



# NOTICE OF MEETING

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## SCHOOLS FORUM

WEDNESDAY, 20 JANUARY 2016 AT 4.30 PM

CONFERENCE ROOM A, SECOND FLOOR, THE CIVIC OFFICES

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### Membership

#### Schools Members

One head teacher representative - nursery phase

Three head teacher representatives - primary phase

Two head teacher representatives - secondary phase

One head teacher representative - special phase

Five academy representatives

Five governors

#### Non School Members

Four Councillors (one from each political party)

One representative from the following organisations:

The Anglican Diocese

The Roman Catholic Diocese

The 16-19 Representative

The Early Years providers (from the private, voluntary and independent sector)

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(NB This agenda should be retained for future reference with the minutes of this meeting).

Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: [www.portsmouth.gov.uk](http://www.portsmouth.gov.uk)

### AGENDA

- 1 Apologies
- 2 Declarations of Interest
- 3 Membership Changes.

**4 Minutes and Matters Arising From the Previous Meeting held on 21 October 2016. (Pages 1 - 6)**

**5 School Revenue Funding Arrangements 2016/17. (Pages 7 - 32)**

Purpose.

The purpose of this report is to:

- a. seek approval for the final stage of the submission to the Education Funding Agency (EFA) by the 21st January, of the 2016-17 mainstream school revenue funding pro-forma for the Primary and Secondary phases
- b. inform Schools Forum of the initial determination of the schools budget (including the individual schools budgets) for 2016-17 and to seek the necessary endorsement and approvals required.

**RECOMMENDED that Schools Members:**

- a. **Endorse the proposed changes to the mainstream schools revenue funding formula as set out in section 6.**
- b. **Approve the de-delegated unit values for 2016-17 as shown at Appendix 3.**
- c. **Endorse the amount of the growth fund for 2016-17 at £365,000.**
- d. **Endorse the school funding pro-forma at Appendix 4 for submission to the EFA on the 21<sup>st</sup> January 2016.**

**RECOMMENDED that the Schools Forum:**

- e. **Endorse the determination of the 2016-17 schools budget (including the individual schools budgets) shown at Appendix 1, together with the supporting explanations contained within this report and specifically agree the following budget lines:**
  - i. **Early years central expenditure;**
  - ii. **Admissions Service;**
  - iii. **Schools Forum.**
- f. **Endorse the 2016-17 Element 3 Top-up rates for the Special Schools Resourced Units and Alternative Provision settings as set out in Appendix 7.**
- g. **Endorse the decision that any carry-forward balances from 2015-16 be used to assist with the continued introduction of the funding reform changes and fund any potential financial pressures arising during 2016-17, for example, to support remodelling of SEND provision as set out in paragraph 8.11, subject to consultation with Schools Forum.**

**6 Dedicated Schools Grant Budget Monitoring Report for the Second Quarter 2015/16. (Pages 33 - 38)**

Purpose.

To inform Schools Forum of the projected revenue expenditure within the Dedicated Schools Grant (DSG) for the current financial year 2015-16. This report sets out the forecast budget position for the year-end as at the end of September 2015.

**RECOMMENDED that the Schools Forum note the forecast year-end budget position as at the end of quarter 2, for the Dedicated Schools Grant, together with the associated explanations, as detailed in section 4 of the report.**

**7 Any Other Business.**

Members of the public are now permitted to use both audio visual recording devices and social media during this meeting, on the understanding that it neither disrupts the meeting or records those stating explicitly that they do not wish to be recorded. Guidance on the use of devices at meetings open to the public is available on the council's website and posters on the wall of the meeting's venue.

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# Agenda Item 4

## SCHOOLS FORUM

MINUTES OF THE MEETING of the Schools Forum held on Wednesday, 21 October 2015 at 4.30pm at the Civic Offices, Portsmouth.

### Present

David Jeapes, Head Teacher	Secondary (Chair)
Gareth Hughes, Head Teacher	Secondary
Jackie Collins, Head Teacher	Primary
Karen Stocks, Head Teacher	Primary
Krishna Purbhoo, Head Teacher	Special Schools
Sarah Sadler, Head Teacher	Primary
Sue Wilson, Head Teacher	Primary
Steven Labeledz	Academy - Secondary
Lee Miller	Academy - Secondary
Alison Beane	Academy - Special
Steve Sheehan, governor	Primary
Clive Good, governor	Primary
Steve Frampton	16-19 Representative
Carole Damper	Early Years Providers
Councillor Colin Galloway	UKIP
Councillor Lynne Stagg	Liberal Democrats

### 27. Apologies

Bruce Marr and Di Smith sent their apologies.

### 28. Declarations of Interest

No interests were declared.

Richard Webb noted that he was still waiting for declarations of interests forms from two members.

### 29. Membership Changes.

Richard Webb reported that:

- Krishna Purbhoo had replaced Margaret Dunford as the Special Schools' Head Teacher representative.
- Councillor Ken Ferrett is no longer a Labour member and a new Labour spokesperson had not yet been identified.
- Fiona Calderbank will shortly replace James Humphries as the secondary academy representative.
- Clive Good's tenure has come to an end, but the Governors Forum has proposed his re-appointment which will be endorsed at the Governors Forum meeting on 4 November 2015.

Representatives will be sought for the following vacancies:

- One governor for the nursery
- One special school governor
- One Labour Party representative.

The following members are coming towards the end of their tenure, Richard Webb has requested that they speak to their Phase colleagues regarding future representation:

- Jackie Collins            17 January 2016
- Sarah Sadler            17 January 2016
- Bruce Marr            10 March 2016
- Alison Beane            26 February 2016
- Margaret Beel            26 February 2016
- Steve Frampton        30 January 2016

### **30. Proposed Future Meeting Dates.**

#### **DECISION**

**The 2016 meeting dates were agreed:**

**20 January**  
**24 February**  
**13 July**  
**19 October**

### **31. Minutes and Matters Arising From the Previous Meeting - 15 July 2015.**

#### **DECISION**

The Schools Forum agreed the minutes of the meeting held on 15 July 2015.

#### Matters Arising.

##### Section 21

Richard Webb had contacted members who have been absent from three consecutive meetings seeking an explanation. He had received responses from all but one.

##### Section 22

The Chair will contact Carole Damper regarding the new initiative for 3-4 year olds.

### **32. School Revenue Funding Arrangements 2016-17.**

Alison Egerton, Group Accountant introduced the report and along with Richard Webb, Finance Manager explained that

- Approval was sought to allocate funding from the 2014-15 DSG underspend to schools but not to create an ongoing commitment.
- The DfE has approved the four disapplication requests detailed on page 9 of the reports pack; the authority is awaiting a response regarding the request to charge Special Education Needs Transport costs to the DSG.

- The lump sum has been perceived as a barrier to amalgamation since one lump sum will effectively be lost after schools amalgamate. The continued reduction of the Lump Sum will need to be balanced with the need to minimise volatility in funding for schools.
- Following an exercise that it carried out last year, the Department for Education (DfE) identified "minimum funding levels" for formula factors, in advance of introducing a national funding formula and some authorities received additional funding as a result. Portsmouth received nothing as it is already funded at a rate sufficient to reach the minimum funding levels.

The forum noted that it was important that more be done to encourage a better response rate to consultations to increase the legitimacy of decisions.

Action

Members will ask their phases for their views on the further reduction of the lump sum in future years.

Members pass on the forum's thanks for responding to the consultation.

**The Schools Forum:**

- Endorsed the principles proposed by the Working Groups in Appendices 1 and 2 to guide and inform the funding arrangements for 2016-17.**
- Endorsed, that following confirmation of the 2016-17 Dedicated Schools Grant (DSG), officers will amend the unit values to minimise the impact of fluctuations in funding at the school level and to maintain overall affordability. In order to provide schools with some certainty, where possible any changes will be limited to the following formula factors:**
  - **Basic Per Pupil Entitlement**
  - **Prior attainment**
  - **Lump Sum**
  - **The percentage of the financial cap**
- Endorsed the proposed changes to the mainstream funding formula factors, together with the choices that the Council has made in implementing these factors locally, as detailed at paragraph 4.6.**
- Endorsed the submission of the draft proforma to the DfE as the first stage of the 2016-17 school revenue funding formula process.**
- Agreed by phase, (maintained primary and secondary schools) to the de-delegation in principle of the following budgets for central administration in 2016-17.**

	De-Delegation Proposed	
Expenditure Item	Primary	Secondary
Administration of free school	Yes	Yes

meals eligibility		
Licences	Yes	Yes
Special Staff Costs: Union Duties Only	Yes	Yes
Schools Contingency Fund	Yes	Yes
Behaviour Support	Yes	No
Museum & Library Services	Yes	No

- f) Endorsed the proposed Growth Fund criteria for 2016-17 as set out in Section 5 of the attached consultation document.
- g) Noted that subject to the guidance awaited from the DfE and the results of the work being undertaken by the Inclusion Commissioning Manager the authority is not proposing to make changes to High Needs place numbers or Element 3 Top-up funding for Special Schools, Resource Units and Alternative Provision settings for 2016-17.
- h) Endorsed the MFG exemptions submitted to the DfE by the required deadline of 30 September 2015 as set out in paragraph 5.3.

