28th November if required.

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WIRRAL SCHOOLS' FORUM

28th November 2012

MINUTES

Present

R. Longster (Chair)

Schools Group

S Allen	A Moore
E Cogan	C Penn
B Cummings	K Podmore
P Dixon	G Pritchard
C Hughes	J Weise
L Ireland	M Walker
D Kitchin	G Zsapka
M Kophamel	

Non-Schools Group

S Davies	D McDonald
J Kenny	S McNamara

In Attendance

D Armstrong	Cllr W Clements
P Ashcroft	S Dainty
S Ashley	J Hassall
S Bellerby	M Lightburn
S Blevins	A Roberts
N Clarkson	

Apologies

J Gordon	S Peach
S Higginson	N Reilly
B McGregor	P Roberts
J Owens	

The Acting Director of Children's Services explained that the meeting was to discuss the impact the Local Authority's budget savings options 2013-16 on schools and to advise Cabinet at their meeting on 20th December.

Schools Music Service (£21,000)

This savings option was noted and no further comments were made.

Oaklands Outdoor Centre (£23,000)

This savings option was noted and no further comments were made.

Planned Programmed School Maintenance (PPM) (£450,000)

As many schools have had work completed for legionella and asbestos in the past, costs moving forward should be considerably less and budgets could be reduced. The costs would transfer to the school budget and kept centrally or if delegated then schools will cover their own costs.

Private Finance Initiative (PFI) Affordability Gap (£2,300,000)

The saving to the council would effectively mean a charge to all schools not just the PFI schools. There were concerns that the schools would not be able to afford this collectively and that transfers should not be made until this becomes affordable by schools.

There are 2 City Learning Centres funded through PFI, which need to be looked at further.

School Improvement and Academy Income (£191,000)

The savings option was noted. This will not impact on the EQ service.

Home to School Transport (£832,000)

The removal of discretionary denominational transport expenditure totals £180,000. The diocese representative was concerned that some parents would not be able to choose a denominational school due to the cost of transport.

A secondary representative was concerned that under the changes proposed pupils going to Catholic Grammar School would suffer financially. It was pointed out that other Grammar Schools don't receive free transport for children travelling across Wirral.

There were concerns that the removal of transport for 16 -19 year old vulnerable children would inhibit travel and attendance to school or college, post 16. Special school members pointed out that given the high profile accorded to NEETS and the difficulties in placing our most vulnerable, that such a move forward was of great concern.

The Special Schools representatives further pointed out that:

- head teachers have already received concerns from many parents
- there were concerns that parents would choose to go to a nearer mainstream schools rather than the most appropriate for the child.
- There are a significant number of high risk vulnerable young people receiving transport, with and without statements, they should be considered most carefully and individually before removing the option of transport for future individual students.
- There were concerns about the impact of school attendance.

Members would welcome a full consultation as they are concerned about where lines would be drawn.

Child and Mental Health Service (£250,000)

It was suggested that the Children in Care Council should be involved in the redesign of the service. With cuts in the Health Service as well we need to take into consideration if this will affect the service for LAC's / Adopted Children further.

Education Psychology Service (£80,000)

This savings option was noted and no further comments were made.

Careers Education Information Advice and Guidance (£1,000,000)

This savings option was noted.

Children's Centres and Surestart (£2,172,000)

Members requested that when this option is being considered that the business model that Frank Field MP has been involved in is taken into consideration, before further advance of funds to Mr Field's proposed projects.

Comments were made about implications of changes for Nursery Schools where Childrens Centres are integrated and the need for consultation.

Foundation Learning (£133,000)

Members pointed out that proposed savings in this area, Foundation Learning and the Wirral Apprentice Programme were not conducive to reducing NEET issues or for helping schools fit young people for employment / training within the Borough.

Short Breaks for Children with Disabilities (£300,000)

This savings option was noted and no further comments were made.

Youth and Play Service and Youth Challenge (£1,578,000)

Members commented on the importance of these services for young people. In relation to the Youth Opportunities Fund, it was noted that this option not only gave carefully thought out small but important grants to organisations working with young people, but also gave young people experience of applying / bidding and preparing presentations for grant applications and a further body of young people the

valuable, lifelong experience of being Grant Panel Members. It was noted as important the need to continue to involve and engage young people in Wirral Councils decision making.

Area Team/Family Support (£200,000)

Members noted the expectation that redesigned services would be better targeted and focussed

Universal and Targeted Parenting (£900,000)

Comments as above

Reducing School Crossing Patrols (352,000)

There were concerns about increases in road traffic accidents, particularly the safety of the children and any bad publicity the schools may receive. Members noted comments about the difficulty this may place Governing bodies and Headteachers in, especially in relation to finance, parental pressure and equity. There are over 100 crossing sites, many of which are shared. Schools are concerned about the affordability of being charged for a number of crossings.

Wirral Apprentice Programme (£500,000)

Members would like to know how successful the scheme has been in securing permanent employment. There were concerns that the national scheme is not very good.

Closure of Acre Lane (£260,000)

A training provision would still be required. Although the building is in need of significant refurbishment it is maintaining quality training that is the important issue here.

Procurement (£80,000)

This savings option was noted and no further comments were made.

Conditions of Service (£4,000,000)

Changes to overtime rates and the reduction of protection for the Phase 3 Job Evaluation from 3 years to 1 year may affect school staff.

HR Service

This will not affect the service to schools as this is purchased through an SLA.

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WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM

23 JANUARY 2013

SUBJECT:	SCHOOLS BUDGET 2013-14
WARD/S AFFECTED:	ALL
REPORT OF:	ACTING DIRECTOR OF CHILDREN'S SERVICES
KEY DECISION?	YES

1.0 EXECUTIVE SUMMARY

- 1.1 This report outlines the Schools Budget for 2013-14 and describes the financial changes to be considered by the Forum and Cabinet. The Forum are asked for their views on the proposed budget of £236,656,800 for maintained schools and academies for the coming year.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Schools Funding Allocations were issued by the Department for Education on 19th December 2012. The basis of the Dedicated Schools Grant (DSG) continues to be the "Spend Plus" methodology introduced in 2006; however the format and presentation has been changed by the DfE to show four unringfenced spending blocks for each authority:

- Early Years Block
- Schools Block
- High Needs Block
- Other

2.2 Pupil Premium

The Pupil Premium provides funding for deprived pupils in addition to DSG. Now in its third year, the rate will be set at £900 for each pupil that has been eligible for free school meals at any point in the last six years (increased from £623 in 2012-13). A premium is also paid in respect of Looked After Children (£900) and Service Children (£300)

Illustrative data based on 2012 gives a total Pupil Premium for 2013-14 for all schools and academies of £13.2m, an increase of £4.1m compared to the previous year.

2.3 Dedicated Schools Grant (DSG)

2.3.1 As the first part of the DfE's plans to reform school funding, DSG is now made up of four unringfenced blocks. These funding blocks have been based on each authority's Schools Budget as agreed in 2012-13 and in the case of the Schools Block and the Early Years Block are updated for changes in pupil numbers. Pupil numbers for the Schools Block have now changed to use those recorded in the October 2012 census (rather than the January 2013 count), whereas Early Years Funding will be a combination of January 2013 and January 2014. The dates for the Early Years Census mean that the exact DSG will not be finalised until June 2014. However, grant used for the purposes of the 2013-14 Schools Budget will use the indicative figures.

The High Needs Block is based on the identified spend in 2012-13, no pupil data is used. Additional funding has been provided for the Wirral Hospital School through a national top slice of DSG and there has been an adjustment for high needs pupils and places that are supported by other authorities.

The Blocks are summarised as follows:

	Block	Pupil Numbers	Funding Per Pupil £	Allocation £
1.	Schools Block	41,343	4,547.11	187,991,000
2.	Early Years Block	2,905	3,816.57	11,087,000
3.	High Needs Block	-	-	31,773,000
4.	Other Block	-	-	3,285,000
			Total	<u>234,136,000</u>

Note:

1. Schools Block pupil numbers include academies. Numbers have been adjusted for additional pupils arriving in reception between October and January (the Reception Uplift) and pupils who are placed in SEN bases.
2. Early Years pupil numbers are shown using the "corrected" January 2012 census ie there is no further impact from the 2012-13 census error.
3. High Needs Block includes all top up funding for High Needs students aged 16-24.
4. The Other Block includes Early Years funding for 2 year olds (£3,222,000) and funding for the induction of Newly Qualified Teachers (£63,000).

2.3.2 Schools Block

This funding covers the delegated budgets to mainstream schools and academies (totalling £183m in the [appendix](#) attached). In addition the block funds a number of budgets that are managed centrally on behalf of schools:

- Admissions
- Schools Forum
- Carbon Reduction
- Capital Expenditure from Revenue (PPM and PFI costs)

- Contributions to combined budgets
- Schools budget retirement costs (school closure)
- School Licences

In line with national guidance and with the exception of Licences and PFI these budgets have not been increased and in relation to the contributions to combined budgets have decreased. The change in licence costs is due to the introduction by the DfE of a national scheme.

2.3.4 Early Years Block

This Block funds the costs of Early Years Education for 3 and 4 year old children in schools, nurseries and private voluntary and independent providers. Most of this funding is directed through the Early Years Single Funding Formula (EYSFF). From 2013-14 this will also include Birkenhead High School Academy pre school.

