



Lancashire Schools Forum

Annual Report 2015/16

Headlines April 2015 - March 2016

The Lancashire Schools Forum met on four occasions in the financial year 2015/16 and has considered a variety of reports and presentations on school funding and finance related matters. This annual report sets out some of the significant issues dealt with by the Forum.

Schools Budget 2016/17

Advising on the Schools Budget is a key responsibility of the Forum. The key headlines from the 2016/17 budget setting process included:

- There was a £3.5m shortfall in core Schools Budget funding for 2016/17;
- The Schools Forum agreed to use reserves to bridge this core funding gap;
- In addition, a further £2.7m was available for distribution from reserves in 2016/17. Schools are asked to note that there is no guarantee that this release from reserves will be available in future years. The funding is being distributed equitable across all phases, as follows:
 - Primary Basic Pupil Element per pupil - £12.93;
 - Secondary Basic Pupil Element per pupil - £16.44;
 - Early Years base rates for 2 & 3/4 year olds at £0.02 per hour;
 - Special schools through school specific rates at £61.24 per pupil;
 - PRUs through the following top ups at £54.22 per pupil:
 - Excluded Pupils;
 - Primary Support;
 - Pupils Medical Pupils;
 - Other Pupils.
- The £2.7m of funding available to distribute from reserves in 2016/17 is much lower than the 2015/16 level, which was £8.0m, so the amounts delegated to schools are about a third of the one off distributions in 2015/16;
- The cap on funding gains be set at 1.5% to match the level of the Minimum Funding Guarantee (MFG) set by the DfE;

Service De-delegations 2016/17

Regulations require that the Forum is responsible for deciding which services should be de-delegated each year. In October 2015, 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 2016/17 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.** The 2016/17 de-delegation incorporates reimbursement to schools for staff costs associated with public duties and suspensions.
- **Museum Service - Primary Schools Only.** Provides funding for the work the museum service undertakes for primary schools to help meet the national curriculum and to support wider cultural learning.

- **Support for Schools in Financial Difficulty.** This funding allows support to be offered to schools in financial difficulty, which is managed by the School Improvement Challenge Board (SICB) against published eligibility criteria.

Consultation Responses

118 schools responded to the de-delegation consultation. The Forum were very grateful for these responses to help steer their decisions on which services should be de-delegated.

School balances and Clawback

The Forum reviews the Lancashire school balances and clawback arrangements each year.

In connection with School Balances and Clawback at 31 March 2015, clawback totalling £0.145m was applied to 14 schools.

The Forum agreed to increase the minimum balance threshold to be applied at 31 March 2016 to £60,000 (from £40,000). This was to allow smaller schools to hold a more meaningful level of reserve to help protect against the cost pressures facing schools over the coming years, and any funding volatility.

The Forum emphasised that although the maximum guideline balance is 12% of CFR or £60,000 this figure should not be seen as a target for schools.

Rates Reimbursement Funding

The Forum had previously agreed a policy to reimburse schools for dealing with rates reimbursements for 2014/15 onwards. This policy has reviewed in March 2016 in the light of its operation in the last two years, and some minor changes were agreed:

- The rates reimbursement policy requires schools to submit a business case to the authority, where the actual in year costs incurred by a school is greater than budgeted and the difference is at least greater than 1% of the Schools Block funding for the same funding period. However, the Forum agreed to amend the policy to also include cash threshold in the arrangements, of £5,000;
- A further policy amendment was agreed to waive the financial threshold for second year applications for those schools supported by the policy in one year, where the notification arrives too late to be included in the school's budget calculation for the subsequent year;
- Finally, an amendment to the policy was agreed to waive the financial threshold for any school where building work as part of an LA approved expansion contributes to an increased in year rates cost being incurred by the school.

Wellbeing, Prevention and Early Help Service

As part of the County Council budget options, the Wellbeing, Prevention and Early Help Service consulted on some proposed changes to the service, a number of which had potential implications for schools.

The Forum responded to the consultation to set out the concerns of schools.

Staff Supply Cover Insurance Scheme for Lancashire Schools and Academies 2016/17

Since 2011/12, the Supply Scheme has been in surplus and has been able to provide a reimbursement to scheme members at each year end. However, at the end of 2014/15 (the last full year data available), the Scheme had slipped into a deficit position of over £320k.

The deficits can be met from the Scheme reserve, however, the Schools Forum supported an increase in the 2016/17 premiums in order to bring the Scheme back onto an economic footing. The most significant increase relate to the support staff element of the scheme, to reflect the level of in year deficit attributable to this element. Some rebasing of the teaching scheme was also supported, meaning the premiums for some schools have increased, whilst others have reduced.

Whilst any increase in premiums was undesirable at this stage, particularly bearing in mind other cost pressures on schools, the principle behind the scheme is for Lancashire schools and academies to pool the risk of sickness absence. The Scheme does not make a profit and the Schools Forum were very clear that overspends on the scheme cannot be supported from general Dedicated Schools Grant (DSG) reserves that are available for all schools.

In order to make the scheme self-financing, the 2016/17 price changes were unavoidable.

Surface Water and Highways Drainage (SWHD) Charges

Following a government consultation, to which the Schools Forum replied, the Department for Rural Affairs (DEFRA) has acknowledged the strength of feeling on surface water drainage charging, particularly from schools and public sector organisations in the North West of England. In light of the feedback received, the government has decided to review its Guidance to Water and Sewerage Undertakers in relation to Concessionary Schemes for Community Groups for Surface Water Drainage Charges.

Further information will be provided once we receive any detail about what the revised guidance will require of water companies.

The Forum expressed thanks to all those schools that have made representations on this issue.

Early Years Pupil Premium (EYPP)

The Government have confirmed that from 2016/17 data required to calculate local authority EYPP allocations will only be collected on the January school and early years censuses each year.

In order to provide a responsive process for schools, and enable schools to be able to respond to the needs of eligible children, the Schools Forum have agreed that the LA should continue to make termly EYPP payments for eligible pupils.

This process does pose a risk that Lancashire is likely to distribute more in EYPP payments than will be received in income from the EFA. The Schools Forum have agreed that this risk will be underwritten by the Dedicated Schools Grant (DSG) Reserve, as it was felt important to provide a responsive EYPP system for all settings.

High Needs Block Commissioned Places 2015/16

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.

Forum also agreed to review the timescales around the commissioning process for 2017/18, in order to build in longer notice period for schools if any changes were required.

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.

Annual updates were presented on issues such as Early Support Commissioning and Social Workers in Schools, so that the Forum could help steer the initiatives.

School Funding System Supporting Data

The Forum reminded schools about the importance of ensuring that the data submitted on the termly census is complete and accurate as this will form the basis of funding allocations from the Education Funding Agency (EFA) that cannot be corrected locally.

Schools National Funding Formula and Review of High Needs Funding

In the Spring term 2016, the DfE published the first stage of consultations on the Schools national funding formula and the review of high needs funding. The Forum agreed responses to these consultations, to set out members' views of the implications for schools and academies in Lancashire.

These views were shared with Lancashire schools and academies and the Forum encouraged individual establishments to respond directly to the consultations.

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>