



NOTTINGHAM CITY COUNCIL
SCHOOLS FORUM

Date: Thursday, 16 June 2016

Time: 1.45 pm

Place: Ground Floor Committee Room - Loxley House, Station Street, Nottingham,
NG2 3NG

Members are requested to attend the above meeting to transact the following business

Governance Officer/Clerk to the Forum: Phil Wye, Constitutional Services, Tel: 0115
8764637

AGENDA

Pages

- | | | |
|----------|--|---------|
| 1 | APOLOGIES FOR ABSENCE | |
| 2 | DECLARATIONS OF INTEREST | |
| 3 | MINUTES OF THE PREVIOUS MEETING
Minutes of the last meeting held on 21 April 2016 (for confirmation) | 3 - 8 |
| 4 | WORK PROGRAMME | 9 - 10 |
| 5 | UPDATE ON THE PUPIL GROWTH CONTINGENCY FUND <ul style="list-style-type: none">• Closedown of the 15/16 fund• Update on the 16/17 fund | 11 - 14 |
| 6 | STATUTORY MONITORING PROCESS FOR DEFICIT MAINTAINED SCHOOLS
Report of the Directors of Education | 15 - 18 |
| 7 | 2015/16 DEDICATED SCHOOLS GRANT - OUTTURN REPORT
Joint report of the Corporate Director for Children and Adults and the Chief Finance Officer | 19 - 34 |
| 8 | MEETING DATES FOR THE 2016/17 ACADEMIC YEAR
To agree to meet on the following Thursdays at 1.45pm:

22th September 2016
20th October 2016
8th December 2016
19th January 2017
23rd February 2017 | |

20th April 2017
22nd June 2017

IF YOU NEED ANY ADVICE ON DECLARING AN INTEREST IN ANY ITEM ON THE AGENDA, PLEASE CONTACT THE GOVERNANCE OFFICER/CLERK TO THE FORUM SHOWN ABOVE, IF POSSIBLE BEFORE THE DAY OF THE MEETING

CITIZENS ATTENDING MEETINGS ARE ASKED TO ARRIVE AT LEAST 15 MINUTES BEFORE THE START OF THE MEETING TO BE ISSUED WITH VISITOR BADGES

CITIZENS ARE ADVISED THAT THIS MEETING MAY BE RECORDED BY MEMBERS OF THE PUBLIC. ANY RECORDING OR REPORTING ON THIS MEETING SHOULD TAKE PLACE IN ACCORDANCE WITH THE COUNCIL'S POLICY ON RECORDING AND REPORTING ON PUBLIC MEETINGS, WHICH IS AVAILABLE AT WWW.NOTTINGHAMCITY.GOV.UK. INDIVIDUALS INTENDING TO RECORD THE MEETING ARE ASKED TO NOTIFY THE GOVERNANCE OFFICER/CLERK TO THE FORUM SHOWN ABOVE IN ADVANCE.

NOTTINGHAM CITY COUNCIL

SCHOOLS FORUM

**MINUTES of the meeting held at Loxley House, Nottingham on 21 April 2016
from 13.46 - 15.43**

Membership

Present

Mark Precious (Chair)
Sian Hampton (Vice Chair)
Susie Artis
David Blackley
Caroline Caille
Paul Halcro
Gary Holmes
Andy Jenkins
Judith Kemplay
Chris Manze
Annwen Mellors (substitute)
Janet Molyneux
Tracy Rees
Terry Smith
James Strawbridge
Marcus Wells
Dawn Whitmore
Tracey Ydlibi

Absent

Bev Angell
Sally Coulton (sent substitute)

Colleagues, partners and others in attendance:

Alistair Conquer	- Head of Education Partnerships
Pat Fielding	- Director of Education
Julia Holmes	- Finance Analyst, Children and Adults
David Hooker	- Principal, Djanogly City Academy
Kathryn Stevenson	- Finance Analyst, Children and Adults
Michael Wilsher	- Inclusion Officer
Phil Wye	- Governance Officer

37 APOLOGIES FOR ABSENCE

Bev Angell
Sally Coulton (sent substitute)
Ceri Walters
Councillor Sam Webster

38 CHANGE TO MEMBERSHIP

The Chair of the Forum welcomed the new members of the Schools' Forum, following their nomination and appointment.