The baseline pupil numbers and grant allocation has been corrected for the 2012-13 census error.

2.3.5 High Needs Block

The make up of this block is complex and includes many changes:

- WASP will have a delegated school budget from the start of the financial year.
- Special schools (pre-16), school bases and independent non-maintained `special schools will receive a base level funding of £10,000 per place. Place numbers have been agreed in advance with the Education Funding Agency (EFA).
- Equivalent place funding for post 16 SEN provision in special schools will be funded through the national funding formula allocation for all 6th form students. Pupil numbers are based on the October 2012 census.
- Alternative Provision Bases and WASP will be funded at £8,000 per place. Although the number of places will reduce in 2013-14 as a result of the base at Rock Ferry Primary closing, the overall funding received by the council has not reduced for this change.
- The delegation to mainstream schools for pre 16 SEN has been increased to £6,000 (previously the first 5 units were valued at £5,665).
- Additional funding over and above that provided for places will be paid in the form of “top ups”. These will be provided on a per pupil basis. The top up is to be based on the agreed assessed needs of pupils and will be paid by the “commissioner” responsible; this may be Wirral Children’s Services, a school or another Local Authority.
- Arrangements to recover place costs for students from Other Local Authorities will cease.
- The Hospital School budget will be funded separately.
- The high needs budget will include (from August 2013) the costs of all education and training for post 16 specialist and LLDD provision (top ups), this will include colleges and private providers. Funding previously received for part of this provision (in the SEN Block Grant) has been replaced by DSG.

2.3.6 Other Block

This funding is in respect of Free Education for 2 year olds. Parents whose children would meet the eligibility criteria for Free School Meals and Looked After Children will have a statutory entitlement for 15 hours Early Years Education from September 2013. This grant is not based on census data, but uses a proxy (children in schools aged 4 to 6 who are eligible for Free School Meals).

Overall funding for this 2 year old provision has been top sliced from the Early Intervention Grant.

2.4 Academies

Currently there are 14 out of 22 secondary schools who have become Academies, with another 2 anticipated. Academies are independent from the local authority and are funded directly from the EFA. Regulations require Wirral to continue to calculate their budgets. From 2013-14 budgets for Academies (and all schools) will include central costs such as maternity, behaviour and contingency budgets that were previously paid separately to Academies as School LACSEG.

The estimated grant reduction for Wirral is £57.5m including £0.5m for those budgets which may now be delegated to all schools.

2.5 Minimum Funding Guarantee (MFG)

The MFG will continue in 2013-14, protecting schools from formula changes and changes in pupil data. This is an important element of schools funding given the major changes that are being introduced to the formula. The MFG rate remains at minus 1.5%.

It is likely that the MFG will continue for some time and will be part of the future funding reforms.

2.6 2013-14 Budget Changes

2.6.1 Individual Schools Budget (ISB)

The significant changes within the ISB are:

- Net Falling Rolls £562,200. The estimated secondary numbers (11-15) have reduced from 17,565 to 17,225 (a 2% reduction). This is almost matched by an increase in primary numbers from 23,886 to 24,201. The overall reduction in the ISB arises from secondary funding per pupil being higher than primary schools.
- The inclusion of Academy budgets totalling £57.5m
- Additional delegation of services supporting schools £2,233,300. These budgets were previously held centrally and are described in more detail in a separate report on this agenda.
- An additional cost arising from ending the abatement of rates in the local funding formula for secondary 6th forms and primary nurseries £166,600
- Transfer of school SEN Base Top Ups £1,054,000.
- Funding for the induction of newly qualified teachers £58,000
- Headroom £333,400. Headroom is growth within the budget, which at a time of flat cash settlements is unexpected. It arises because there is a difference between pupil funding within the ISB and the overall pupil funding received through DSG.

This difference is favourable since there is a rising primary roll and a falling secondary roll.

2.6.2 Special Schools

The main changes are:

- Additional delegation for support services of £316,900
- The transfer of £5,917,300 to SEN pupil top ups.
- The reduction of £753,300 in respect of 113 places in 6th form. This will be paid through the 6th Form National Formula from August 2013.
- The direct funding of the Hospital School within DSG.

2.6.3 Early Years

The main change within this budget is to include funding for 2 year olds. An allocation of £2,313,400 for statutory place funding has been received (the equivalent allocation in 2011-12 was £969,000) In addition £908,200 will be paid for Trajectory Funding. The latter amount is intended to increase provision beyond the statutory FSM level in preparation for the expansion of entitlement to 40% of 2 year olds from 2014. The rapid expansion in this area is being discussed in the Early Years Schools Forum Working Group.

2.6.4 WASP

The budget of £640,000 is in respect of 80 places (costing £8,000 per place). The remainder of the existing budget (reduced by 1.5%) is included within SEN top ups.

2.6.5 SEN Top Ups

The proposed budget for SEN Top Ups in 2013-14 is in excess of £16.6m. The breakdown is shown in the table below.

SEN Top Ups 2013-14

	£
Statements	
Early Years	292,200
Primary	1,508,400
Secondary (including 6th Forms)	2,360,000
Exceptional Need	373,000
Other	381,800
Special Schools (and 6th Forms)	5,917,300
Independent Non Maintained Special Schools	2,993,100
Home Teaching	248,600
WASP	397,600
SEN units - resourced and alternative provision	884,400
Further Education, 6th Form College and other providers	393,300
Contingency	880,200
Total	16,629,900

These costs include additional provision which has been identified as part of the budget review:

- **Statements.** Early Years costs will increase by £150,000 reflecting costs within Private Voluntary and Independent providers. This increase is offset by reductions in other statementing areas.
- **Independent Special Schools.** There is an expected growth in places to 89 and additional costs of £512,000.
- **Further Education and 6th Form College.** There is provision for 130 places from August 2013. The part year top up is calculated using £2,800 per pupil.
- **Contingency.** The contingency identified of £880,200 is significant. However, some or all may be required to cover the potential costs of:
 - o Additional FE and college numbers exceeding 130. A bid was submitted to the EFA for growth, however overall numbers (including maintained special schools) were capped at 322 which is an increase of 24% on the numbers in 2011. The original bid submitted was for 332 ie 10 more places.
 - o Additional top ups. £2,800 per student is potentially a low estimate of the costs that may be incurred.
 - o Raising of the participation age
 - o Any mismatch between places identified and places taken up.

This area will be kept under review and will be the subject of future reports.

3.0 INFLATION

- 3.1 No direct provision is included within the budget for pay awards. At this stage none are anticipated, although there continues to be ongoing dialogues with pay review bodies. Without additional funding any costs would need to be met from existing school budgets and the headroom that has been identified.

There is no general provision for price inflation, although costs for rates within the schools budget have been increased and the central PFI budget continues to anticipate RPI increases.

4.0 CENTRALLY HELD SCHOOL BUDGETS

- 4.1 The budgets held for Contingency, Special Staff (maternity and trade union duties), the School Library Service, Insurance (Governors Aided), Behaviour Support and the Minority Ethnic Achievement Service have been delegated to schools. A decision is required for any de-delegation of these areas (separately by maintained primary and secondary Forum representatives only).

The costs of School Milk and Advanced Skills Teachers have also been delegated to schools. These areas may not be de-delegated and are detailed in other reports on this agenda.

The remaining centrally held budgets cover:

- Equal Pay and harmonisation back pay (£450,000)
- the continuing premature retirement costs of teachers and staff that have arisen from closing schools (£326,000)
- the cost of licences for copyright and music in all schools and academies (resulting from a national agreement) (£101,300)
- School Admissions (£456,000)

- the Carbon Reduction scheme (£260,300)
- Planned Programmed Maintenance (PPM £649,000) and the PFI Affordability Gap (£2,721,800)
- Contributions to combined budgets (£2,499,600).

4.2 **Equal Pay and harmonisation back pay (£450,000)**

Costs continue to be paid in respect of settlements for job evaluation and harmonisation in schools. In addition provision is required for the costs of the final phase in schools when implemented.

4.3 **School Admissions (£456,000)**

This budget is required to meet the costs of supporting and administering the authority's school admissions scheme (including the 11 plus).

There is provision for a Choice Advisor Service at a cost of £52,200. It is proposed that this service is no longer provided. Some support and advice will be given through alternative means such as in Children's Centres. The existing budget provision has been maintained whilst the service demands are reviewed during the year.

4.4 **Carbon Reduction (£260,300)**

This budget is unchanged, it should be sufficient to meet the costs in 2013-14 since there will be a small underspend in the current year. In the longer term the DfE are reviewing this requirement and may withdraw the scheme from schools.

4.5 **PPM (£649,000)**

This resource supports the health and safety and maintenance of school buildings, grounds and equipment. It also pays for minor repairs, emergencies and costs associated with the security and utilities of closed buildings.

In the Councils Budget for 2013-14 a proposal will be made to fund a further £250,000 of PPM from DSG (£200,000 is already charged in this way).

4.5 **PFI Affordability Gap (£2,321,800)**

The funding gap for the councils 9 school PFI scheme is £2,321,800. This amount is the shortfall between the costs of the PFI contract £10.7m and the combined government grant of £5.3m and school contributions received of £2.9m. The gap increases each year in line with the contract inflation clause.

Whilst the funding of the affordability gap is a council budget savings option there are no proposals to fund costs from DSG in 2013-14.