*Note: all the above were approved unanimously.*

### **33. Scheme for Financing Schools.**

Alison Egerton, Group Accountant introduced the report and explained proposed changes to Portsmouth's Scheme, following publication of two directed revisions by the DFE.

Beverley Pennekett, Finance Manager for Children Families & Learning, explained that academies have mirroring requirements in their handbooks. If this scheme were to be adopted, governors would be required to publish their business interests on the website. The revised scheme also clarified that and schools are not permitted to borrow money, with the exception of Salix loans. Members were also advised that some companies were misrepresenting their loans as Salix.

Richard Webb, Finance Manager recommended that schools considering taking up these loans contact Alan Barber.

**The Schools Forum approved the revised scheme for financing schools.**



#### **34. Childcare Sufficiency.**

The Chair reminded the forum that this item had been brought to the previous meeting but as it was not quorate, members were not able to vote on the recommendations.

Richard Webb informed members that on 15 October the Cabinet Member for Children & Education agreed the allocation of £51,000 from the Dedicated Schools Grant 2014-15 carry forward to be used to continue the expansion of the two year old provision in the city.

Catherine Kickham, Early Support Commissioning Manager introduced the report and in response to questions, clarified the following points:

- She is confident that the provision is located in the appropriate areas.
- Provision in schools is generally good quality. Two schools offer childcare for two year olds.
- This would continue to be a free core offer as long as it is viable.

#### **The Schools Forum**

- 1. Noted the progress in expanding the sufficiency of 2 year old places.**
- 2. Endorsed the allocation of £51,000 from the Dedicated Schools Grant 2014-15 carry forward to be used to continue the expansion of the 2 year old provision in the city.**

#### **35. Dedicated Schools Grant Budget Monitoring report for the First Quarter 2015 - 2016.**

Richard Webb, Finance Manager introduced the report and added that there will be clarity regarding pupil numbers in the third quarter.

**The Schools Forum noted the forecast year-end budget position as at the end of quarter 1, for the Dedicated Schools Grant, together with the associated explanations, as detailed in section 4 of the report.**

#### **36. School Term Dates**

Mike Stoneman, Strategic Commissioning Manager introduced the report.

#### **DECISION**

**The Schools Forum noted the report.**

#### **37. Any Other Business.**

##### **School Places.**

Members discussed the proposed development of at least 860 houses in Baffins and Milton wards and the availability of school places for the residents. The local authority commissioned a piece of work to look into the lack of secondary places and a number of schools had expressed an interest in growing.

##### Action

Mike Stoneman, Strategic Commissioning Manager will present an update to a future Schools Forum meeting.

### **Governors Forum meeting**

All governors are welcome to attend this meeting on 4 November at Portsmouth Academy for Girls at 5.30pm.

#### Action

Head Teachers will remind governors to attend.

### **Changes to Tax Credits and Benefits Caps.**

- Members expressed concern regarding the impact of these changes and discussed what schools are doing to assist parents.
- Mayfield extended the school day by providing free extracurricular activities after school to assist working parents. Some other schools provide breakfast clubs.
- It is important that parents who are the most affected can access quality information in the format they require.
- A high number of mostly working parents will be affected.
- All schools will be affected.

Richard Webb, Finance Manager noted that this issue should be discussed at the Health & Wellbeing Board.

#### Action

Members will highlight the points raised with their phases and report back to the next Schools Forum meeting.

The meeting concluded at 5.45pm.

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David Jeapes  
Chair

# Agenda Item 5



Portsmouth  
CITY COUNCIL

<b>Title of meeting:</b>	Schools Forum
<b>Date of meeting:</b>	20 January 2016
<b>Subject:</b>	2016-17 School Revenue Funding Arrangements and Dedicated Schools Grant Budget
<b>Report from:</b>	Alison Jeffery, Director of Children's Services
<b>Report by:</b>	Beverley Pennekett, Interim Finance Manager for Children's Services
<b>Wards affected:</b>	All Wards
<b>Key decision:</b>	No
<b>Full Council decision:</b>	No

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## 1. Purpose of report

1.1. The purpose of this report is to:

- a. seek approval for the final stage of the submission to the Education Funding Agency (EFA) by the 21<sup>st</sup> January, of the 2016-17 mainstream school revenue funding pro-forma for the Primary and Secondary phases
- b. inform Schools Forum of the initial determination of the schools budget (including the individual schools budgets) for 2016-17 and to seek the necessary endorsement and approvals required.

## 2. Recommendations

It is recommended that Schools Members:

- a. **Endorse the proposed changes to the mainstream schools revenue funding formula as set out in section 6.**
- b. **Approve the de-delegated unit values for 2016-17 as shown at Appendix 3.**
- c. **Endorse the amount of the growth fund for 2016-17 at £365,000.**
- d. **Endorse the school funding pro-forma at Appendix 4 for submission to the EFA on the 21<sup>st</sup> January 2016.**

It is recommended that the Schools Forum:

- e. **Endorse the determination of the 2016-17 schools budget (including the individual schools budgets) shown at Appendix 1, together with the supporting explanations contained within this report and specifically agree the following budget lines:**
  - i. **Early years central expenditure;**
  - ii. **Admissions Service;**
  - iii. **Schools Forum.**
- f. **Endorse the 2016-17 Element 3 Top-up rates for the Special Schools Resourced Units and Alternative Provision settings as set out in Appendix 7.**
- g. **Endorse the decision that any carry-forward balances from 2015-16 be used to assist with the continued introduction of the funding reform changes and fund any potential financial pressures arising during 2016-17, for example, to support remodelling of SEND provision as set out in paragraph 8.11, subject to consultation with Schools Forum.**

### **3. Background & Previous Decisions**

- 3.1. The Dedicated Schools Grant (DSG) is a ring-fenced grant for education and can only be used for the purposes of the Schools Budget as defined in the School and Early Years Finance (England) Regulations.
- 3.2. Under the 'School and Early Years Finance (England) Regulations 2015, the Local Authority must not later than 29<sup>th</sup> February 2016:
  - a. Make an initial determination of their school budget; and
  - b. Give notice of that determination to the governing bodies of the schools they maintain.
- 3.3. Schools Forum has already received reports and has endorsed or made a number of decisions in respect of the revenue funding arrangements for 2016-17, which are summarised below.
  - 3.3.1. Approved the principles underpinning the revenue funding formula for 2016-17 for all Primary and Secondary Schools,
  - 3.3.2. Agreed in principle, the budgets to be de-delegated;
  - 3.3.3. Approved the revised criteria for allocating the Growth Fund.
- 3.4. The purpose of this report is to seek the necessary approvals and endorsements in respect of the remaining areas of the budget, which have yet to be finalised.

#### **4. Financial Context**

- 4.1. As in previous years the pressures in High Needs continues to grow. During this financial year, we have seen increasing costs for out of city placements for children with complex needs, in addition to the place and element 3 top-up costs associated with additional places needed at Mary Rose and Cliffdale from September 2015. Whilst the authority has been able to balance the overall budget for 2016-17, this has been partly due to additional funding £366,000 for High Needs being allocated from the Education Funding Agency (EFA).
- 4.2. The Autumn Statement and spending review in November 2015 contained a number of announcements which will have an impact on schools and Education from 2017-18 onwards, these include:
- Confirmation that the per pupil element for the dedicated schools grant and the pupil premium will be protected.
  - Confirmation that funding of the universal infant free school meals will continue
  - Offer of additional 15 hours free childcare for 3 and 4 year olds where families meet specific eligibility criteria.
  - Confirmation of the introduction of the National Funding Formula for schools, high needs and early years from 2017-18.
- 4.3. At this stage the detail behind the headlines has not been released but it is expected that the Department for Education (DfE) will consult on the National Funding Formula early in 2016 with a view to implementing from 2017-18.
- 4.4. The determination of the 2016-17 schools budget is set out in Appendix 1, with the supporting explanations set out in the following paragraphs.