RESOLVED to

- (1) note the appointment of Maria Artingstoll, Governor at Dunkirk Primary School, as Maintained Primary Governor representative;**
- (2) note the appointment of David Blackley from the Hospital and Home Education PRU as Pupil Referral Unit (PRU) representative;**
- (3) note the appointment of Dave Hooker from Djanogly City Academy as Secondary Academy representative from September 2016;**
- (4) note the appointment of Dawn Whitemore from New College Nottingham as Further Education (FE) Provider representative.**

39 DECLARATIONS OF INTEREST

None.

40 MINUTES OF THE PREVIOUS MEETING

Subsequent to the addition of apologies from Caroline Caille, the minutes of the meeting on 25 February 2016 were agreed as a correct record and signed by the Chair.

41 WORK PROGRAMME

The work programme for the next meeting of the Forum was noted, with the addition of future Forum dates for the 2016/17 academic year.

42 PROPOSALS FOR A SCHOOLS NATIONAL FUNDING FORMULA AND HIGH NEEDS FUNDING REFORMS

Julia Holmes, Finance Analyst, gave a presentation on proposals for a National Funding Formula for schools, highlighting the following:

- (a) the Department for Education (DfE) has stated that the principle behind a National Funding Formula is to develop a funding system that supports every child to achieve their potential, whatever their background. They have stated that the new funding system will be fair, efficient, transparent, simple, predictable and get funding straight to schools;**
- (b) the DfE have undertaken the first of two consultations on the implementation of the National Funding Formula. The following is currently proposed:**

- move to a school-level national funding formula from 2019-20, after two years' transition where local authorities still be able to set the formula locally if they wish;
- ring-fence the Schools Block during the transitional years so that all schools block funding is passed onto schools;
- introduce a new Central Schools Block, meaning that there will be four blocks in total from the Dedicated Schools Grant (DSG) – Schools, Central Schools, High Needs and Early Years;
- the Pupil Premium will remain a separate grant;

(c) there will be four factors in the formula:

- per pupil costs, with different basic rates for primary, key stage 3 and key stage 4;
- additional needs, including deprivation factors, low prior attainment and pupils who have English as an additional language;
- a lump sum for all schools;
- area costs, including sparsity funding for schools in rural area, rates, split sites, exceptional circumstances and growth;

(d) factors which are currently in the local formula which will not be in the national formula include Looked after Children, Mobility and Post-16;

(e) the new Central Schools Block will be for ongoing duties that local authorities hold for maintained schools and academies. Funding will be distributed using a simple per-pupil formula;

(f) the first stage consultation closed on 17 April 2016 and focused on the summary and the case for change. It does not include more details of the proposed weightings of the formulae as this will form part of the second stage consultation;

(g) Nottingham City Council (NCC) responded to the first stage consultation, commenting particularly on the ring-fencing of funding blocks as it does not think this is best as there may be unforeseen pressures in certain areas. NCC also believes that the per-pupil rate should have separate key stage 1 and key stage 2 levels, and that it is not suitable to allocate funds to local authorities based on historic spend;

Kathryn Stevenson, Finance Analyst, gave a presentation on proposals for high needs funding reforms, highlighting the following:

(h) a new funding formula is proposed for high needs, to determine the distribution of funding to local authorities. All funding blocks will be ring-fenced so funds from other blocks will not be available for high needs;

(i) the high needs funding formula will include the following factors:

- basic unit of funding for pupils in specialist SEN institutions;
- population;
- health and disability, based on census data and disability living allowance;

- low attainment, based on pupils not achieving level 2 in reading at the end of key stage 2, and pupils not achieving 5 A*-G GCSEs at key stage 4;
- deprivation, based on pupils eligible for free school meals;
- 2016-17 spending level;

There will also be area cost adjustment to take account of the relative costs of teachers' pay in different areas. The weightings of these factors within the formula are not yet known;