4.6 **Contributions to Combined Budgets**

School Funding Regulations continue to allow contributions to support services that would otherwise fall outside the Schools Budget. These budgets combine with other council resources for the educational benefit of children.

The Regulations governing this have, however, changed this year, in that there must be no new commitments or increases in expenditure from 2012-13. The budgets in this area are shown below:-

- **Discretionary Rate Relief £270,000**
Agreement was reached in 2011-12 for the Schools Budget to meet the cost of Discretionary Rate Relief for schools.
- **School Improvement £359,900**
This sum is the former match funding for the Primary and Secondary Strategy Coordination programme. It supports the funding of a number of consultant teachers who work with schools, together with training and the resourcing of equipment and facilities at Acre Lane.
- **Local Safeguarding Children’s Board £30,000**
The LSCB provides governance of child protection arrangements, undertakes serious case reviews, training and employs a Designated Officer for Allegations. The Board is funded from partner organisations including Social Care, Schools, Police, Health and Probation. The £30,000 contribution from the Central Schools Budget, matches the amount received from Health.
- **School Sports Partnerships Coordination £25,000**
This funding provides a contribution to a post that will continue to work and develop this area with schools.
- **School Intervention £674,500**
This budget provides additional funding within School Improvement to meet priorities in targeted schools during the year, in addition it funds the “100 Club”.
- **City Learning Centres £814,700**
The 3 City Learning Centres have a combined budget of £814,700. CLC’s support a range of Primary, Secondary and Special Schools across a range of activities such as technology, multi media and computer aided design.
- **LACES £185,500**
The service reviews the educational progress of Looked After Children, provides training to staff and some direct support to pupils.
- **Miscellaneous**
A number of miscellaneous school budgets have been transferred to this area in accordance with DfE guidelines. These amounts support the Governors Forum, school swimming baths, school emoluments, wellbeing, the School Staff Survey, Clinical Waste and the PFI support Team

Combined Budget Summary	£
Discretionary Rate Relief top up	270,000
School Improvement	359,900
LSCB Contribution	30,000
School Sports Coordinator	25,000
School Intervention	674,500
City Learning Centres	814,700
School Emoluments Wellbeing and	44,600

Staff Surveys	
Clinical Waste Disposal	11,600
Governors Forum	2,200
PFI Support Team	61,800
Use of School Swimming Baths	19,800
LACES	185,500
Total	2,499,600

The equivalent budget in 2012-13 was £2,815,400

4.7 Insurance and Energy Costs

School Insurance charges are estimated to increase in 2013-14 by 12% on average, although some charges will be higher and some lower depending on risk and claims history. The overall increases are the result of higher costs for both Liability and Property Insurance (property claims have increased significantly in the past year).

Increases for energy costs are estimated to be 3% in the coming year, although the overall amount will depend on tariffs and contract renewals later in the year.

5.0 Budget Timetable

5.1 The Schools Budget and advice from the Forum will be considered by Cabinet on 18th February 2013.

6.0 FINANCIAL IMPLICATIONS

6.1 The budget for 2013-14 is compiled from the base budget for 2012-13 approved by Council on 1st March 2012 and updated for any issues identified in this report.

The projected budget (DSG and council contribution) is £236,656,800 and is shown in Appendix 1.

7.0 RECOMMENDATIONS

- i) That the views of the Schools Forum are sought on the Schools Budget for 2013-14 and the level of central costs
- ii) That the contributions to combined budgets are agreed
- iii) That the proposal for funding a further £250,000 of PPM from the Schools Budget is agreed.
- iv) That the use of Headroom totalling £333,400 and High Needs Contingency totalling £880,200 is agreed.
- v) The Schools Budget and views of the Schools Forum be referred to the budget meeting of Cabinet on 18th February 2013.

Julia Hassall
Acting Director of Children's Services

SUMMARY

	Base Estimate 2013-14
	£000
Dedicated Schools Grant	<u>234,136</u>
Schools Budget Base Expenditure	194,366
Add back 2012-13 Academy Baseline	<u>36,804</u>
	231,170
Change in ISB Costs	
Net falling rolls	(562)
School Rates increases and ceasing abatement	187
Induction of NQT's	63
Delegation of central costs to schools	2,012
Headroom - growth	333
Early Years for 2 year olds	<u>3,222</u>
	5,255
Changes in SEN / High Costs :	
Early Years inclusive practice	150
Other statements and support	(175)
Independent Schools	512
SEN equipment	14
Adjustments with Other Local Authorities (net)	(45)
Post 16 provision in Further Education	314
SEN Contingency	880
SEN Block grant transferred into DSG	1,416
Post 16 places funded through the National funding Formula	(873)
Other changes in central costs:	
Delegation of central costs to schools	(2,012)
Transfer PFI costs re City Learning Centres	(116)
Increase (inflation) re PFI contracts	140
Other	<u>27</u>
	232
Total Schools Expenditure	<u>236,657</u>
Net Schools Budget	2,521

EDUCATION - SCHOOLS

Appendix 2

	Base Estimate 2012/13	Base Estimate 2013/14
Individual Schools Budget		
Primary Schools	91,613,500	93,001,100
Secondary Schools	55,024,800	89,584,700
Special Schools	16,250,600	8,776,400
SEN Bases		2,768,000
WASP		640,000
Wirral Hospital School		1,097,000
Early Years	10,174,600	13,396,600
Individual Schools Budget Total	173,063,500	209,263,800
Central School Costs		
Early Years	523,100	567,600
Admissions	456,000	456,000
School closure / retirement costs	326,000	326,000
Licences & Subscriptions	54,700	101,300
Carbon Reduction	260,300	260,300
Schools Forum	10,600	10,600
School Harmonisation Costs	450,000	450,000
Contribution to Combined Budgets	2,815,400	2,499,600
PPM	649,000	649,000
PFI affordability gap	2,296,100	2,321,800
Costs delegated to schools		
Library Service	209,700	
Insurances	65,400	
M E A S	286,400	
School Specific Contingencies	372,800	
Special Staff Costs	769,400	
Milk & Meals	224,000	
High Needs Pupils		
SEN top Ups		11,714,500
Statements	4,857,100	4,915,400
Support For SEN	2,235,900	2,292,700
Indep Special School Fees	2,945,600	770,000
Wirral Alternative Schools Programme	1,053,400	
Education Out Of School	248,600	
OLEA	134,900	
Special School Transport	58,200	58,200
Non Delegated School Costs Total	21,302,600	27,393,000
	-	-
Dedicated Schools Grant Total	191,621,000	234,136,000
	-	-
Grand Total	2,745,100	2,520,800

WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM 23rd JANUARY 2013

REPORT OF THE ACTING DIRECTOR OF CHILDREN'S SERVICES

De-Delegation of School Budgets

1. EXECUTIVE SUMMARY

This report seeks a decision by Forum representatives of maintained schools on the possible de-delegation of a number of services to schools, where there is a preference to continue a central service.

2. BACKGROUND

The DfE requires Local Authorities to make changes and re-model their local funding formula from April 2013. As part of this a number of services that were previously provided centrally by the LA will, in future, be delegated to all schools. However, there are some areas where Schools Forum members, in their relevant phase, are able to decide, on behalf of their schools, that funding should be de-delegated and taken out of formula budgets before schools receive them. These amounts would then continue to be held centrally. Regulations provide for different decisions being made for each phase. The members eligible to vote are shown on the attached table.

3. BUDGETS FOR DE-DELEGATION

- **Contingency**
The budget for exceptional/unforeseen costs that it would be unreasonable for governing bodies to meet.
- **Special Staff Costs**
Teacher maternity, paternity and trade union costs.
- **School Library Service**
The provision of learning resources to schools, such as books, artefacts, posters and DVDs.
- **Insurance**
The cost of governor's liability to Aided schools.
- **Minority Ethnic Achievement Service (MEAS)**
A service supporting children and young people for whom English is not their first language.
- **Free School Meal (FSM) Eligibility**
The cost of administering the applications for FSMs.
- **Behaviour Support**
The cost of a small team working with Primary Schools and a number of embedded police in Wirral's secondary and special schools.

4. SUMMARY OF BUDGETS FOR DE-DELEGATION

The table below identifies the budget for primary and secondary schools, how the budget is allocated through the formula and the amount per pupil deducted if it is de-delegated.

