

EDUCATION SCRUTINY COMMITTEE - 22 JANUARY 2015

SCHOOLS FORUM ROLE AND FUNDING

Report by Interim Deputy Director Education & Learning

Introduction

1. This report gives an overview of Schools Forum role in decisions made about deployment of the Dedicated Schools Grant (DSG) – annually and in relation to any unspent DSG balances retained from previous years. DSG is the main source of funding for Schools budgets and the indicative amount for Oxfordshire for 2015-16 is £426.506m. It is estimated that approximately £167m will be recouped by the Education Funding Agency (EFA) and paid directly to Academies, leaving £259m expected to be received by the local authority in 2015-16. DSG is a ring-fenced specific grant and can only be used in support of the Schools Budget as defined in the Schools and Early Years Finance (England) Regulations.

Role of Schools Forum

2. The local authority must consult annually with Schools Forum about various school budget issues, funded by DSG, including:
 - amendments to the school funding formula (although the local authority is responsible for making the final decision about the formula)
 - arrangements for the education of pupils with special educational needs
 - arrangements for the use of pupil referral units and the education of children otherwise than at school
 - arrangements for early years provision
 - administrative arrangements for the allocation of central government grants paid to schools via the local authority
3. Schools Forum must also be consulted, at least one month prior to tender, about any contract proposed for supplies and services to be funded from the Schools Budget which is in excess of EU procurement thresholds.
4. Generally Schools Forum's role is a consultative one, but there are some instances where they are responsible for making decisions. The main areas where Schools Forum decides on local authority proposals for use of DSG are:
 - De-delegation from mainstream school budgets for prescribed services to be provided centrally, with voting restricted to Primary or Secondary mainstream representatives depending on the budget concerned.
 - To create a fund for significant pupil growth in order to support the local authority's duty for place planning (basic need), and agree the criteria for maintained schools and academies to access this fund

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- To create a fund for falling rolls for good or outstanding schools if the school's surplus capacity is likely to be needed within the next three years to meet rising pupil numbers, and agree the criteria for maintained schools and academies to access this fund
- Continuation of funding at existing levels for prescribed historic commitments where it would be destabilising to delegate the funding.
- Continuation of funding for the local authority to meet prescribed statutory duties
- Funding for central early years expenditure
- Authorisation of a reduction in the schools budget in order to fund a deficit arising in central expenditure to be carried forward from a previous funding period

In each of the above cases the local authority can appeal to the Secretary of State to adjudicate if Schools Forum rejects its proposal.

5. Agendas and papers for Schools Forum meetings are published on the public internet site, generally a week in advance¹.
6. Schools Forum has an agreed annual budget of £30,730 funded from DSG which covers various expenses including clerking, venue hire and catering, travel and expenses of members. There is also a considerable amount of officer time spent fulfilling our statutory role supporting the work with Schools Forum which cannot be charged to the DSG.

Consultation on use of DSG Balances

7. The local authority consults Schools Forum on the use of DSG balances unspent in previous years. Considerable time was spent by Schools Forum during 2013 reviewing bids for allocations from DSG underspends in 2012-13 and prior years. Most of the DSG underspend relating to this period has been committed to various projects including for example school improvement projects for reading and writing, contribution to behaviour improvement harbour pilots, additional support to smooth the transition as the school funding reforms were introduced in 2013-14 and additional allocations to schools to help meet additional costs of holiday pay changes in Autumn 2013.
8. Following the funding reforms in 2013-14 regulations have been tightened, and it is necessary to decide more urgently how to use any DSG underspend in the following year. Schools Forum reviewed and approved proposals for use of the DSG underspend arising in 2013-14 at the Schools Forum meeting of 3 December 2014. This included continued support around building capacity for the free entitlement for disadvantaged two year olds and creation of a contingency budget for High Needs to deal with some of the budget uncertainties arising from the SEND reforms, but the largest part of the underspend was earmarked to contribute to creation of a growth fund to make

¹ <https://www.oxfordshire.gov.uk/cms/content/oxfordshire-schools-forum>

provision for the initial set up and dis-economies of scale costs in establishing new basic need academies².

9. Schools Forum continue to support the principle of minimising funding turbulence in future years, and using any balance for one off expenditure similar to the growth fund, rather than distributing as a one off allocation to schools in their budget share, which may result in some schools mistakenly thinking that this will continue in future years.

Financial and Staff Implications

10. There are no financial or staff implications of this report.

Equalities Implications

11. There are no equalities implications of this report.

RECOMMENDATION

12. **The Education Scrutiny Committee is RECOMMENDED to note the contents of this report**

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Interim Deputy Director Education & Learning

Background papers: Papers 6a and 9 and Minutes from the meeting of Schools Forum on 3 December 2014³.

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² See minutes of the Schools Forum meeting of 3 December 2014, and papers 6a <https://www.oxfordshire.gov.uk/cms/sites/default/files/folders/documents/childreducationandfamilies/educationandlearning/schools/ourworkwithschools/schoolsforum/031214/Paper6aHistoricCommitmentsfromDSG.pdf> and paper 9 <https://www.oxfordshire.gov.uk/cms/sites/default/files/folders/documents/childreducationandfamilies/educationandlearning/schools/ourworkwithschools/schoolsforum/031214/Paper9-UseofDedicatedSchoolsGrantCarryForwards2013-14.pdf>

³ <https://www.oxfordshire.gov.uk/cms/sites/default/files/folders/documents/childreducationandfamilies/educationandlearning/schools/ourworkwithschools/schoolsforum/2015meetings/jan/Paper2-SFmins03.12.14internetversion.pdf>