- (j) the proposal for funding alternative provision funding is to use population and deprivation factors. It is likely that in the longer term funding for alternative provision will be distributed to schools rather than the local authority to align to the accountability of schools under the White Paper proposals. There are no specific funding proposals for hospital education yet;
- (k) for some local authorities current high needs spend will be higher than the funding available. The DfE are proposing extra capital funding for the creation of new special Free Schools and expanding existing SEN provision, collaborative working between local authorities including sharing of services and extra help to ensure that institutions are as efficient as possible;
- (l) NCC responded to the first stage consultation, disagreeing particularly with the use of a population factor in the new formula (other than for the alternative provision element) and the use of free school meals for the deprivation factor rather than the Ever 6 free school meals measure. NCC also argued for the retention of flexibility to move funding between blocks and raised the urgency of a framework for hospital education funding;

The date of stage 2 for both consultations is not yet known but will be later this year.

RESOLVED to note the information in the presentation.

43 ALTERNATIVE PROVISION MODEL 2016/2017

Pat Fielding, Director of Education, introduced the report consulting the Forum on the detailed proposals to move to a new model for Alternative Provision for the 2016/17 financial year, involving the devolution of high needs funding to maintained schools and academies under a Service Level Agreement (SLA) in order to support early intervention and make provision for pupils with challenging behaviour in schools. Pat highlighted the following:

- (a) secondary schools will be required to meet the ongoing costs of provision for all pupils including those that they permanently exclude. The funding will be adjusted to reflect a charge for any pupils permanently excluded after April 2016, initially at £15,000 per pupil;
- (b) some primary schools will be piloting clusters in their area to test and evaluate a collaborative approach to alternative provision. Participating clusters will also receive devolved funding and be responsible for meeting all costs associated with pupils they permanently exclude;

- (c) the cost of devolving these funds will be £5.565m over 5 years, including £500,000 to cover potential risks. If nothing was done and the current alternative provision model continues it would cost substantially more based on recent trends in permanent exclusions, therefore making this option unviable financially. Devolving funds directly to schools also pre-empts the direction of alternative provision nationally, as individual schools will be accountable for all permanently excluded pupils from 2017;
- (d) school heads have been consulted on several occasions over the last year on the proposals, and all heads were invited to a meeting on the subject on 4th February 2016 at Nottingham Racecourse. Most secondary schools have agreed in principle. Benefits include supporting early intervention, collaboration between schools and between primary and secondary schools and improved outcomes for pupils;
- (e) the future of Denewood and Unity Pupil Referral Units remains unclear. They may be subject to an academisation order and continue as free schools however individual schools will be responsible for commissioning alternative provision;

The following comments were made during the conversation which followed:

- (f) many pupils who are permanently excluded from secondary schools were ill-prepared in their transition from primary school, so positive collaborative working between primary and secondary schools is imperative to prevent this. Some academy trusts such as the Greenwood Academy Trust have planned to develop separate blocks to aid transition. One of the proposed primary clusters will be in Clifton, and it hopes to collaborate with the secondary school there;
- (g) colleges are working with local schools and have secured money to fund coaches and identify secondary pupils at risk that they can work with;
- (h) pupils currently on roll at Denewood and Unity still need to be funded until they finish. The initial devolved funding will be reduced to reflect these costs;
- (i) the funding for the new model will be presented to Executive Board in May 2016 for agreement. Once this has been agreed, the proposals can go ahead and be implemented before September;
- (j) primary heads are unaware of the range of alternative provision available in Nottingham and elsewhere. A directory of this provision would be helpful to allow them to make informed decisions.

RESOLVED to

- (1) note the proposal to devolve funds to individual secondary schools for the 2016/17 financial year in accordance with the formula specified in the report, under a Service Level Agreement (SLA);**
- (2) note the proposal that under the SLA the charge for pupils that are permanently excluded be set at £15,000 per annum (pro-rata) for 2016/17;**

- (3) note the proposal to pilot the devolution of funds to 1 or 2 clusters of primary schools as of September 2016;**

- (4) note that the implementation of this model will require an estimated £5.565m from the Statutory School Reserve over the next 5 years. Of this £0.825m is already ring fenced for this area of activity within the Reserve. £0.500m of this requirement is ear-marker to cover any potential risks.**