Primary Budget	Amount Delegated £	Method of Delegation	Amount per Pupil £	Average per School £ (300 pupils)
Contingency	92,600	Pupil	3.82	1,146
Special Staff Costs	461,100	Pupil	19.04	5,712
School Library Service	198,400	Pupil	8.19	2,457
Insurance	55,200	Pupil	2.28	684
MEAS	253,800	EAL	1348.25	3,154
FSM Eligibility	10,100	FSM	1.89	125
Behaviour Support	62,000	SEN PA	11.98	755
Total	1,133,200			14,033

Secondary Budget	Amount Delegated £	Method of Delegation	Amount per Pupil £	Average per School £ (1,000 pupils)
Contingency	50,000	Pupil	2.91	2,910
Special Staff Costs	429,000	Pupil	24.93	24,930
Insurance	10,200	Pupil	0.59	590
MEAS	29,900	EAL	772.94	1,777
FSM Eligibility	8,800	FSM	2.72	516
Behaviour Support	75,500	SEN PA	52.57	4,205
Total	603,400			34,928

RECOMMENDATIONS

1. The Primary Forum Representatives agree to de-delegate each of the following budgets for the financial year 2013-14:-
 - a. Contingency
 - b. Special Staff Costs
 - c. School Library Service
 - d. Insurance
 - e. MEAS
 - f. FSM eligibility
 - g. Behaviour support

2. The Secondary Forum Representatives agree to de-delegate each of the following budgets for the financial year 2013-14:-
 - a. Contingency
 - b. Special Staff Costs
 - c. Insurance
 - d. MEAS
 - e. FSM eligibility
 - f. Behaviour support

Schools Forum Membership

Total Membership

5	Primary Headteachers
5	Primary Governors
2	Secondary Headteachers
1	Secondary Governors
3	Academy Headteacher Rep
2	Academy Governor Representative (1 vacancy)
1	Special Headteacher
1	Special Governors
1	Nursery Representative
21	Total Schools Membership
1	Wirral Governors Forum
1	Non-teacher representative
1	Teacher representative
1	Catholic Diocese
1	Church of England Diocese
1	Further Education
2	PVI Early Years Providers
8	Total Non-Schools Membership
29	Total Membership

Schools member and academies members must comprise at least two thirds of the 72% forum

2 Where there is more than 1 special school at least 1 representative is required

1 Where there is more than 1 nursery school at least 1 representative is required

12 40% of membership is required for the meeting to be quorate

Primary, Secondary and Academy schools must be proportionate to the total number of children in registered with them.

Split as at 01/01/13 (Based on October 2012 Census)

Current	Pupil no's	Expected	
10 Primary	24551	52.9%	10.06
3 Secondary	7049	15.2%	2.89
6 Academy	14768	31.8%	6.05
19.0	46368	100.0%	19.00

Primary representatives eligible to vote for de-delegation

Gill Pritchard	Primary Headteacher
Mary Walker	Primary Headteacher
Morag Kophamel	Primary Headteacher
Chris Penn	Primary Headteacher
Gill Zsapka	Primary Headteacher
Matthew Brown	Primary Governor
Audrey Moore	Primary Governor
Ken Frost	Primary Governor
Lyn Ireland	Primary Governor
John Weise	Primary Governor

Secondary representatives eligible to vote for de-delegation

Derek Kitchin	Secondary Headteacher
Brian Jordan	Secondary Headteacher (substitute)
Jane Gordon	Secondary Governor

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WIRRAL COUNCIL

SCHOOLS FORUM 23RD JANUARY 2013

REPORT OF THE ACTING DIRECTOR OF CHILDRENS SERVICES

ADVANCED SKILLS TEACHERS

1.0 EXECUTIVE SUMMARY

1.1 This report sets out a proposal to retain Advanced Skills Teachers until the end of the academic year 2012-13, using a budget underspend from April 2012-March 2013.

2.0 BACKGROUND

From 31st March 2013 funding will not be retained centrally for Advanced Skills Teachers (ASTs) salaries and outreach costs. £317,000 will be delegated to schools via the funding formula with effect from April 2013.

In 2011 there were 21 ASTs. Since then, 10 have moved to other posts or retired and have not been replaced. There will be a consequent underspend in the AST budget for 2012-13 of £67,000.

There are now 11 ASTs which is 10.6 FTE.

The costs to retain these ASTs until the end of the academic year can be met from the underspend carried forward. This will enable current curriculum development projects to continue until the end of the academic year. Three examples of such on-going projects are:

- Secondary Schools Subject Leader Networks in the 9 strands.
- Mission Mathematics – a Wirral KS1 intervention project currently in pilot and due for release to schools from April 2013.
- Arts in the Park – an annual event for Wirral Schools.

The future of such curriculum initiatives and opportunities from September 2013 would form part of a wider consultation over the next few months.

3.0 RECOMMENDATION

That the Forum approves the use of the underspend to retain the AST Service until the end of the academic year 2012-13.

Julia Hassall
Acting Director of Children's Services

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WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM – 23rd JANUARY 2013

REPORT OF ACTING DIRECTOR OF CHILDREN'S SERVICES

PUPIL PREMIUM ALLOCATION 2012-13 and 2013-14

EXECUTIVE SUMMARY

The Pupil Premium was distributed to schools in 2012-13 for children eligible for Free School Meals (FSM), Looked after Children (LAC), Service Children and Summer Schools. A year 7 Premium for current year 7 pupils who did not achieve level 4 in reading and/or maths has also been announced. This report details the changes to the Pupil Premium during this financial year and also the estimates for 2013-14.

BACKGROUND

The Pupil Premium for 2012-13 was originally set at £600 for each child eligible for Free School Meals in any of the previous 6 years (Ever 6), £600 for each Looked After child (LAC) and £250 for each Service child. Final pupil allocations and numbers were confirmed in November 2012.

PUPIL PREMIUM 2012-13

FSM and LAC Pupil Premium (£9,097,981)

The DfE increased the Premium for FSM and LAC during the year from £600 to £623.

There are 14,136 FSM pupils giving a grant to schools and academies of £8,806,417 (as at December 2012.)

There are 468 Wirral LAC pupils at £623, totalling £291,564.

Service Children (£37,500)

Service Children pupil premium was originally for pupils recorded on the January census, in reception to Year 11 in mainstream schools. During the year it has changed to include children recorded as service children in the January 2011 census, but not on the January 12 census, making this an 'ever 2 service child'. This grant has also been extended to include pupils in receipt of pensions under the Armed Forces Compensation Scheme and the War Pension Scheme.

There are 125 Service Children at £250, totalling £37,500 as at December 2012.

Summer School Pupil Premium (£87,250 excluding academies)

A provisional allocation of £500 per disadvantaged pupil was allocated to each eligible secondary school to run a summer school. Allocations were adjusted after the schools confirmed the summer school took place and the number of places offered.

In Wirral 8 schools (excluding academies) took part, with a final grant of £87,250.

Year 7 Premium (figures not yet released)

The DfE have confirmed that a further Pupil Premium will be available for all maintained schools, special schools, PRUs, academies and free schools for pupils in the current Year 7 cohort who did not achieve level 4 in reading and/or maths. The amount will be a maximum

of £500 per eligible pupil, payable to the LA in late January 2013. The DfE have committed to continue this funding for the duration of the current spending review – to 2015.

PUPIL PREMIUM 2013-14

The pupil premium amounts for 2013-14 will be increased as follows per eligible pupil:-

FSM (ever 6)	£900
LAC	£900
Service Children	£300

The service children pupil premium will change to ‘Ever 3’ in 2013-14. This means a pupil who was eligible for the service child premium in either 2011-12 or 2012-13, but is not recorded as a service child on January 2013 census will be included.

The figures below are estimates for 2013-14 based on current pupils:-

School Type	FSM (ever 6)	Service Child	LAC	Total
Primary	6,938,100	31,500	183,600	7,153,200
Secondary and academies	5,336,100	6,000	122,400	5,464,500
Special	414,000	0	37,800	451,800
WASP	34,200	0	5,400	39,600
Alternative Provision	0	0	72,000	72,000
TOTAL	12,722,400	37,500	421,200	13,181,100

RECOMMENDATION

That the Forum notes the report.

Julia Hassall
Acting Director of Children’s Services

WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM - 23rd January 2013

REPORT OF THE ACTING DIRECTOR OF CHILDREN'S SERVICES

SCHOOL FUNDING FORMULA TEMPLATE

EXECUTIVE SUMMARY

This report provides details of the final summary of Wirral's school funding formula. The final pro-forma, along with supplementary data, was submitted to the EFA on the 22nd January 2013.

1. Background

As part of the DfE's funding reform, all local authorities were required to remodel their local funding formula to comply with a simpler and more transparent system.

The DfE have provided each local authority with a Schools Block dataset, which includes data on areas such as Pupil Attainment, Free School Meals. This is fed through the local funding formula to allocate school funding. The dataset is based upon the October School Census 2012 and each school is given a percentage of pupils who are eligible for each factor.

All local authorities were required to submit a provisional Schools Budget pro-forma to the Education Funding Agency (EFA) by 31st October 2012, and a final version on the 22nd January 2013.

Attached is a comparison of the final budget allocation submitted in January, listing the factors, the amount of funding available for each pupil led factor, the number of pupils eligible and the unit value per pupil.

2. Comparison of final January allocation and provisional October allocation

2.1 Primary

- Increases in the number of pupils in primary schools result in more funding being allocated in the primary sector (£1.5m).
- Increases per unit value in the Pupil Entitlement, FSM, the most deprived IDACI bands, P5 and P6, and low cost, high incidence SEN result from the budget growth identified.
- The funding for Looked after Children is a shared allocation with secondary schools, as the DfE will only allow one unit value. Overall, there has been a 6% increase in the number of looked after children, resulting in a lower unit value compared to October.
- There were a greater number of pupils who were registered to have English as an additional language compared to October 2011 and as a result, the unit value has decreased by £180 to £1,367 per pupil.