#### **5. Centrally Retained Budgets**

- 5.1. The other centrally retained budgets include the Admissions service and the Schools Forum. In accordance with the regulations, these budgets will remain at the same value as in 2012-13.
- 5.2. At the Schools Forum meeting on the 21st October, maintained school members voted in principle and by phase to de-delegate specific budgets. The table at Appendix 3 shows the budgets which members agreed to de-delegate in 2016-17, together with the proposed unit values for 2016-17 and the comparative values for 2015-16.

5.3. The EFA has agreed with the following agencies to continue to purchase a single national licence managed by them for all state funded schools in England:

- Christian Copyright Licensing International (CCLI);
- Copyright Licensing Agency (CLA);
- Education Recording Agency (ERA);
- Filmbank Distributions Ltd (for the PVSL);
- Mechanical Copyright Protection Society (MCPS);
- Motion Picture Licensing Company (MPLC);
- Newspaper Licensing Authority (NLA);
- Performing Rights Society (PRS);
- Phonographic Performance Limited (PPL); and
- Schools Printed Music Licence (SPML).

5.4. These licences are funded centrally; therefore a budget provision of £120,000 has been set aside in 2016-17.

5.5. It is proposed to de-delegate funding from maintained schools in 2016-17 for the CLEAPSS (Consortium of Local Education Authorities for the Provision of Science Services) licence. The proposed delegation rates are £0.12 per primary pupil and £0.28 per secondary pupil. There is an increase in the secondary pupil rate due to the additional radioactive elements annual visit which only applies to secondary schools.

5.6. There have been no calls on the Schools' specific contingency fund in 2015-16, so it is proposed to carry forward the outstanding balance on the 2015-16 fund to the 2016-17 school's specific contingency fund and to reduce the amount de-delegated to £5.00 per pupil. This will help to maintain the fund at a reasonable level to support schools if required, particularly as the numbers of maintained schools continue to reduce. There are no proposed changes to the current criteria, which are provided in Appendix 2.

## **6. School Revenue Funding Formula Changes 2016-17**

6.1. At the Schools Forum meeting on the 21<sup>st</sup> October, the Schools Forum agreed the mainstream formula factors to be used in the 2016-17 school revenue funding formula, together with the choices that the Council had made in implementing these locally.

6.2. Schools Forum endorsed the draft funding pro-forma, which was then submitted to EFA. Two adjustments were required to the Pro-forma to correct the treatment of the MFG adjustment for Mayfield School and the national non-domestic rates for Gatcombe Park, following their conversion to Academy in February 2015, which increased the funding requirement by £67,269. EFA have now confirmed that the October draft

pro-forma is compliant with the regulations and the January Pro-forma includes the required amendments.

- 6.3. It has been agreed previously to reduce the Primary 'lump sum' from £130,000 to £115,000 for 2016-17. The purpose of this reduction was to continue to support the amalgamation process of primary phase schools by reducing the disincentive. The funding removed from the lump sum factor has been used to increase the primary 'basic per pupil entitlement' factor by £46.31 per pupil.
- 6.4. Whilst the outline formula was agreed in October, it was noted that final formula values for 2016-17 would be subject to change, in order to maintain affordability and minimise the impact of fluctuations in funding at the school level. At that time, it was agreed that changes would be limited to the following formula factors:
- Prior attainment
  - Basic Per Pupil Entitlement
  - Lump sum
  - The percentage of the financial cap
- 6.5. When the updated Authority Proforma Tool was released in mid-December, the EFA notified the authority that the Income Deprivation Affecting Children Index (IDACI) had been updated for September 2015 IDACI data. When this was applied to the October 2015 census data, the results showed a considerable reduction in the number of pupils eligible for IDACI funding, together with a movement from the high bands of deprivation to the lower deprivation bands. This resulted in a £2.2m reduction in the IDACI allocation to schools.

IDACI Band	Primary Pupils			Secondary Pupils		
	2015-16	2016-17	Variance	2015-16	2016-17	Variance
1	1,930.92	2,393.58	462.66	938.38	1,245.05	306.67
2	1,777.66	1,232.45	(545.21)	927.75	631.02	(296.73)
3	2,202.88	3,118.46	915.58	1,129.43	1,447.02	317.59
4	1,487.60	1,645.47	157.87	766.93	820.11	53.18
5	1,525.44	437.93	(1,087.51)	734.81	235.02	(556.78)
6	668.55	332.13	(336.42)	324.57	178.03	(146.54)
<b>Total</b>	<b>9,593.04</b>	<b>9,160.02</b>	<b>(433.02)</b>	<b>4,821.87</b>	<b>4,556.26</b>	<b>(265.61)</b>

- 6.6. Initial modelling has identified that adjusting the factors shown in paragraph 6.4 to redistribute the "unused" IDACI funding results in a high level of turbulence. It has always been the aim within Portsmouth to maintain stability of funding for schools as far as possible, recognising that any re-distribution of funding must be allocated via specific, pre-defined factors which have been set by the DFE. It is also important to consider the direction of travel towards a national funding formula. The DFE has published the "minimum funding levels" which could be used in

a national formula, and a shift away from the published unit values could create turbulence in future years, even if stability is achieved in the short term. The DFE's published minimum funding levels are shown at appendix 5.

- 6.7. Further modelling was undertaken by increasing the unit rate paid for the free school meals ever6 (FSM6) factor (which was below the minimum funding level) to £237.25 for primary pupils and £299.83 for secondary pupils. Whilst this improved the relative turbulence across all schools, there were still some schools who were seeing significant funding fluctuations due to a reduction in pupils qualifying for support in the higher IDACI bands.
- 6.8. By removing funding from IDACI Bands 1 and 2 (i.e. those containing the least deprived pupils), it was possible to increase the basic per pupil entitlement for all schools, which reduced the turbulence to a more manageable level, whilst ensuring that the FSM6 unit value moved closer to the minimum funding level and reduced reliance on the minimum funding guarantee.
- 6.9. A handful of schools have seen a reduction in their funding which they would not be able to connect directly to reducing pupil numbers. These have been investigated and the schools concerned have been contacted to explain the reasons for the differences so that they are able to start planning for any action they may need to take.
- 6.10. When approving the 2015-16 budget, the authority was aware of a number of pressures within the high needs areas which it took steps to fund by ceasing or reducing other funding streams within the DSG, this included a reduction to the basic per pupil entitlement of £22 for both primary and secondary phase pupils for which schools received protection via the minimum funding guarantee. At the end of 2014-15, a number of the anticipated pressures that were expected to impact from September 2014 had not materialised due to proactive work carried out by the SEND Team. This led to a higher than expected carry forward for 2014-15, leading to a brought forward balance on the DSG of £4.585m to 2015-16. At this stage of the financial year, we are expecting the carry forward balance to 2016-17 to be a similar amount.
- 6.11. It is therefore proposed to use part of the available balance to increase the 2016-17 basic per pupil entitlement by £22 for both primary and secondary phase pupils. It is hoped that the additional £22 per pupil will be a permanent increase, although this will need to be reviewed next year.
- 6.12. Following submission of the October Funding Pro-forma and the proposed Growth Fund criteria, the EFA requested a clarification of when payments to academy schools would be made. In light of this the Growth Fund criteria have been updated and the revised criteria are included in



Appendix 6. The amount set aside for the Growth Fund for 2016-17 remains at £365,300.

- 6.13. The final proposed funding pro-forma for 2016-17 is attached at Appendix 4.
- 6.14. Mainstream schools and academies will be notified of their 2016-17 final budget share after the Education Funding Agency has confirmed that the pro-forma complies with the legislation and no later than 29th February 2016.