SCHOOLS FORUM WORK PROGRAMME

Title of report	Report or presentation	Author – name, title, telephone number, email address
<u>22 September 2016</u>		
1. 2016/17 Budget Approvals	Report	Ceri Walters, Finance Business Partner, Children and Adults Tel: 0115 8764128 Email: ceri.walters@nottinghamcity.gov.uk
2. National Funding Formula update	Report	Ceri Walters, Finance Business Partner, Children and Adults Tel: 0115 8764128 Email: ceri.walters@nottinghamcity.gov.uk
3. Sustainable Schools' Co-ordinator update	Report	Ruth Zoumidis, Schools Energy Officer

Page 9

Deadlines for submission of reports

Date of meeting	Draft reports (10.00 am)	Final reports (10.00 am)
22 September	1 September	12 September
3 November	6 October	24 October
8 December	17 November	28 November
19 January	29 December	9 January
23 February	2 February	13 February
20 April	23 March	10 April
22 June	1 June	12 June

Agenda Item 4

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Update on pupil growth contingency fund 2016/17– Update for Schools Forum (June 2016)

School	Category	June 2016 Figure	Funding start date	Funding end date (up to and including)
Glade Hill	Bulge year – 7/12ths (inc. 2 teachers if admit 2 nd class)	54,665	Sept 2015	TBC
Huntingdon Academy	Bulge year – 5/12ths academy funding	26,315	April 2015	April 2017
Huntingdon Academy	Bulge year – 7/12ths	36,841	Sept 2014	Sept 2016
Middleton Primary	Bulge year – Teacher cost for full year	30,555	Sept 2015	Sept 2017
Glenbrook	Classrooms	8,000	Sept 2014	Sept 2019
Heathfield	Classrooms	24,000	Sept 2015	Sept 2020
IDEAL	City wide provision – classroom set up (TBC)	8,000	Sept 2016	Sept 2016
Glade Hill	Classrooms	8,000	Sept 2016	TBC
Fernwood Primary	Classrooms	8,000	Sept 2015	Sept 2021
Huntingdon Academy	Classrooms	8,000	Sept 2014	Sept 2016

Summary – June 2016	
16/17 fund	1,017,614
15/16 C/F balance	36,089
TOTAL FUND	1,053,703
Bulge year	148,376
Classroom set up	257,500
Late admissions – children previously without a school place	10,173
Planned expansions	598,107
Current total spend	1,014,156
Remaining balance	39,547

Mellers	Classrooms	8,000	Sept 2016	Sept 2022
Middleton	Classrooms	8,000	Sept 2015	Sept 2016
Nottingham Academy	Classrooms / set up	129,500	Sept 2016	Sept 2016 (one-off payment)
Riverside	Classrooms	8,000	Sept 2014	Sept 2018
Rosslyn Park	Classrooms	8,000	Sept 2013	Sept 2017
Rufford	Classrooms	8,000	Sept 2013	Sept 2019
South Wilford	Classrooms	8,000	Sept 2015	Sept 2021
Whitegate	Classrooms	16,000	Sept 2016	Sept 2016
Riverside	Late admissions – 5/12ths funding (Teaching Assistant)	10,173	April 2016	April 2016 (one-off payment)
Blue Bell Hill	Expansion - 7/12ths	36,841	Sept 2010	Sept 2016
Blue Bell Hill	Expansion – 5/12ths	26,315	April 2014	April 2017
Djanogly Northgate	Expansion – 7/12ths	36,841	Sept 2010	Sept 2016
Djanogly Northgate	Expansion – 5/12ths	26,315	April 2014	April 2017
Dunkirk	Expansion – 7/12ths	36,841	Sept 2012	Sept 2018
Fernwood Primary	Expansion – 7/12ths	36,841	Sept 2015	Sept 2021
Forest Fields	Expansion – 7/12ths	36,841	Sept 2013	Sept 2019