2.2 Secondary

- The falling secondary pupil numbers allocate less funding in the secondary sector (£1.3m).
- The unit value for Pupil Entitlement for both Key Stage 3 and Key Stage 4 pupils and the most deprived IDACI bands, S4, S5 and S6, increase as a result of the budget growth identified.
- There was an 8% decrease in the number of pupils deemed underachieving, which resulted in an increase per unit value for low cost, high incidence SEN.
- Due to an increase in pupils eligible for free school meals and less funding being available, there was a decrease of £77 to £2,250 per pupil.
- As there was an increase in looked after children across primary and secondary and with a shared allocation, this resulted in a lower unit value.
- The number of children registered as EAL, more than doubled compared to October 2011, resulting the unit value decreasing by £830 to £755 per pupil.

RECOMMENDATIONS

Schools Forum note the contents of the report and the funding formula return to the EFA.

Julia Hassall
Acting Director of Children's Services

WIRRAL SCHOOLS FUNDING FORMULA 2013-14

PRIMARY

	October	January	Increase
Available Funding	£91,521,174	£93,141,021	£1,619,847

	Unit Value		
	October	January	Difference
1) Pupil Entitlement	£2,721	£2,733	£12
2) Deprivation	£1,794	£1,827	£32
	£40	£40	£0
	£70	£70	£0
	£120	£120	£0
	£180	£180	£0
	£240	£241	£1
	£300	£301	£1
3) Looked After Children	£610	£574	(£36)
4) Low cost, high incidence SEN	£885	£928	£43
5) English as an Additional Language	£1,547	£1,367	(£180)
6) Lump Sum	£100,000	£100,000	
7) Split Sites			
8) Rates			
9) Exceptional circumstances			

	Units		
	October	January	Difference
	£23,886	£24,212	£326
	£5,306	£5,338	£32
	£1,365	£1,405	£40
	£1,847	£1,946	£100
	£2,050	£2,085	£35
	£2,530	£2,596	£65
	£1,486	£1,478	(£8)
	£2,638	£2,640	£2
	£207	£210	£3
	£5,358	£5,177	(£180)
	£164	£188	£24
	£90	£90	

	Total allocated		
	October	January	Difference
	£64,985,207	£66,168,248	£1,183,041
	£9,519,799	£9,750,608	£230,809
	£54,595	£56,186	£1,591
	£129,268	£136,241	£6,973
	£246,000	£250,225	£4,225
	£455,422	£467,191	£11,769
	£356,548	£356,092	(£456)
	£791,379	£794,513	£3,134
	£125,986	£120,363	(£5,623)
	£4,741,856	£4,805,838	£63,982
	£253,799	£257,236	£3,436
	£9,000,000	£9,000,000	£0
	£20,888	£21,170	£283
	£826,303	£914,825	£88,522
	£19,727	£23,000	£3,273
	£91,526,777	£93,121,737	£1,594,960

Sources

October provisional figures are based on the October 2011 Census

January final figures are based on the October 2012 Census

Notes

Due to rounding, the total figure may not equal the sum of their products.

**WIRRAL SCHOOLS FUNDING FORMULA 2013-14
SECONDARY**

	October	January	Decrease
Available Pot	£90,776,905	£89,572,393	(£1,204,512)

		Unit Value		
		October	January	Difference
1) Pupil Entitlement	AWPU (KS3)	£3,864	£3,899	£35
	AWPU (KS4)	£4,968	£5,008	£40
2) Deprivation	Free School Meals (S)	£2,327	£2,250	(£77)
	IDACI (S1)	£40	£40	£0
	IDACI (S2)	£78	£78	£0
	IDACI (S3)	£126	£126	£0
	IDACI (S4)	£187	£188	£1
	IDACI (S5)	£247	£248	£1
	IDACI (S6)	£307	£308	£1
3) Looked After Children		£610	£574	(£36)
4) Low cost, high incidence SEN		£2,180	£2,308	£128
5) English as an Additional Language		£1,586	£755	(£830)
6) Lump Sum		£100,000	£100,000	£0
7) Rates				

Units		
October	January	Difference
£10,260	£10,112	(£148)
£7,305	£7,094	(£211)
£3,185	£3,233	£48
£1,037	£1,023	(£13)
£1,281	£1,271	(£10)
£1,309	£1,287	(£23)
£1,735	£1,705	(£29)
£971	£953	(£18)
£1,701	£1,628	(£74)
£162	£180	£19
£1,556	£1,436	(£120)
£19	£39	£20
£21	£21	£0

TOTAL ALLOCATED		
October	January	Difference
£39,643,101	£39,423,756	(£219,345)
£36,294,381	£35,528,596	(£765,785)
£7,411,176	£7,272,405	(£138,770)
£41,464	£40,925	(£540)
£99,922	£99,168	(£755)
£164,987	£162,136	(£2,850)
£324,381	£320,585	(£3,795)
£239,796	£236,354	(£3,442)
£522,338	£501,372	(£20,966)
£98,513	£103,383	£4,870
£3,392,297	£3,315,357	(£76,940)
£29,900	£29,219	(£681)
£2,100,000	£2,100,000	£0
£408,378	£456,986	£48,608
£90,770,634	£89,590,242	(£1,180,392)

Source
October provisional figures are based on the October 2011 Census
January final figures are based on the October 2012 Census

Notes
Due to rounding, the total figure may not equal the sum of their products.

WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM - 23 JANUARY 2013

REPORT OF THE ACTING DIRECTOR OF CHILDREN'S SERVICES

DELEGATION AND CHANGES TO SCHOOL MILK ARRANGEMENTS

1. EXECUTIVE SUMMARY

The report describes arrangements that could be put in place by schools to administer the provision of milk to children following delegation of this budget from April 2013.

2. BACKGROUND

The changes to schools funding from 2013-14 will result in the delegation of school milk budgets to schools, the net amounts transferred are:

Nursery	£3,000
Primary	£148,600
Secondary	£30,000
Special	£3,000

These amounts represent the cost of free milk in schools less a milk subsidy from the Rural Payments Agency of £105,000.

Where schools agree to buy back a service from the local authority then the current provision may continue, with schools completing orders, collecting cash and submitting monitoring returns

Where this is not the case the following arrangements will need to be made:

- Set up an account with the Nursery Milk Reimbursement Unit (NMRU) and the Rural Payments Agency (RPA) to claim back subsidy funds
- Set up an account with a dairy and keep all paperwork for up to 6 years for audit purposes
- Complete a monthly claim for reimbursement of all milk purchased
- Be audited by the NMRU and the RPA regarding their school claim
- Collect and bank monies from parents for the over-5's scheme
- Manage administration relating to the payment of milk invoices

In view of the above, the Local Authority has met with a company "Cool Milk" who offer schools an administrative support package at no cost. They are the only company set up to offer this level of service to schools.

3. COOL MILK

3.1 Cool Milk has been operating for 14 years in schools and early years settings, they currently work with 115 Local Authorities including: Cheshire, Sefton, Stockport and Halton, administering the ordering and income collection for milk in schools. They have a dedicated help line and web-portal for queries and for schools to confirm weekly orders of milk, correspond with parents for the over 5's and provide promotional material and supply free fridges for storing milk in school. Cool Milk also work in partnership with Local Authority Catering Association, Children's Food Trust and Change4life.

3.2 Milk is currently supplied to schools by Fresh Pastures. This is a contract costing £357,000 pa for schools until January 2014. This contract would remain in place. Charges would be honoured for the price of milk in the first year, with possibly small incremental increases dependant on market values thereafter. Should the contract with the current milk supplier end then Cool Milk would alter to another supplier.

3.3 If a school orders under 5 milk and free milk for children on free school meals Cool Milk will take over administration of the NMRU and RPA claim on their behalf, invoicing the school monthly in arrears for the cost of milk minus the RPA allowance. This will ensure that the price paid does not increase. They will also collect money directly from parents for 5-11 pupil paid milk.

4. TIMESCALES AND OPTIONS

4.1 A suggested timescale for the changeover if approved would be 1st April. However a later date may be possible allowing for discussions with schools and headteachers.

4.2 Cool Milk have indicated that although they would prefer an authority wide scheme arrangements can be made with individual schools.

RECOMMENDATIONS

1. That a paper be presented to Cabinet recommending the appointment of Cool Milk to administer the school milk scheme.
2. That information is sent to all schools outlining the options available to them and enclosing relevant supporting information.

Julia Hassall
Acting Director of Children's Services

WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM 23rd January 2013

REPORT OF THE ACTING DIRECTOR OF CHILDREN'S SERVICES

REFORM OF FUNDING FOR SPECIAL EDUCATIONAL NEEDS (SEN)

EXECUTIVE SUMMARY

This report is to update the Forum on progress with the changes made by the national reform of SEN funding. These changes affect the way statements of individual pupil's SEN are funded in mainstream schools and academies, how specialist SEN and alternative provision are funded (often called bases/units), and how special schools are funded. The financial year 2013-14 is a transitional year, the changes come into full effect in 2014-15.

1. BACKGROUND

- 1.1 Previous reports to Forum have detailed the wide scope and large scale of the changes to SEN funding, the full extent and impact of which should not be underestimated. There will be some redistribution of funding across the SEN landscape, the changes are designed to make the system open and transparent, more market orientated and more responsive to parental choice. Headteachers of many special schools have concerns about the impact of these national changes because of the uncertainty that may surround their budget planning.
- 1.2 A set of slides from the Department for Education is attached in appendix one that summarise the new system of funding for SEN.