## **7. Early Years**

### 3 & 4 year old provision

- 7.1. No changes are proposed to the funding formula or rates applied to the three and four year old provision.
- 7.2. The provisional allocation of funding for 3 and 4 year olds is based on the January 2015 census; this will be updated in July 2016 for the January 2016 census. There is no change to the Early Years Block Unit of Funding for 2016-17, which remains at £4,175.76 per Full Time Equivalent (FTE) pupil.
- 7.3. The 2016-17 provisional funding allocation totals £8.201m for 1,964 FTE. Current funding requirements estimated on the actual pupil numbers for the Summer and Autumn 2015 terms and a 3 year average of the Spring term are indicating pupil numbers of 1,945 and direct costs of £7,830,474
- 7.4. The 3 and 4 year old pupil premium funding remains at the January 2015 estimate of £218,000.
- 7.5. As mentioned earlier in this report, the Government is minded to expand entitlement to provide up to 30 hours of free childcare for 3 and 4 year olds whose parents meet specific criteria. It is expected that the additional entitlement will be implemented nationally from autumn 2017, following findings from a number of early adopters who are expecting to implement from September 2016. Whilst the DfE have announced uplift to the average national rates, they state that actual distribution rates for local authorities have yet to be decided.
- 7.6. In addition to the increase in free childcare for 3 and 4 year olds, the government has announced that they will introduce a national funding formula for early years. The DfE will be consulting on the proposals in 2016.

### 2 year old provision

- 7.7. No changes are proposed to the funding formula or rates applied to 2 year old provision.
- 7.8. In July 2015 the EFA adjusted the funding for 2 year olds from the previous lump sum arrangements, which included trajectory funding, to funding related to participation. This was based on the January 2015 census, which resulted in a reduction in funding of £701,000 (144 FTE pupils).
- 7.9. The authority participated in the voluntary autumn census which was submitted on the 27th November. Results of the submission suggest a potential increase in 2 year old funding of £81,480<sup>1</sup>. The authority will receive final confirmation of any adjustment to the funding allocation in January 2016.
- 7.10. There will be a final adjustment for 2015-16, 2 year old funding in July 2016, so that the final allocation reflects participation based on 5/12 of the January 2015 and 7/12 of the January 2016 census.
- 7.11. The estimates included within the Budget at Appendix 1 have assumed that the number of two year olds required to be funded in the summer, autumn and spring terms will be 888, 934 and 983 respectively.
- 7.12. However, as the EFA will be setting the funding for 2016-17 based on the January 2015 census with a later adjustment for the January 2016 census, it has been assumed that the income received will be based on 5/12 of the January 2015 census and 7/12 of the Autumn census, as a near approximation of the January 2016 census.. These assumptions will need to be reviewed during the financial year as further information becomes available.

## **8. High Needs**

- 8.1. Details in respect of the High Needs budgets and the financial pressures for 2016-17 are set out below.

### Place Funding

- 8.2. The place funding value for Special Schools, Resourced Unit and Alternative Provision settings remains at £10,000 per agreed commissioned place.

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<sup>1</sup> Calculated on 29 additional FTE @£4,816.50 divided by 12 months and multiplied by 7 to cover the period September 2015 to March 2016.

- 8.3. The table below shows the agreed commissioned places for the Special Schools in 2016-17, together with the anticipated additional places required to be funded for the 2015-16 academic year Summer Term and the first two terms of the Academic year 2016-17. These numbers have been agreed with the schools concerned, although additional place funding will only be incurred if the places are filled.

<b>School</b>	<b>Original Agreed Commissioned Places 2016-17</b>	<b>Additional Places Academic Year 2016-17*</b>	<b>Total places 2016-17 financial year</b>
Cliffdale	104	12	116
Harbour	84	-	84
Mary Rose	132	8	140
Redwood Park	141	-	141
Willows	42	-	42
<b>Total</b>	<b>503</b>	<b>20</b>	<b>523</b>

\* Additional places required when compared to original agreed commissioned places

- 8.4. There are no proposed changes to the commissioned number of Alternative Provision places at Flying Bull Academy. The authority has agreed an additional two emergency places at Flying Bull Academy, which will be funded by the authority.
- 8.5. Following the start of the SEMH review, the 151 Alternative Provision places at The Harbour School are currently being reviewed. Any proposed changes to the number of places at the Harbour School, will need to be agreed by 29<sup>th</sup> February in order to comply with the regulations. The budget currently contains funding for all 151 places.

#### Element 3 Top-up Funding

- 8.6. No changes are proposed to the current Element 3 Top-up funding rates for pupils in Special Schools, Resourced Units and Alternative Provision settings for pupils placed by the Local Authority in 2016-17. The proposed rates for 2016-17 are shown in Appendix 7.
- 8.7. Although there have been no changes proposed to the top-up funding rates, the budget provision has been amended to reflect the changes arising from a growth in the number of places and the known and forecast effect of 'band creep'.

#### Out of City Placements

- 8.8. The cost of out of city placements is forecast to increase by £200,000 to £1.75m in the current year, due to the continued number of active

placements. There are currently 31 children in placements out of the city, and this is not expected to reduce in the short to medium term. The average cost of a placement is £53,105, although the cost of individual placements varies enormously and the current maximum placement cost is £136,900.

- 8.9. The Inclusion Service has reviewed all out of city placements to determine whether any of the pupils are able to be educated within Portsmouth, but the children in such placements do tend to have very complex needs and therefore require very specialist, high cost placements. It should be noted, however, that overall, Portsmouth has a low number out of city placements when compared to other authorities.

#### High Needs infrastructure

- 8.10. A review of the current special school provision has shown that, in order to reduce costs of out of city placements by accommodating more pupils with complex needs within the city, we will need to invest in the available in-house provision.
- 8.11. It is therefore proposed to seek approval from the Secretary of State to utilise £2m of the carry forward as a one-off contribution to capital to fund the remodelling of the in-house specialist provision. This should reduce the number of pupils being placed in costly out of city provision, and therefore the pressure on the DSG. A more detailed report will be brought to the next meeting and if the proposal is agreed, a request will be sent to the Secretary of State for the appropriate approvals.

### **9. Dedicated Schools Grant**

- 9.1. On the 17th December 2015, the EFA announced the Dedicated Schools Grant Allocations for Portsmouth for 2016-17; which amounted to £133.866m<sup>2</sup> (excluding two year old funding of £2.177m). This compares to £131.298m for 2015-16. These allocations include the funding for both maintained schools and Academies; therefore the amount received directly by Portsmouth City Council will be less.
- 9.2. The EFA have released an additional £92.5m of funding for High Needs, of which Portsmouth's share is additional funding of £366,000. As advised earlier in this report, this will be used to support the increase in costs within the Out of City Placements and the band creep within Element 3 Top-up funding.
- 9.3. The Early Years Block initial funding allocation will be updated by the EFA in July 2016 following the January census count.

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<sup>2</sup> Excluding early years pupil premium of £0.218m and 2 year old funding £2.177m

- 9.4. The funding allocation for Portsmouth is shown in the table below. The amount expected to be received directly by Portsmouth City Council is £92.324m, excluding funding for academies. The funding received directly will continue to change during the year as schools convert to Academy status, since they will receive their funding directly from the Education Funding Agency rather than from the Council.

DSG Funding	2016-17		
	Inc. Academies	Academy impact	Exc. Academies
	£m	£m	£m
Schools Block	109,403	(40,148)	69,255
Early Years Block*	8,201		8,201
High Needs Block	16,045	(2,770)	13,275
2 Year Old Funding*	2,177		2,177
<b>TOTAL</b>	<b>135,826</b>	<b>(42,918)</b>	<b>92,908</b>

\* This is a Provisional Allocation which will be updated later in the year. Excludes early year's pupil premium of £0.218m.

## 10. Carry Forward Balances

- 10.1. At this stage in the financial year we are unable to confirm what the final carry forward balance will be, although indications are that this could be in the region of £5.095m. Any carry-forward balance would be a one-off funding source and therefore should be used to support one-off expenditure items rather than recurring expenditure budgets.
- 10.2. In setting the budget for 2016-17, it is prudent to retain a healthy carry forward balance to assist with the continued introduction of the National Fair Funding Formula arrangements and to support the potential financial risks and pressures arising in 2016-17.
- 10.3. As referred to earlier in the report, a proposal will be brought forward to allocate £2.0m of the carry forward to SEND remodelling works in 2016-17 on a one-off basis, which, if successful, would leave a potential carry forward of £3.095m.

## 11. Reasons for recommendations

- 11.1. Schools Forum are recommended to approve the proposals contained within this report. Under the 'School and Early Years Finance (England) Regulations 2015, Local Authorities must not later than the 29th February 2016 make an initial determination of their schools' budget.