Glenbrook	Expansion – 7/12ths	36,841	Sept 2013	Sept 2017
Glenbrook	Expansion – 5/12ths	26,315	April 2014	April 2018
Mellers	Expansion – 7/12ths	36,841	Sept 2016	Sept 2022
Riverside	Expansion – 7/12ths	36,841	Sept 2012	Sept 2018
Riverside	Expansion – 5/12ths	26,315	April 2015	April 2019
Rosslyn Park	Expansion – 5/12ths	24,440	April 2015	April 2018
Rosslyn Park	Expansion – 7/12ths	36,841	Sept 2013	Sept 2017
Rufford	Expansion – 7/12ths	36,841	Sept 2013	Sept 2019
South Wilford	Expansion – 7/12ths	36,841	Sept 2016	Sept 2021
Sycamore	Expansion – 7/12ths	36,841	Sept 2013	Sept 2019
Sycamore	Expansion – 5/12ths	26,315	April 2014	April 2020
TOTAL SPEND		1,014,156		

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SCHOOLS FORUM - 16 June 2016

Title of paper:	Statutory monitoring process for deficit maintained schools
Director(s)/ Corporate Director(s):	Pat and Sarah Fielding, Joint Directors of Education
Report author(s) and contact details:	Ceri Walters, Head of Commercial Finance 01158 764 128 ceri.walters@nottinghamcity.gov.uk
Other colleagues who have provided input:	Alistair Conquer, Head of Education Partnership 01158 764 694 Alistair.conquer@nottinghamcity.gov.uk Mandy Bryce, Finance Analyst 01158 764 214 Mandy.bryce@nottinghamcity.gov.uk
Summary	
The purpose of this report is to update Schools Forum on the statutory monitoring process for deficit maintained schools.	
Recommendation(s):	
1	To note the statutory monitoring process for deficit maintained schools.

1 REASONS FOR RECOMMENDATIONS

- 1.1 To manage school deficit effectively, the local authority has the statutory responsibility to assist deficit schools in soundly managing their delegated budget share and reducing the deficit in the timely manner.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 As specified in the Fair Funding Scheme, 2.3.12 “Schools that set a deficit budget will be expected to submit a financial forecast and action plan as instructed by the Schools Finance Team. Schools that project a deficit outturn during a financial year will be required to submit a financial forecast within one term of the date a deficit was projected.”
- 2.2 Also in the Fair Funding Scheme, 4.9.3 “ the deficit must not exceed the greater of 5% of the school budget share or **£35,000** for primary schools and the greater of 2.5% of the school budget share or **£70,000** for secondary schools, unless approved by the Corporate Director of Children & Adults and the Chief Finance Officer. The maximum repayment period will normally be 3 years.”
- 2.3 Here is the statutory monitoring process for deficit maintained schools:

- **Step 1: Identifying deficit schools**, Schools Finance Support team will identify deficit schools via May budget plan submission, or termly outturn submission in July, November and February, or the year-end balance in April.
- **Step 2: Informing deficit requirements**, Schools Finance Support team will write to the deficit schools to inform them of the LA's requirements:
 - Use of the LA budget planner to set budget and monitor budget including the software charge.
 - Monthly statutory monitoring visits from the Schools Finance Support team.
 - Require monthly outturn submissions in accordance with the statutory return timetable.
 - Alter the cash allocation from termly to monthly.
 - Require the deficit recovery plan to be submitted as instructed by the Schools Finance Support team.
 - Require the 3 years financial plan to be submitted as instructed by the Schools Finance Support team.
 - Invite the LA officers to attend the Governing body meeting.
- **Step 3: Issuing the Notice of Concern**, Joint Directors of Education will sign off the Notice of Concern if:
 - The deficit school do not comply with Step 2 within one financial year.

Or

 - The deficit is increasing rapidly within the financial year and an urgent action is required to notice the Governing Body to state the requirements that will result in the removal of the notice and the deadline by which such requirements must be complied with in order for the notice to be withdrawn, as well as the actions that the authority may take where the governing body does not comply with the notice. (refer to the Fair Funding Scheme 2.15 Notice of Concern)
- **Step 4: Withdrawing the Financial delegation**, Joint Directors of Education will write to the deficit school to inform the decision if:
 - Step 2 and Step 3 have been exercised but the financial performance has not showed any significant improvements.