2. PROGRESS

- 2.1 On Wirral we have held a detailed consultation with all schools and academies during the Summer Term 2012, and Forum made a number of decisions in September 2012. A principal intent behind some of the decisions was to preserve stability and minimise funding disruption for the transitional year.
- 2.2 Since September 2012:-
 - i We have worked with Education Funding Agency (EFA) to provide data and information about pupil numbers in specialist provision. This is because the EFA will provide funds direct to specialist provision (£10k per place in specialist SEN provision, and £8K per place in alternative provision). These monies will no longer come through Wirral's Dedicated Schools Grant (DSG).
 - ii We have worked to identify the elements in current budgets that will form the High Needs Block in Wirral's DSG (approximately £32m).

- iii Budgets have been drafted for special schools for 2013-14 and discussed with headteachers.
- iv Budgets have been drafted for resourced and alternative provision for 2013-14, and are due to be discussed with headteachers before the end of January 2013.
- v. Following consultation Forum agreed that Wirral's five units of support will be increased in value from £5,665 to £6,000. It will also result in a corresponding reduction in the value if support is in excess of £6,000. An amount of money has been identified to be delegated to schools' notional SEN budgets.
- vi Finance and SEN colleagues have been working together, across the nine authorities that form Merseyside Learn Together Partnership, sharing information, ideas and proposals, to develop and align processes and practice.
- vii A seconded headteacher with experience of primary and special schools has started work to develop a local system of banded 'top-up' funding.
- viii A SEN Steering Group the Forum agreed in September 2012 to set up to guide developments has met, and will be meeting monthly over the next two terms to steer work on the development of Wirral's SEN finance.

RECOMMENDATION

Forum is asked to note the contents of this report

Julia Hassall, Acting Director of Children's Services

High needs funding reform: Next steps towards a fairer system

Ben Bryant, Funding Policy Unit –
Benjamin.Bryant@education.gsi.gov.uk



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1

The case for reform

- The Government believes that funding arrangements for pupils and students with high needs require urgent reform.
- Broadly speaking, there are two principal reasons for this.
 - To ensure funding arrangements fit with and support Government policy
 - Reform of SEN and disability framework – the Green Paper and the Children and Families Bill
 - Reform of AP – Charlie Taylor’s report on AP, the trial of mainstream schools commissioning AP
 - Academies and Free Schools – increasing numbers of high needs pupils educated in academies
 - Reform of post-16 qualifications – Professor Wolf’s report
 - To address the **shortcomings of current funding arrangements**



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High needs reform: A simple new system

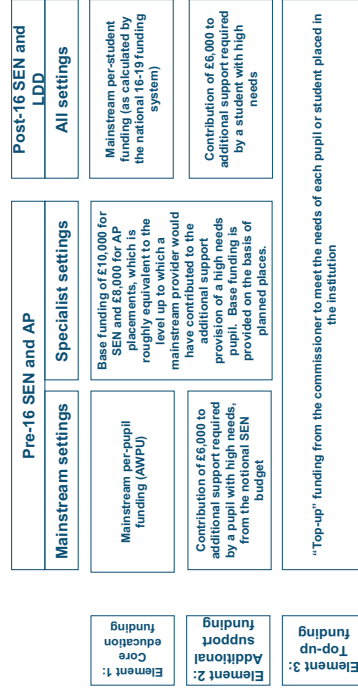
- The steps to reforming high needs funding**
- Define “high needs” – requiring provision costing more than £10k (not linked to statutory assessment)
 - Bring into line the level up to which mainstream providers will contribute to pupils and students with high needs (local offer)
 - Introduce an equivalent level of base funding for specialist settings (address potential perverse incentives, and provide some stability)
 - Bring together all national high needs funding – provide local authorities with a High Needs Block (covering 0-25)
 - Bring educational commissioning and funding together – pupil- or student-led funding, direct funding relationships



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Overview: Reform of high needs funding



This diagram appeared as Figure 1 (p.43) of *School funding reform: Next steps towards a fairer system*.



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Mainstream settings: Overview

- **New system very similar to the current system ...**
 - Current: funding per-pupil, notional SEN budget, IARs
 - Reformed: funding per-pupil, notional SEN budget, top-up
- **... first key reform is standardising across LAs and post-16 the level up to which mainstream providers will contribute – first £6,000 of additional support above per-pupil funding.**
 - Important link to the local offer – opportunity to define with schools what they will provide for high needs pupils.
- **... second key reform is direct top-up funding linked to education commissioning – replacing the need for inter-authority recoupment (including on behalf of Academies).**



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Mainstream settings: Next steps

- **Local authorities must:**
 - **construct new mainstream formula** and decide on the maximum level of funding to be provided by mainstream schools and Academies from their notional SEN budget – strong recommendation of the first £6,000 additional educational support per high needs pupil – likely to be a mixture of prior attainment, deprivation and AWPUs;
 - **define the “notional SEN budget”** for mainstream settings; and
 - **define a local offer of provision**, working with schools, Academies and post-16 providers – including what mainstream settings will make available from their notional SEN budget.
- **Local authorities can consider and, if necessary, define local circumstances in which schools and Academies would receive additional funding** – where the formula does not adequately reflect the number or needs of pupils with SEN.



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Specialist SEN settings: Overview

- **Specialist settings – institutions or places specifically set aside for high needs pupils.** Includes special schools / Academies, special units and resourced provision, INMSSs and ISPs.
- **New way of funding specialist settings – moving from a predominantly place-led system to a “place-plus” approach**
 - Per-place base funding (£10,000 pre-16; slightly different post-16)
 - Per-pupil top-up funding
- **Base funding “passported” to providers**
 - By the maintaining local authority for maintained settings
 - By the EFA for Academies, Free Schools etc.
- **Direct top-up funding linked to education commissioning** – from the commissioning local authority (replacing recoupment).



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Specialist SEN settings: Next steps

- **Local authorities must:**
 - **determine the number of places in maintained special schools, and maintained special units and resourced provision that will be funded in 2013-14** – the EFA will shortly begin to work with local authorities to confirm this information;
 - **remodel maintained provider budgets from “place” to “place-plus”:**
 - take the current “place value” (the total budget divided by the number of places);
 - express this as £10,000 base funding plus top-up funding;
 - confirm that this will be used to set top-up rates in 2013-14; and
 - work with Academies that the authority used to maintain to help them to do the same.
- **Local authorities can make arrangements for the new direct funding arrangements** – work with providers and neighbouring local authorities to develop effective, collaborative commissioning and funding arrangements.



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AP: Overview

- **New way of funding AP ... very similar to specialist SEN settings – “place-plus” and introduction of base funding**
 - Per-place base funding £8,000
 - Base funding “passported” to providers through the maintaining local authority (maintained AP) or the EFA (AP Academies, Free Schools)
 - Top-up funding from the commissioner – either the local authority or mainstream school / Academy



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AP: Next steps

- **Following the Education Act, PRUs should have delegated budgets by April 2013.** They do not currently have these.
- **Local authorities must:**
 - **identify AP budgets** – including identifying the funding currently needed for maintained PRUs to operate so as to provide a delegated budget;
 - **determine the number of places in maintained PRUs and other maintained AP that the authority intends to fund in 2013-14;**
 - **determine the “place-value”** – determine the current “place value” (total budget divided by the number of places); and
 - **rework AP budgets as “place-plus”** – take the current “place value” and express this as £8,000 base funding plus top-up funding.



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Constructing the High Needs Block

- Local authorities’ High Needs Block will be based on **current spend on high needs pupils and students.**
- To implement the new approach, we will need to calculate the **place-led** (sum total of designated places) and **pupil-led** parts.
 - The **place-led** part will be allocated to providers – “passported”.
 - The **pupil-led** part will be allocated to local authorities as the notional High Needs Block within their DSG.
- **This will not create changes to local authority spending power on high needs pupils and students.**
- This will require a **one-off adjustment so that:**
 - the **place-led** funding is in the right place to be passported to providers; and
 - the **pupil-led** funding is in the same place as the responsibility for commissioning provision for the high needs pupil or student.



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New arrangements for specialist SEN / AP places: Maintenance

- **Once we have made the initial one-off adjustment, there will be a simple process for reviewing the number of places funded in a particular setting.**
 - Number of funded places to be reviewed at least every two years
 - Based on dialogue between a provider and its commissioners, EFA to co-ordinate
 - Ensure high needs funding is responsive to need (and choice)
 - Enable planning at local and supra-local, and encourage joint commissioning
- **We will ensure that there is a system in place to adjust the place-led and pupil-led components of an authority’s High Needs Block if the authority needs more specialist places or needs fewer (e.g. investment in early intervention) over time.**



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Hospital education

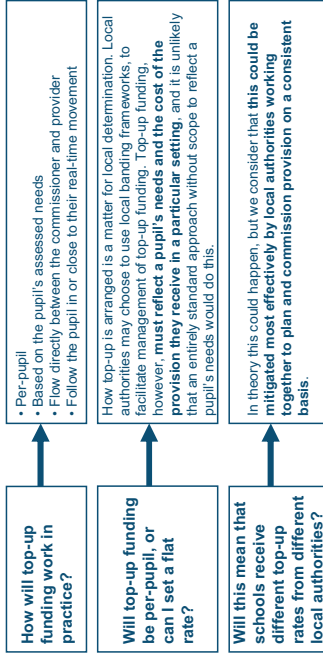
- **A new approach to funding hospital education provision.**
 - Recognises that this provision is not commissioned or planned in the same way as other high needs provision.
 - Avoids the need for a massive and bureaucratic inter-authority recoupment exercise.
 - Ensures that high-quality provision is available where young people need it.
- **Hospital education** – education provision received as a result of being admitted to a hospital / medical setting.
- **Steps**
 - Identify hospital education provision – distinguish from other forms of high needs provision (part of the EFA's data-checking exercise)
 - Calculate current spend
 - Top-slice from the national DSG
 - "Passport" to hospital education providers
 - Maintenance – reviewed in the same way as other high needs places.



