



# Lancashire Schools Forum

## Annual Report 2014/15

### Headlines April 2014 - March 2015

The Lancashire Schools Forum met on four occasions in the financial year 2014/15 and has considered a variety of reports and presentations on school funding and finance related matters. This annual report sets out some of the key issues dealt with by the Forum.

### Schools Budget 2015/16

The County faced a £2.6m shortfall in the core Dedicated Schools Grant (DSG) funding for 2015/16, which the Forum agreed would be bridged by the use of £2.6m of reserves.

In addition, a further £8.0m was made available from reserves for a one-off distribution. The additional funding was distributed equitably across mainstream primary and secondary schools and academies, special schools, PRUs and nursery schools in proportion to the amount of funding distributed to each sector in the funding formulae, as set out below:

Sector	2015/16 Funding Increase
Primary Basic Element Per pupil	£39.97
Secondary Basic Element Per pupil	£52.13
Early Years base rates for 2 & 3/4 year olds per hour	£0.05
Special schools per school specific factor	£187.89
PRUs through certain per pupil top ups	£186.52

Due to the one-off nature of this allocation schools were urged to use this additional 2015/16 funding for one-off expenditure, for example maintenance funding, and not to commit it to on-going staffing costs or hold it in reserve.

The accumulation of this level of reserves to support the Schools Budget related to various underspends from previous years, and is unlikely to be available again in 2016/17.

### Service De-delegations 2015/16

Regulations require that the Forum is responsible for deciding which services should be de-delegated each year. In October 2014, the Forum considered a number of de-delegation proposals. Primary and secondary members agreed by phase that a number of services would be de-delegated for the 2015/16 financial year. This means that for primary and secondary schools (but not academies) services will be provided centrally. These services are:

- Staff costs – Public Duties/Suspensions ;
- Museum Service - Primary Schools Only;
- Support For Schools In Financial Difficulty, including termination of employment costs

### Consultation Responses

146 schools responded to the de-delegation consultation held in autumn 2014. Members of the Forum were very grateful for these responses to help steer their decisions on which services should be de-delegated.

### **Financial Management Training**

Using clawback funding, the Forum have supported the development of additional financial management training for schools, which will be provided free for headteachers and governors on a rolling programme.

### **Universal Infant Free School Meals (UIFSM)**

Central Government introduced a requirement for schools to provide a free school meal for all infant children from September 2015. The Forum were consulted on the allocation of grant funding which was used to implement 199 kitchen improvement projects across Lancashire to enable delivery of the UIFSM initiative.

### **Rates Funding**

Under the Government's new school funding framework, the distribution of rates funding moved to being based on an estimate of actual costs. Following representations from some schools, proposals were supported to introduce a mechanism that allows schools to submit a business case in year for consideration where this system has a material budget impact. Adjustments can be requested in those instances where that actual in year rates costs are greater than budgeted and the difference is at least greater than 1% of the total Schools Block funding for the same funding period.

### **School balances and Clawback**

At 31 March 2014, clawback totalling £210,000 was applied to 38 schools.

No changes to school balances or clawback arrangements were introduced for 2014/15.

Lancashire's guideline balance for 31 March 2015 continued to be 12% of Consistent Financial reporting (CFR) income for all phases, with a minimum threshold of £40, 000 to protect the smallest schools.

The following clawback rates were applicable at 31st March 2015:

- A clawback rate of 50% is to be applied to any balance above guideline (after adjusting for exemptions) as at 31 March 2015, or in the first year a school exceeds the new guideline (after adjusting for exemptions)
- A clawback rate 100% is to be applied to any balance in excess of guideline where the guideline has been breached for two or more consecutive years.

### **Early education for targeted 2 year olds**

Another Government policy has introduced an entitlement for free early education places to be available for the most deprived 40% of 2 year old children. The Forum supported the expansion of places available for the targeted 2 year olds throughout the year. The capital and revenue funding to create new places has now been fully allocated, but the Forum has agreed that underspends on the 2014/15 allocations can be carried forward into 2015/16 to ensure the delivery of earmarked projects.

In the autumn term 2014, numbers of 2 year olds receiving a free early education place in Lancashire reached 3,950. The spring term target agreed with the DfE is for 5,000 children to be accessing a targeted 2 year old place.

### **Free Early Education Funding: Interim Payments**

Following previous decisions to discontinue interim payments from the free early years funding arrangements, the Forum has worked to respond to concerns from the sector. This included offering advice and guidance to providers about minimising errors in the headcount process and entering into negotiations with the County Council to reduce the timescales contained in the funding agreement by which payments will be made in future.

### **High Needs Block Commissioned Places 2015/16**

Revised Regulations require the Forum to be consulted annually on the arrangements for commissioning High Needs Block places. Detailed information was provided to Forum about the number of places to be commissioned at Special Schools, FE colleges, Independent Specialist Providers, Pupil Referral Units and the Hospital Education Service, for both pre 16 and post 16 pupils/students.

In commenting on the 2015/16 place commissioning, the Forum did express some concern that the Education Funding Agency's (EFA) exceptional case process, which is used to request funding for additional High Needs Places, disadvantages larger LAs like Lancashire. This is because a 5% threshold is applied before agreed growth is funded. In Lancashire, places agreed in one part of the County cannot realistically assist the need for places that exists in an entirely different district. The EFA have been made aware of the Forum's concerns.

### **Early Support: Contribution to Combined Budgets**

In recent years, the Schools Forum has contributed a total of £1.4m per annum to combined budgets for early support services and initiatives. The County Council is undergoing a significant reshaping of its organisational structure and this provided an opportunity for the Forum to reconsider the priorities for the use of its Early Support contribution going forward.

The Forum supported the following priority areas:

- Emotional Health & Wellbeing of pupils;
- The School "readiness" of younger children;
- Domestic Abuse and family support.

A more integrated and responsive approach to service provision was also supported and the importance of communication and training in any offer was also emphasised.

Full details of Schools Forum business are available from the link below:

<http://www.lancashire.gov.uk/practitioners/supporting-children-and-families/education/schools-forum.aspx>