**12. Equality impact assessment (EIA)**

12.1. This report does not require an Equality Impact Assessment as the proposal does not have any impact upon a particular equalities group.

**13. Legal comments**

13.1. The School and Early Years Finance (England) Regulations 2015 require local authorities to make an initial determination of their schools budget by the 29th February 2016. The recommendations in this report have regard to the requirements of those regulations and in particular identify elements of the proposals in respect of which the Schools Forum's specific endorsement is required.

**14. Head of Finance comments**

14.1. Financial comments have been included within the body of this report.

.....  
Signed by:

**Appendices:**

- Appendix 1 - Dedicated Schools Grant Budget 2016-17
- Appendix 2 - De-delegated contingency criteria 2016-17
- Appendix 3 - De-delegated unit values 2016-17
- Appendix 4 - School funding pro forma 2016-17
- Appendix 5 - DFE published minimum funding levels 2015-16
- Appendix 5 - Growth Fund criteria 2016-17
- Appendix 6 - Element 3 Top-Up Rates 2016-17

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
2016-17 Revenue Funding Arrangements: Operational Information for Local Authorities	Gov.UK Website

The School and Early Years Finance (England) Regulations 2015	<a href="http://www.legislation.gov.uk">www.legislation.gov.uk</a>
Fairer schools funding: arrangements for 2015 to 2016 (including published minimum funding levels)	Gov.UK Website
School revenue funding working papers	Education Finance

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the Cabinet Member on 21<sup>st</sup> January 2016.

.....  
Signed by:

**Appendix 1 - Dedicated Schools Grant Budget 2016-17**

	<b>Revised 2015-16 Budget (including Academies)</b>	<b>Estimated Budget Revisions</b>	<b>2016-17 Schools Budget (including Academies)</b>	<b>2016-17 Schools Budget (excluding Academies)</b>
	£000	£000	£000	£000
<b>Individual School Budgets (ISB)</b>				
Primary	60,707	830	61,537	46,601
Secondary	43,633	699	44,332	19,120
Special School Place Funding	5,188	9	5,197	2,837
Resourced Unit Place Funding	901	24	925	635
Alternative Provision Place Funding	1,494	156	1,650	1,530
	<b>111,923</b>	<b>1,718</b>	<b>113,641</b>	<b>70,723</b>
<b>De-delegated and central budgets</b>				
Growth Fund	365	-	365	365
De-delegated budgets	535	(58)	477	477
Licences	120	-	120	120
Schools Forum	15	-	15	15
Admissions	252	-	252	252
	<b>1,287</b>	<b>(58)</b>	<b>1,229</b>	<b>1,229</b>
<b>Early Years</b>				
3 & 4 Year Old Provision <sup>1</sup>	7,934	114	8,048	8,048
2 Year Old Provision	2,878	(546)	2,332	2,332
Central Expenditure on under 5	599	-	599	599
	<b>11,411</b>	<b>(432)</b>	<b>10,979</b>	<b>10,979</b>
<b>High Needs</b>				
Element 3 Top-up funding	6,605	565	7,170	7,170
Out of City Placements	1,550	200	1,750	1,750
SEN Support Services	687	20	707	707
Medical Education	573	-	573	573
Outreach Services	187	-	187	187
Fair Access Protocol	60	-	60	60
	<b>9,662</b>	<b>785</b>	<b>10,447</b>	<b>10,447</b>
<b>Total Expenditure</b>	<b>134,283</b>	<b>2,013</b>	<b>136,296</b>	<b>93,378</b>
DSG Income <sup>2</sup>	(131,187)	(2,462)	(133,649)	(90,731)
DSG Income (2 Year Old Funding) <sup>3</sup>	(2,878)	618	(2,260)	(2,260)
3 & 4 year old pupil premium	(218)	-	(218)	(218)
One-off use of Carry Forward	-	(169)	(169)	(169)
<b>Total Income</b>	<b>(134,283)</b>	<b>(2,013)</b>	<b>(136,296)</b>	<b>(93,378)</b>

<sup>1</sup> Includes pupil premium for 3 and 4 year olds

<sup>2</sup> Per EFA allocations 17<sup>th</sup> December including provisional Early Years funding

<sup>3</sup> Estimated funding. Initial allocation will be announced by EFA in June 2015



## Appendix 2 - School's specific contingency criteria

### School Specific Contingency

**Applies to:** Maintained Schools only

#### **Purpose of the fund**

The School and Early Years Finance (England) Regulations, permit the creation of a 'schools specific contingency' via the de-delegation of funding through the schools revenue funding formula. The contingency fund supports only Primary and Secondary maintained schools.

The purpose of the fund is to support maintained Primary and Secondary schools that have incurred expenditure, which it would be unreasonable to expect them to meet from the schools budget share. This may include:

- schools in financial difficulty
- new, amalgamating or closing schools
- the writing-off of deficits of schools which are discontinued, excluding any associated costs or overheads
- other expenditure where the circumstances were unforeseen when initially determining the schools budget share.

Section 4 of the Scheme for Financing Schools continues to apply in respect of schools that are or are likely to be facing a deficit balance.

#### **Criteria for accessing the fund**

The fund is only available to maintained Primary and Secondary Schools in Portsmouth

Where as a result of exceptional expenditure or loss of income a school is experiencing financial difficulty, or has incurred other expenditure which it would be unreasonable to expect the school to meet from its budget share, then financial support will be considered for eligible schools where the following criteria are met:

- The costs or loss of income **must** have had a disproportionate effect on the schools budget.
- The costs or loss of income:
  - arose as a consequence of decisions by bodies outside of the control of the school or its governing body;
  - are exceptional in nature;
  - could not have been foreseen by the school or governing body.

- The governing body has taken steps to mitigate the impact, where possible.
- Additional costs for new, amalgamating or closing schools:

#### **Criteria for new maintained schools:**

Funding of costs in respect of the initial set-up of new maintained schools will be considered where a business case has been submitted by the school which sets out the expected costs to be incurred; and the following conditions are met:

- The increased school places are required in order to meet basic need within the area and have been agreed with the Local Authority.
- The increased places relate to pre-16 pupils.
- Any funding allocated would be to support the following areas of expenditure:
  - Initial leadership team capacity
  - Initial secretarial support
  - publicity, promotion and advertising of the new school
  - consultancy
  - curriculum costs
  - recruitment costs
  - other revenue costs related to set-up of the new school

One-off funding will be allocated based on the business case submitted, up to a maximum funding allocation of £445 multiplied by the total number of additional places anticipated to be created in the school.

#### **Criteria for amalgamating schools:**

Where two or more schools amalgamate, an amount equivalent to the closing balances of the previously maintained schools will be allocated to the new school.

#### **Criteria for closing schools:**

In the case of closing maintained schools, which are not amalgamating or converting to academies status under the Academies Act 2010, the contingency may fund additional costs where the school has insufficient balances and the costs are eligible to be funded from the Dedicated Schools Grant.

Where a maintained school is discontinued, any remaining deficits balances may be charged against the contingency. Where it is necessary to use the contingency for this purpose it will be reported to the Schools Forum at the next scheduled meeting.

### **Decision Making Process**

Where a school believes that their circumstances warrant support from the 'schools contingency fund', then governing body should submit a request to the Finance Manager for Education and Children's Services.

The submission will be reviewed by the Head of Education and the Finance Manager for Education and Children's Services. The level of the schools revenue and capital balances will also be considered as part of the review of any submission.

Any application which the Head of Education and the Finance Manager for Education and Children's Services assess as meeting the above criteria, will be presented to the Schools Forum at the October and February meetings to make the final decision as to whether to provide financial support from the fund.