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Top-up funding: Further information



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New arrangements: Implementation summary

- **Mainstream** – local authorities adjust threshold up to which mainstream providers will contribute to £6,000 as part of developing a new mainstream formula (by October 2012).
- **Specialist SEN and AP**
 - Local authorities determine the number of places the authority intends to fund in 2013-14 (by September 2012).
 - Local authorities rework provider budgets as "place-plus" and work with providers to agree appropriate top-up rates (by April 2013).
- **Hospital education** – local authorities identify existing hospital education and demarcate from other high needs provision.
- **Post-16 high needs** – we will provide further information to enable local authorities to model and rework post-16 budgets for providers later this month.



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Julia Hassall
*Acting Director*Hamilton Building,
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CH41 4FD

to Dugald Sandeman
Head of Maintained Schools Division
Department for Education
Sanctuary Buildings
Great Smith Street
Westminster
London SW1P 3BT

date 16 October 2012

your ref
my ref AR823/JAM
service Children's Services
tel 666 4249 Please ask for
fax 666 4338
email andrewroberts@wirral.gov.uk

Dear Mr Sandeman

WIRRAL EARLY YEARS CENSUS ERROR

I am the Chair of the Schools Forum and members have asked that I write to you on their behalf. The Early Years Census error was discussed at length at the Schools Forum on 25 September 2012, the report is attached to this letter.

As a group of headteachers and governors representing all schools on Wirral we are disappointed that the issue described has not progressed since first raised with us in July. Our hope was that a different approach would be taken by the Department, one which would ensure that Wirral receives an accurate and correct level of funding and that despite the error, young people are not disadvantaged.

You will know that the size of the budgeted error (£1.4m) and the amount of grant involved would make this loss very difficult at any time, but it is even more so in the current climate. That children on Wirral will not benefit from the funding intended is unfair. This seems to be in part because of an error in data provided but also because of a policy that lacks the flexibility needed to ensure that funding can be directed where needed. Does the department not have contingency or reserve funds which could be used in this instance?

My colleagues and I believe that the EFA should not withhold funding, but instead release the level of grant to support all children as intended. I would be grateful for your response to report to our next meeting.

Yours sincerely

Richard Longster
On behalf of Wirral Schools Forum

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Richard Longster
Chair, Wirral Schools Forum
Hamilton Building
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Birkenhead
Wirral CH41 4FD

21 November 2012

Jan M. Longster.

WIRRAL EARLY YEARS CENSUS ERROR

Thank you for your letter dated 19 October which I received under cover of an email from Colleen Halpin dated 29 October. I am sorry not to have replied earlier.

The issue of the error and its impact on the Dedicated Schools Grant of Wirral has been the subject of extensive correspondence between the Authority and both Ministers and officials here. As you may know the Minister of State, David Laws MP, met Alison McGovern MP and David Armstrong from Wirral last week. The Minister confirmed the earlier decision and explained his basis for doing so.

Separately Peter Lauener, the Chief Executive of the Education Funding Agency wrote to the chief executive, Graham Burgess, on 2 November and set out the reasons for the decision. I am sending a copy of his letter with this one.

Like Peter, I regret the impact that this error is having on Wirral, but sustain the need to maintain the Department's procedure for errors of this sort.

Yours sincerely

Dagald Sandeman

Dagald Sandeman
Maintained Schools Division

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WIRRAL COUNCIL

SCHOOLS FORUM - 23 JANUARY 2013

REPORT OF THE ACTING DIRECTOR OF CHILDREN'S SERVICES

SCHOOLS BUDGET MONITORING REPORT 2012-13

EXECUTIVE SUMMARY

This report briefly describes the areas of under / overspends in centrally held schools budgets for the financial year 2012-13 and recommends that the DSG error of £1.4m is managed within 2012-13.

DSG Budget £1.4m shortfall

The budget for 2012-13 estimated the level of DSG to be received for the year at £191.6m. Previous reports have described the error in the submission of the Early Years Census. Lengthy correspondence, a meeting and discussions have taken place with the DfE however their position, stated elsewhere on this agenda, has not changed. A detailed investigation has been carried out and action has been taken to ensure that this can not recur.

The outcome is that shortfall will need to be met by reductions in expenditure either in the current or future years schools budget.

Anticipated Budgets Variations

The centrally managed schools budget totals £21,302,600 in 2012-13, of which £18,557,500 is funded from DSG and £2,745,100 is funded from the Council.

There are a number of areas below where centrally managed schools budget costs have been tightly managed, reduced or are less than planned levels. It is anticipated that overall these will offset the grant reduction without the need for a deficit being carried forward.

Early Years £0.2m reduction

There is a budget of £10.2m which makes payments to providers of Early Education to children aged 3 and 4. Whilst there has been a small increase in the overall take up in the current year there is likely to be a small underspend in this budget. Full service requirements have been met.

School Meals £0.2m reduction

The in house schools meals service is performing well. There is an ongoing reduction in labour costs from the councils severance programme and sickness levels have improved. There has been additional income from increased meal take up.

SEN £0.5m reduction

There will be a reduction in Statementing costs this year of £250,000. In addition spend on other SEN initiative areas has been limited and there will be a small saving in Behaviour Support.

Schools PPM £0.1m underspend

The overall PPM budget is £649,000, of which £200,000 is supported by DSG. Following the council's expenditure freeze it is anticipated that there will be a reduction of £300,000 in this programme, of which a third would accrue to the Schools budget based on the schools budget contribution to the overall programme..

Job Evaluation and Pay Harmonisation £0.2m underspend

Backdated Job Evaluation and Harmonisation costs continue to be paid to staff in schools following appeals and settlements (£0.9m this year.) There is a budget of £450,000 in 2012-13 and a reserve of £1.2m to meet these costs. The continuation of this budget of £450,000 in 2013-14 (which will also meet any amounts for the final phase of job evaluation) will enable a reduced contribution to the reserve in the current year.

DSG Reserve £165,000

Unallocated DSG from 2011-12 has been brought forward.

Schools Contingency

It is likely that the Schools Contingency budget of £0.7m will be fully spent this year, costs have included the following:

	Estimated Spend £
Special School Trigger	60,000
Closing schools and PRC's	265,000
Gilbrook 6th day exclusion	60,000
Exclusion top up	51,000
Nursery salary protection	18,000
Gilbrook base	39,000
KSI class size	38,000
Pension settlements	40,000
School rents	23,000
Legal costs	16,000
Additional LACSEG	90,000
Total	700,000

Conclusion

Variations identified in the centrally held schools budget set out above are estimated to be sufficient to meet the loss of DSG without any deficit carried forward or any direct impact on delegated school budgets.

Recommendation

That the Forum comment on the proposed use of school budget underspends in 2012-13.

Julia Hassall
Acting Director of Children's Services

WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM – 23rd JANUARY 2013

REPORT OF THE ACTING DIRECTOR OF CHILDRENS SERVICES

EARLY YEARS FUNDING UPDATE

1.0 EXECUTIVE SUMMARY

This report recommends that an hourly rate of £4.85 is paid in respect of the Free Early Years Entitlement for 2 Years olds. In addition, changes are made to the Early Years Single Funding Formula (EYSFF) to continue the protection element for Nursery Schools at 85% (of their funding level in 2010-11) rather than 80% and to transfer the nursery schools grants element of the EYSFF into the Headteacher and Harmonisation lump sum.

2.0 EARLY YEARS EDUCATION FOR 2 YEAR OLDS

Attached to this report is a letter from the Under Secretary of State for Education and Childcare, dated November 2012. The letter explains the funding to be received by Councils for 2 year olds and the arrangements that are to be put in place.

Wirral will receive £2,313,366 in 2013-14 for “Statutory Place Funding”. This is funding for any 2 year old child in a family meeting the criteria used to establish school aged eligibility for Free School Meals or any 2 year old child that is looked after by the local authority. The estimated number of eligible children for Wirral is 834.

In 2012-13 funding for the 2 year old entitlement was made within the Early Intervention Grant, part of the Children’s Services budget. The budget provision in 2012-13 was £969,000. This is to be transferred into DSG together with an additional EIG top slice in order to expand the programme.

In the spring term there are estimated to be 348 children taking up the 2 year old offer, numbers may expand by more than twice this in 2013-14.

Trajectory funding of £908,165 has also been added to Wirral’s allocation. Trajectory funding is provided to expand provision beyond the statutory level and prepare for an entitlement based on 40% of 2 year olds in 2014-15. This grant could fund a further 330 children for a full year.

The Schools Forum Working Party met in early January to consider a number of issues related to this provision. Arrangements are being put in place to advise providers, seek information about additional capacity and to promote the 2 year old scheme. Further meetings of this group are planned, where responses from providers and the use of a Capital Allocation of £614,624 to help deliver this programme will be considered.