**Appendix 3 - De-Delegated Budgets**

Expenditure Item	Phase	De-Delegation Rates			Notes
		Basis	2015-16 £	2016-17 £	
Administration of Free School Meals	Primary	NOR	£1.25	£1.62	Increased to cover the 2016-17 pay award and the increased volume of eligibility checks
	Secondary		£1.71	£2.22	
Licences & Subscriptions	Primary	NOR	£0.11	£0.12	Includes the CLEAPSS Licence for primary and secondary and radioactive element visits for secondary schools only
	Secondary		£0.11	£0.28	
Union Duties	Primary	NOR	£3.53	£3.53	The de-delegation relates to Union Duties only in 2016-17.
	Secondary		£3.53	£3.53	
Museum & Library Service	Primary	NOR	£1.12	£1.12	Primary schools only.
Schools Contingency Fund	Primary & Secondary	NOR	£10.00	£5.00	Reductions due to planned use of 2015-16 carry forward on fund.
Behaviour Support	Primary	NOR	£13.52	£13.52	Primary schools only. Secondary schools can purchase a traded service from the Harbour School.
	Primary	FSM	£40.14	£40.14	

*NOR = Number on roll*

*FSM = Free school meals factor*

**Appendix 4 - School Funding Pro forma**

**Please see separate document.**

### Appendix 5 - DFE published minimum funding levels

		Primary	Secondary
Age weighted pupil unit		£2,880	Key stage 3: £3,950 Key stage 4: £4,502
Pupils who have been eligible for free school meals in the past six years		£882	£1,052
Pupils who live in an area that is in one of the income deprivation affecting children index (IDACI) bands	IDACI 1	£209	£289
	IDACI 2	£260	£379
	IDACI 3	£347	£470
	IDACI 4	£422	£554
	IDACI 5	£477	£614
	IDACI 6	£691	£819
Looked after children		£1,004	£1,004
Pupils with low prior attainment		£669	£940
English as an additional language		£466	£1,130
Lump sum		£115,797	£125,155

## Appendix 6 -2016-17 Growth Fund Criteria

### Exceptional Growth Fund- 2016-17

**Applies to:** Maintained schools and Academies

#### **Increasing Published Admission Number.**

##### **Criteria**

Funding will be allocated within four weeks, to those schools who meet the following criteria:

- Approval of the change in Published Admission Number (PAN) by the Cabinet Member for Children and Education, if the increase will be implemented in the current financial year; or
- In the case of academy schools, receipt of notification of the increase in PAN, where the criteria below are met; or
- The start of the financial year in which the increase in the PAN is implemented.

*'Growth funding will be allocated to schools where:*

- *The Council carries out a formal consultation and approves to increase the capacity of a school*
- *A school or academy carries out a formal consultation at either the request of the council or is supported by the Council*
- *The Council requests a school/academy to increase their PAN to meet localised demand, including increases in pupils to meet demand from new housing developments.*

##### **Methodology**

The allocation from the growth fund to schools, which meet the above criteria, will be as follows.

The payment for the period 1 September to the 31 March for each full form entry of 30 pupils will be equal to:

- 7/12th salary cost of a 1 FTE teacher (main scale 6)
- 7/12th salary cost of 0.5 term time only teaching assistant (band 4 point 15)
- £3,000 towards the cost of resources and materials

For Academies an additional 5/12<sup>th</sup> will be allocated for the period 1 April to 31 August.

Funding will be pro-rated for part form or multiples of full form entry, for example:



- The total sum above will be multiplied by 0.5 for a part form entry of 15 pupils
- For an increase of one and a half form entry the total sum will be multiplied by 1.5.

Where any pay awards have not been decided at the time of the payment, payment will be made on the basis of the pay tables that are in use at the time. There will be no back dated payment if a subsequent pay award is agreed at a later date and backdated.

A payment will be made for each year that the school is growing until, the earliest of the following:

- The school reaches full capacity attributable to the increase in PAN approved by the Cabinet Member for Children and Education
- The Growth Fund criteria change due to affordability
- There is a change in the funding formula as directed from the Education Funding Agency.

*No allocation will be made to a school or academy where the school or academy:*

- *Has surplus places and then takes additional children up to the PAN*
- *Admits over PAN at their own choice*
- *Admits extra pupils where those pupils have a reasonable alternative school place*
- *Is directed and/or requested to admit additional pupils as a result of errors, appeals, fair access protocol, SEN, LAC etc. as these numbers will be low on an individual school basis.*

*'Funding will not be allocated from this fund to a school which has received additional funding in the year, through its budget share, as a result of an agreed variation in its pupil numbers.'*

### **For example – primary school**

School has been requested by the Local Authority to increase the PAN from a 1<sup>1/2</sup> form entry to a two form entry from September 2016, this was approved by the Cabinet Member for Children and Education in October 2015.

Whilst the increase was agreed in 2015-16, the payment will be made in financial year 2016-17 as this is the year in which the changes come into effect.

The increase in PAN is for half a form entry of 15 pupils therefore the payment will be pro-rated by 0.5.

7/12th salary cost of a 1 FTE teacher (main scale 6)





$£39,835/12 \times 7 = £23,237$

7/12th salary cost of 0.5 FTE teaching assistant (band 4 point 15)  
 $(£16,488/52 \times 46.9 \times 0.5)/12 \times 7 = £5,088$

£3,000 towards the cost of resources and materials

Total =  $£31,325 \times 0.5 =$  Total payment to school £15,662.50

**Appendix 7 - Element 3 Top-Up Rates 2016-17**
**Special Schools**

	<b>Cliffdale</b>	<b>Harbour</b>	<b>Mary Rose</b>	<b>Redwood</b>	<b>Willows</b>
	<b>2016-17</b>	<b>2016-17</b>	<b>2016-17</b>	<b>2016-17</b>	<b>2016-17</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Band A	18,834	18,011	19,461	21,283	20,182
Band B	10,486	9,859	11,246	11,898	12,462
Band C	8,844	8,255	9,629	10,051	10,943
Band D	7,491	6,933	8,299	8,529	9,692
Band E	5,802	5,284	6,636	6,630	8,130
Band F	3,475	3,012	4,346	4,014	5,978
Band G	2,663	2,219	3,547	3,101	5,227
Band H	1,191	781	2,098	1,446	3,866

Note: the top-up rate for places in Stamshaw is £28,190

**Resourced Units**

	<b>2016-17</b>
	<b>£</b>
Devonshire Infant	0
Milton Park	8,476
Northern Parade Junior	0
Penhale Infant	101
Portsdown	0
Southsea Infant	2,731
Victory	1,934
Craneswater Annex	25,448
St Edmunds	0