The payments to providers must in future be made through the Early Years Single Funding Formula. Guidelines recommend that a single rate is used with no supplements. The current rate paid is £4.85, taking account of a higher staff to pupil ratio and it is recommended that this continues to be used in the future.

3.0 AMENDMENTS TO THE EYSFF

3.1 The single formula has been in place since April 2011, funding all Early Years providers using a common hourly base rate of £3.20. A number of supplements are paid for deprivation, quality and flexibility. In the case of Nursery Schools supplements continue to provide for the level of grants previously received by the school. In 2013-14 the formula needs to be amended to remove this element as has happened with mainstream schools. The amounts concerned total £114,200 and should be transferred to the Headteacher and Harmonisation Lump Sum.

3.2 Overall the formula is delivering less funding to the 3 nursery schools than previously. Whilst there is a protection element in the formula, when this reduces next year to 80% of the budget set in 2010-11, the schools are indicating that there is a budget shortfall of between £30,000 and £60,000.

2013-14 is the final year of the protection scheme. It is proposed that for this year the reduction from 85% to 80% is not implemented. This change will increase costs by £62,000. It is anticipated that this will be met from within the existing Early Years Budget.

4.0 RECOMMENDATION

The Forum agree:

- the 2 year old funding rate of £4.85
- the change to the grant element described within the EYSFF
- to maintain protection for nursery schools at 85% of their 2010-11 budget
- that the Forum working group review the EYSFF and report to a future meeting.

Julia Hassall
Acting Director of Children's Services

Early Education Funding for Two Year Olds from Lower Income Households

November 2012

Dear Colleague,

1. This week I made a series of announcements on early education funding for two year olds. This letter provides further details on those announcements as well as links to related sections of the Department for Education's (the Department) website.

Duty to secure free early education for eligible two year olds

2. Free early education will become a statutory entitlement for eligible two year olds from 1 September 2013, with the local authority having a duty to secure provision. Eligibility criteria are set out in The Local Authority (Duty to Secure Early Years Provision Free of Charge) Regulations 2012 (SI 2012/2488), made under Section 7 of the Childcare Act 2006 as amended by Section 1 of the Education Act 2011¹. Some 130,000 children in England, around 20% of two year olds, are expected to receive free early education from September 2013.
3. The programme will be extended from September 2014 to include around 260,000 children, some 40% of two year olds. The Government recently consulted on proposed eligibility criteria for this extended entitlement. The consultation ended on 15 October 2012, and the Government expects to publish an analysis and conclusion in early 2013.

2013-14 Revenue funding for two year old early education

4. The government announced in the *Government Response to Supporting Families in the Foundation Years: Consultation on Proposed Changes to Free Early Education and Childcare Sufficiency* (May 2012), that funding for free early education for two year olds will form part of the Dedicated Schools Grant (DSG) from 2013-14². This

¹ From 1 September 2013, the duty to secure free early education for two year olds relates to: 1) Looked after children; 2) Children who meet the FSM criteria e.g. from families whose income is below £16,190 and their parents are in receipt of any of the following benefits: Income Support; Income-based Job Seekers' Allowance; Income-related Employment and Support Allowance; Support under Part VI of the Immigration and Asylum Act 1999; the Guarantee element of the State Pension Credit; or Child Tax Credit, provided they have an annual gross income of no more than £16,190, as assessed by Her Majesty's Revenue and Customs, and are not in receipt of Working Tax Credits (except during the four-week period immediately after their employment ceases, or after they start to work fewer than 16 hours per week).

²

<https://media.education.gov.uk/assets/files/pdf/g/government%20response%20proposed%20changes%20to%20free%20early%20education%20and%20childcare%20sufficiency.pdf>

reflects the fact that from September 2013 free early education for eligible two year olds will be statutory, in the same way as it is for all three and four year olds. Transferring the funding into the DSG integrates funding for all free early education.

5. Local authority allocations for two year old free early education will, alongside funding for three and four year olds, form part of the notional Early Years block within the reformed DSG.

Allocation details

6. In 2013-14 the Department is allocating £525m to local authorities and using £9m itself to support implementation of the new early years programme for two year olds from lower income families.
7. Local authority allocations have been calculated using a formula to divide the funding available between local authorities, based on an estimate of the number of eligible two years olds likely to receive provision in each local authority. The formula estimates the number of eligible children using free school meal data (from the School Census) for four to six year olds as a proxy, multiplied against population estimates for the number of two year olds in each local authority in September 2013. The formula then takes account of different costs in different local areas by using an area cost adjustment (ACA). For details of the formula, see the technical note.
8. Each local authority's allocation includes a notional amount for statutory places (which must be funded once the entitlement for 20% of two year olds comes into force from September 2013) and a notional amount for trajectory building which will be used, in the main, to create non-statutory places in preparation for the 2014 entitlement for 40% of two year olds. Alongside this is the estimate, drawn from the formula, of the number of eligible two year olds in each local authority based on the 20% entitlement.
9. The allocation has been split in this way to provide maximum transparency for local authorities and providers on the funding allocation each local authority will receive and the number of places this is intended to support. This should enable sensible budget setting to make the most effective use of funding. In particular, this should enable local authorities to set hourly rates in 2013-14 which can be sustained into 2014-15. Stable and sustainable funding rates are vital to give providers the confidence to offer new two year old places.
10. The result of the formula is that the Department is allocating funding to local authorities at an average hourly rate of £5.09 for statutory two year old places. This compares favourably to the Daycare Trust Cost Survey 2012 which shows average hourly childcare fees in England are £4.13 per hour for under-twos and £3.95 per hour for children aged two and over.

Local funding arrangements

11. Local authorities will be required from April 2013 to fund two year old places through an Early Years Single Funding Formula (EYSFF). This requirement will be contained in the Schools and Early Years Finance Regulations 2013, which the Department intends to make shortly.
12. Local authorities should work with and consult providers to create their own EYSFF for two year old places, in a similar way to current arrangements for three and four year olds. The National Audit Office report 'Delivering the free entitlement to education for three and four year olds' (February 2012) highlighted the complexity of some local formulae. Local authorities are, therefore, strongly encouraged to fund providers on the basis of a flat hourly rate for two year old places with no additional supplements. Following consultation the Government has decided against introducing, through the Finance Regulations, a mandatory quality supplement for providers of two year old early education.
13. The funding allocated contains sufficient flexibility to provide additional support for two year olds with additional educational needs and Special Educational Needs. Funding included in the High Needs Block of the DSG may also be used to support two year olds with additional needs. Local authorities are encouraged to be clear with providers on the additional resource available to meet the needs of these children.
14. Research evidence is clear that high quality early education is critical to the success of the two year old entitlement. The Government expects local authorities to fund places in any settings that are rated good or outstanding by Ofsted. Our aspiration is that all eligible two year olds are able to receive early education in good and outstanding provision.
15. Local authorities are strongly encouraged to pass all available funding to providers to deliver two year old places. This will help create a sustainable, high quality early years offer. Local authorities are also reminded that, from 2013-14, they will be required to secure the permission of the Schools Forum for any early years centrally retained funding.
16. It is important to maximise the transparency of the funding allocated. This is why the Government has published separate notional statutory place and trajectory funding allocations. In addition, from 2013-14 local authorities will be required to submit to the Department details of the funding rates they pay providers for two, three and four year old places. This information will be collected through the new early years proforma as part of the Section 251 financial returns. Once collected, this information will be published on the Department's website and will enable providers and parents to compare funding rates in different areas. We will also update and expand the early years benchmarking information we publish using the information from the proforma.

Future funding allocations

17. The Department is considering the most suitable formula for allocating funding to local authorities for 2014-15 for the 40% entitlement. More information will be made available on this in due course.
18. We see the key role of the local authority as raising awareness of the programme with parents and it is the government's strong intention to reward local authorities who achieve high levels of take-up by moving to participation funding. This is not possible in 2013, but we intend to do so as quickly as possible, from 2015.

Capital funding

19. £100 million of capital funding will be allocated in 2012-13 as a contribution to local authorities' capital budgets.
20. This funding is being paid to local authorities under section 31 of the Local Government Act 2003 and is not ring-fenced for the early years programme for two year olds from lower income families. This additional funding may be used for any capital purpose, but it is intended to support implementation of early education for two year olds.
21. Local authority allocations have been calculated using the same formula used for revenue funding to estimate the number of eligible two year old children likely to receive provision in each area. Funding has then been distributed using a capital specific area cost adjustment.

Further Information

22. Further information about the allocations is available at www.education.gov.uk.

Elizabeth Truss MP
Parliamentary Under Secretary of State for Education and Childcare

WIRRAL SCHOOLS FORUM – 23rd January 2013

WORK PLAN

Meeting Date			
10th April 2013	3rd July 2013	2nd October 2013	January 2014
		Elect Chair and Vice Chair Membership	
Budget update Funding Formula 2013-14	Schools Outturn School Balances	Final DSG calculation 2013-14	Schools Settlement Schools Budget Pupil Premium MFG Exceptions De-delegation of budgets
Harmonisation update		School Intervention Budget SEN / Home Tuition / LACES	
		Draft School Finance Regulations	School Finance Regulations
SEN Funding Formula Early Years Formula Traded Services		Traded Services Academy Services	Early Years Formula Review

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