**Alternative Provision**

	<b>2016-17</b>
	<b>£</b>
Flying Bull	4,638
Harbour	2,714

Local Authority Funding Reform Proforma													
LA Name:		Portsmouth											
LA Number:		851											
<b>Pupil Led Factors</b>													
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)		Reception uplift	Yes	Pupil Units		21.00							
		Description	Amount per pupil	Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)				
		Primary (Years R-6)	£2,917.94	15,547.00		£45,365,213	£78,468,195	42.80%	6.00%				
		Key Stage 3 (Years 7-9)	£3,726.57	5,046.00		£18,804,272		17.74%	6.00%				
		Key Stage 4 (Years 10-11)	£4,335.57	3,298.00		£14,298,710		13.49%	6.00%				
		Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)		
2) Deprivation		FSM6 % Primary	£237.25		5,136.22		£1,218,568	£10,559,233	9.96%	16.00%			
		FSM6 % Secondary		£299.83		3,030.10	£908,514					16.00%	
		IDACI Band 1			2,393.58	1,245.05	£0					20.00%	20.00%
		IDACI Band 2			1,232.45	631.02	£0					20.00%	20.00%
		IDACI Band 3	£946.03	£634.84	3,118.46	1,447.02	£3,868,787					20.00%	20.00%
		IDACI Band 4	£1,261.38	£846.45	1,645.47	820.11	£2,769,743					20.00%	20.00%
		IDACI Band 5	£1,576.72	£1,058.06	437.93	235.02	£939,168					20.00%	20.00%
		IDACI Band 6	£1,892.07	£1,269.67	332.13	178.03	£854,453					20.00%	20.00%
3) Looked After Children (LAC)		LAC X March 14	£2,811.00		100.10		£281,392	£1,288,074	0.27%	50.00%			
4) English as an Additional Language (EAL)		EAL 3 Primary	£359.45		1,700.39		£611,206		0.95%				
		EAL 3 Secondary		£1,821.55		217.11	£395,475						
5) Mobility		Pupils starting school outside of normal entry dates			358.93	907.20	£0		0.00%				
		Description	Weighting	Amount per pupil	Percentage of eligible Y1-3 and Y4-6 NOR respectively	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)		
6) Prior attainment		Low Attainment % new EFSP	100.00%		36.74%		£2,981,918	£7,518,577	7.09%	100.00%			
		Low Attainment % old FSP 73		£740.00	12.41%	4,029.62							
		Secondary pupils not achieving (KS2 level 4 English or Maths)		£2,000.00		2,268.33				£4,536,659			100.00%
<b>Other Factors</b>													
Factor		Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)					
7) Lump Sum		£115,000.00	£139,150.00			£6,911,500	6.52%						
8) Sparsity factor						£0	0.00%						
Please provide alternative distance and pupil number thresholds for the sparsity factor below. Please leave blank if you want to use the default thresholds. Also specify whether you want to use a tapered lump sum for one or both of the phases.													
Primary distance threshold (miles)		Primary pupil number average year group threshold			Fixed or tapered sparsity primary lump sum?	Fixed							
Secondary distance threshold (miles)		Secondary pupil number average year group threshold			Fixed or tapered sparsity secondary lump sum?	Fixed							
Middle schools distance threshold (miles)		Middle school pupil number average year group threshold			Fixed or tapered sparsity middle school lump sum?	Fixed							
All-through schools distance threshold (miles)		All-through pupil number average year group threshold			Fixed or tapered sparsity all-through lump sum?	Fixed							
9) Fringe Payments						£0	0.00%						
10) Split Sites						£0	0.00%						
11) Rates						£1,101,604	1.04%						
12) PFI funding						£155,065	0.15%						
13) Sixth Form						£0	0.00%						
14) Exceptional circumstances (can only be used with prior agreement of EFA)													
Circumstance						Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)					
Additional lump sum for schools amalgamated during FY15-16						£0	0.00%	0.00%	0.00%				
Additional sparsity lump sum for small schools						£0	0.00%						
Exceptional Circumstance3						£0	0.00%						
Exceptional Circumstance4						£0	0.00%						
Exceptional Circumstance5						£0	0.00%						
Exceptional Circumstance6						£0	0.00%						
<b>Total Funding for Schools Block Formula (excluding MFG Funding Total) (£)</b>						<b>£106,002,247</b>	<b>100.00%</b>	<b>£14,394,128</b>					
15) Minimum Funding Guarantee (MFG is set at -1.5%)						<b>£1,211,613</b>							
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)						Yes							
Capping Factor (%)	1.75%	Scaling Factor (%)	100.00%										
Total deduction if capping and scaling factors are applied						-£724,943							
						Total (£)	Proportion of Total funding(%)						
MFG Net Total Funding (MFG + deduction from capping and scaling)						£486,670	0.46%						
High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)													
Additional funding from the high needs budget						£0.00							
Growth fund (if applicable)						£365,000.00							
Falling rolls fund (if applicable)						£0.00							
<b>Total Funding For Schools Block Formula</b>						<b>£106,346,884</b>							
% Distributed through Basic Entitlement						74.03%							
% Pupil Led Funding						92.29%							
Primary: Secondary Ratio						1 :		1.28					

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<b>Decision maker:</b>	<b>Schools Forum</b>
<b>Subject:</b>	<b>Dedicated Schools Grant and Capital Programme Budget Monitoring Report for the Second Quarter 2015/16</b>
<b>Date of decision:</b>	<b>20 January 2016</b>
<b>Report from:</b>	<b>Alison Jeffery, Director of Children's Services</b>
<b>Report by:</b>	<b>Beverley Pennekett, Finance Manager</b>
<b>Wards affected:</b>	<b>All</b>
<b>Key decision:</b>	No
<b>Budget &amp; policy framework decision:</b>	No

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## 1 Purpose of report

- 1.1 To inform Schools Forum of the projected revenue expenditure within the Dedicated Schools Grant (DSG) for the current financial year 2015-16. This report sets out the forecast budget position for the year-end as at the end of September 2015.

## 2 Background

- 2.1 The DSG is a ring-fenced grant for education and can only be used for the purposes of the Schools Budget as defined in the School and Early Years Finance (England) Regulations.
- 2.2 The original DSG budget for the financial year 2015-16, was approved by the Cabinet Member for Children and Education and endorsed by Schools Forum in February 2015. This report provides Schools Forum with a forecast estimate of the year-end outturn based on the position as at 30 September 2015.

## 3 Recommendations

- 3.1 It is recommended that Schools Forum notes the forecast year-end budget position as at the end of quarter 2, for the Dedicated Schools Grant, together with the associated explanations, as detailed in section 4 of the report.

#### 4 Dedicated Schools Grant forecast position as at the end of September 2015

4.1 Table 1 below sets out the forecast year-end financial position of the DSG budget as at 30 September 2015.

**Table 1**

<b>DEDICATED SCHOOLS GRANT</b>	<i>Original Estimate</i> <b>2015/16</b> <i>£000's</i>	<i>Revised Estimate</i> <b>2015/16</b> <i>£000's</i>	<i>Projected Outturn</i> <b>£'000's</b>	<i>Projected over/ (under) spend</i> <b>£'000's</b>
<b>DSG : Devolved</b>				
Nursery ISB	7,800	7,654	7,654	0
Nursery Pupil Premium	218	218	218	0
Primary ISB	47,793	46,021	46,021	0
Secondary ISB	21,144	18,641	18,641	0
High Needs ISB	4,894	4,894	4,795	-99
<b>DSG : Retained</b>				
De-Delegated Budgets & Growth Fund	927	900	900	0
High Needs	9,458	9,458	9,602	144
Other centrally retained	4,067	3,398	3,330	-68
<b>Total DSG expenditure</b>	<b>96,301</b>	<b>91,184</b>	<b>91,161</b>	<b>-23</b>
<b>Funded by:</b>				
DSG and other Specific Grants for year	-96,301	-91,104	-91,104	0
Add DSG Brought Forward	-4,585	-4,585	-4,585	0
Less DSG Carried Forward	4,585	4,505	4,528	23
<b>Total Retained DSG</b>	<b>-96,301</b>	<b>-91,184</b>	<b>-91,161</b>	<b>23</b>

*The figures in the above table are subject to rounding to the nearest £1,000 and may not calculate exactly*

4.2 The DSG monitoring report for the first quarter of the financial year was produced before adjustments to the budget had been agreed with schools forum. The agreed revisions to the current budget have now been posted and are reflected in the revised budget column in the table above.

#### **Academy conversions**

4.2.1 Primary and Secondary ISBs, together with the De-delegated budgets have been adjusted due to the conversion of 3 schools to Academy status, (Gatcombe Park Primary, Stamshaw Junior School and The City of Portsmouth Boys School). Following conversion to Academy status, the funding for these schools is paid directly to them via the Education

Funding Agency, rather than via the Council. In July 2015, the Cabinet Member approved the adjustments to the budget to reflect the conversion of these Schools to Academy status.

### **3 and 4 year old January 2015 census.**

- 4.2.2 The DfE have recovered £83,515 in relation to reduced 3 and 4 year old numbers for the period September 2014 to March 2015, in addition to £146,000 in relation to reduced 3 and 4 year old pupil numbers for the 2015-16 funding period. The adjustment in 2015-16 reflects the reduction in pupil numbers between the January 2014 and 2015 censuses. This is expected to be reflected in the expenditure for 3 and 4 year old places in maintained nursery units as reduced numbers on Roll. The adjustment for £83,515 has been reflected in the carry forward because it is in relation to a prior year.
- 4.2.3 The funding the Council receives for its 2 year old provision was reduced by £701,000 and has been reflected in the budget above. As previously reported the DfE has changed the way it allocates funding for two year olds, the allocation is now based on participation and, as a result of the January 2015 census the Authority has seen a reduction in funding that equates to 145 full time equivalent 2 year olds. We are expecting a further adjustment later in the year due to a voluntary autumn census.
- 4.2.4 At this stage in the financial year it is difficult to forecast the final outturn position because only the census data for the summer term is available, therefore the forecast is as per the budget. When the data for the autumn term becomes available the forecast will be adjusted.
- 4.3 The High Needs budgets are the most volatile area of the DSG budget, due to a significant proportion of the funding being linked to pupil needs and movements. At the time of writing this report we have only had the information for the summer term payments and as such it is not possible to determine accurately the forecast outturn position on the Element 3 top-up funding budgets and therefore the forecast has been reported at budgeted levels. Following receipt of the autumn term class lists in November 2015, it will be possible to more accurately predict the outturn position for the financial year.
- 4.4 The over spend showing in the high needs area is due to out of city placements.

## **5 Equality impact assessment (EIA)**

- 5.1 No impact assessment has been carried out as the proposals do not have any impact upon a particular equalities group.

**6 Legal comments**

6.1 There are no legal implications arising directly from the recommendations in this report.

**7 Director of Finance comments**

7.1 Financial comments are contained within the body of the report.

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**Alison Jeffery, Director of Children and Education**

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of document</b>	<b>Location</b>
DSG Budget Monitoring	Education Finance Team
School & Early Years Finance (England) Regulations 2014	<a href="http://www.legislation.gov.uk">www.legislation.gov.uk</a>

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by Schools Forum on 20 January 2016.

.....  
 Signed by:  
 Schools Forum





**Appendix 1 - Children & Education capital programme 2015-16  
Forecast position as at 30 September 15**

	Original Scheme Budget Full Year £	Revised Scheme Budget to Sep 15 £	Actual spend to Sep 15 £	Manager Forecast Spend £	Forecast Variance £
Ark Ayrton Primary School (Somers Park)	2,375,900	2,305,500	2,306,200	2,306,200	700
Flying Bull Primary School	3,505,800	3,505,800	3,473,700	3,473,700	-32,100
Milton Park Primary School	4,054,700	4,054,700	3,800,500	3,905,000	-149,700
St George's C of E Primary School	2,603,000	2,603,000	2,621,700	2,703,100	100,100
St Jude's C of E Primary School	1,001,100	1,018,600	1,009,500	1,018,600	0
Goldsmith Infant & Brambles Nursery	1,962,000	2,085,000	514,200	2,342,200	257,200
Cottage Grove Primary School (Belmont Building) 1.5 to 2 FE	530,000	530,000	534,800	534,800	4,800
Portsmouth Primary School 1.5 to 2 FE	66,900	66,900	70,000	70,000	3,100
Ark Ayrton Primary School 1.5 to 2 FE	639,500	639,500	565,600	618,000	-21,500
Highbury Primary School 1.5 to 2 FE	995,000	995,000	928,800	963,300	-31,700
Stamshaw Junior School 2 to 3 FE	259,600	259,600	263,600	263,600	4,000
Westover Primary School 1.5 to 2 FE	490,500	490,500	428,000	566,000	75,500
Mayfield School - establishment of 2 FE primary provision	1,976,000	3,275,300	1,700,900	3,333,200	57,900
Harbour School Feasibility Study	30,100	30,100	30,100	30,100	0
Moorings Way Infant School (single unit to alleviate pressure)	122,300	122,300	120,700	120,700	-1,600
Craneswater Junior School	0	1,500,000	12,800	1,500,000	0
Langstone Infant and Junior School (Refurb of Year 3 and temporary unit only)	0	3,984,000	102,200	675,000	-3,309,000
Schemes awaiting Approval			0	3,330,500	3,330,500
Northern Parade Nursery Infant and Junior Schools	0	3,466,000	115,500	3,466,000	0
City of Portsmouth Boys' School - changes to support co-ed status	0	500,000	446,600	500,000	0
Secondary Places Feasibility Study	150,000	150,000	9,900	150,000	0
Projected overspend of Phase 1	550,000	0	0	0	0
Temporary accommodation	300,000	300,000	235,700	319,700	19,700
Primary School Expansion 2-3% Surplus	10,706,000	111,000	27,600	111,000	0
Portsmouth College	240,000	240,000	103,500	245,000	5,000
Newbridge Sufficiency	0	495,000	2,000	495,000	0
Schools Condition Modernisation Projects	354,400	93,700	0	93,665	0
Copnor Primary School -Remove chimneys and re-build roof	40,700	87,900	50,200	53,000	-34,900
Penhale Infant School -Roof, windows, doors, walls	259,700	280,000	277,400	283,000	3,000
Southsea Infant School-External fire staircase	13,900	68,900	5,600	25,000	-43,900
Fernhurst Junior School-Roof : Phase 1 of 3	90,500	125,900	110,000	125,000	-900
Craneswater Junior School -Windows and masonry - part SW elevations	80,000	123,000	62,000	123,000	0
Meon Junior School-Emergency lighting to remaining areas of the school	42,400	102,400	35,800	61,000	-41,400
Medina Primary School -Emergency lighting to various areas	36,700	43,000	4,000	43,000	0
Meredith Infant School -Annex - Electrical works Electrical distribution & emergency lighting upgrades (Ground Floor Annex)	63,100	102,700	16,100	126,000	23,300
Remove & replace heaters (1st Floor Annex)					
Wimborne Infant School -Window replacement	28,700	50,000	39,500	49,500	-500
Solent Infant School -Roof to staff room	17,000	66,000	31,100	69,000	3,000
Craneswater Annex -Window replacement	65,000	65,000	25,900	65,000	0
Penhale Infant School -Emergency lighting	47,200	60,800	0	59,000	-1,800
Penhale Infant School-Replace Boilers	82,500	99,400	94,000	96,000	-3,400



	Original Scheme Budget Full Year £	Revised Scheme Budget to Sep 15 £	Actual spend to Sep 15 £	Manager Forecast Spend £	Forecast Variance £
Meon Junior School -Design only for heating	25,000	25,000	0	25,000	0
Craneswater Junior School -Design only for boiler/pipework replacement	30,000	30,000	0	30,000	0
Meon Infant School -Design only for boiler/emitter replacements	25,000	25,000	0	0	-25,000
Meon Infant School-Replacement of defective boiler	48,000	98,600	84,400	110,000	11,400
Solent Junior School -Design only for new distribution system	30,000	30,000	0	30,000	0
Vanguard Centre	2,500,000	2,500,000	18,800	2,500,000	0
Mayfield East Playing Field -Condition / Contamination Works	100,000	800	11,800	800	0
Springfield School - Legionella clarifier's	0	30,000	0	0	-30,000
Contingency for emergency condition schemes	329,100	21,100	0	21,100	0
Meredith Annexe - First floor window replacement	70,000	70,000	63,400	90,000	20,000
Various Fire alarm upgrades - Fire Alarm Upgrade	56,000	56,000	7,200	56,000	0
Arundel Court Federation - Legionella	75,000	75,000	1,800	1,800	-73,200
Harbour School Fratton - Installation of Emergency lighting	15,500	15,500	100	15,500	0
St Edmunds - Sensory Impairment Provision	537,000	537,000	469,000	537,000	0
Various Schools x 9 Remove friable asbestos - Remove friable asbestos	90,000	90,000	29,100	64,100	-25,900
Westover School - Roof Repairs	85,000	81,200	71,800	79,400	-1,800
Mary Rose - Works to Cranewater Annexe	0	92,000	90,100	90,100	-1,900
Westover School - Water ingress	11,000	11,000	11,300	11,300	300
Meredith Infants - Gable Repairs	0	63,500	19,300	119,700	56,200
Springfield School - Gas Works	0	83,700	98,900	94,000	10,300
Manor Infants - Protective guards to heating controls	0	6,800	0	0	-6,800
Court Lane Junior - Modernisation - Boiler, Asbestos, Misc.	0	68,000	3,200	34,000	-34,000
Copnor Primary School - Remodelling new scheme	0	372,400	45,000	372,200	-200
Langstone Infant - Emergency Lighting - install alongside Salix	0	11,000	0	11,600	600
Langstone works to reception	0	79,000	3,600	107,000	28,000
Springfield - Fire Safety & Asbestos issues. Legionella design	195,000	195,000	159,000	195,000	0
Harbour School Fratton - Air Conditioning unit	0	0	6,800	28,100	28,100
Craneswater & Mary Rose - Ball court	0	0	300	300	300
Miscellaneous (DDA)	239,500	239,500	228,000	277,400	37,900
Salix Redwood Park	0	47,400	0	47,400	0
Salix Langstone Infant School	0	28,900	0	28,900	0
Salix Mayfield School	0	32,500	0	32,500	0
Salix Corpus Christie	0	7,500	0	7,500	0
College Park Infant School - Top up kitchen	0	340,000	55,000	360,000	20,000
Mayfield School - New servery and dining area and generator	0	115,000	102,000	75,000	-40,000
Devonshire Infant School - Top up Dining area	0	282,000	40,600	252,000	-30,000
City Girls - Providing a service for three schools	0	54,000	2,500	54,000	0
Adaptations/Loans to Foster Carers	195,000	195,000	900	195,000	0
Closed Projects	33,173,400	32,900,800	32,510,700	32,741,100	-159,700
Schools Devolved Capital - 2011-15	7,620,300	7,601,200	7,995,300	7,601,200	0
<b>Total Education Capital Programme</b>	<b>79,230,000</b>	<b>80,607,900</b>	<b>62,305,600</b>	<b>80,607,865</b>	<b>0</b>