Or

 - The LA has to suspend the governing body's right to a delegate budget with immediate effect due to any gross incompetence or mismanagement. (refer to the Fair Funding Scheme, Appendix C: Schools Standards and Framework Act 1998 - Schedule 15 Suspension of Financial Delegation)

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Without managing the deficit schools' finance properly, this could expose the LA the schools to high financial risk.

4 OUTCOMES/DELIVERABLES

- 4.1 By putting a robust monitoring process in place will ensure that the deficit schools have a stronger financial management system and also an achievable deficit recovery plan to help them get out of the deficit position and prevent further debt to the LA.

5 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 5.1 This report provides the Schools Forum an update on the statutory monitoring process for deficit schools. It is very important to implement the steps above in order to safeguard the LA's finance and help schools manage their delegated budget more efficiently to prevent any further deficit situations.

6 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 6.1 N/A

7 HR ISSUES

- 7.1 N/A

8 EQUALITY IMPACT ASSESSMENT

- 8.1 Has the equality impact of the proposals in this report been assessed?

No

No

An EIA is not required because the report does not require a change to services.

9 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

- 9.1 N/A

10 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 10.1 The Fair Funding Scheme
<http://www.nottinghamschools.org.uk/index.aspx?articleid=5918>

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SCHOOLS FORUM - 16 JUNE 2015

Title of paper:	2015/16 DEDICATED SCHOOLS GRANT - OUTTURN REPORT
Director(s)/ Corporate Director(s):	Alison Michlaska, Corporate Director for Children and Adults Geoff Walker, Chief Finance Officer
Report author(s) and contact details:	Ceri Walters, Head of Commercial Finance 01158 764 128 ceri.walters@nottinghamcity.gov.uk
Other colleagues who have provided input:	Sarah Molyneux Legal Service Manager and Solicitor 01158 764 335 sarah.molyneux@nottinghamcity.gov.uk
Summary This report sets out the 2015/16 Dedicated Schools Grant (DSG) outturn and the updated reserve balance.	
Recommendation(s):	
1	To note that the 2015/16 financial outturn position of the DSG was an underspend of £1.373m and the reasons for the material underspend are set out in Table 3 .
2	To note that this under spend has been allocated back to the Statutory Schools Reserve (SSR) resulting in a closing balance of £11.997m for 2015/16, as per Table 4 .
3	To note that based on current commitments which the SSR balance by 31 March 2022 should be £4.201m, as per Table 4 .

1. REASONS FOR RECOMMENDATIONS

- 1.1 Enabling the formal monitoring of progress against the 2015/16 DSG budget.
- 1.2 Confirm the impact on the SSR as a result of the 2015/16 outturn.

2. BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The 2015/16 schools budget totalled £238.276m and gained approvals throughout the budget process. These approvals are set out in **Table 1** below:

TABLE 1: ANALYSIS OF APPROVALS	
	Date
De - Delegated Budgets	
Behaviour Support	18 December 2014
Ethnic Minority Achievement	16 October 2014
Trade Union Senior Representative Cover Time	16 October 2014
Sports Safe Gym Maintenance Services	16 October 2014
Building Maintenance Services	18 December 2014
Central Budgets	
Schools and Early Years	18 December 2014
Overall Budget	
Executive Board	17 March 2015

The final budget was presented to Schools Forum on 12 February 2015.

- 2.3 The initial DSG allocations included in the approved reports can change throughout the year as pupil numbers change, grants are allocated and the full impact of academisations is known. These figures are reported by the Education funding Agency (EFA).

Table 2 below provides a summary of these budgets including the actual spend.

TABLE 2: 2015/16 DSG FUNDING UPDATES				
	Budget as at April 2015 £m	Final Budget £m	Actual Spend £m	(Under)/ Over Spend £m
Budgets	219.737	223.226	221.644	(1.582)
Headroom		0.143		(0.143)
Central Expenditure	13.264	13.801	14.153	0.352
Sub Total	234.646	237.170	235.797	(1.373)
Plus: 2 Year Old Funding	3.630	3.630	3.630	
TOTAL	238.276	240.800	239.427	(1.373)

2.4 The underspend of £1.373m has been allocated back to the SSR. Some of the under spend is ring fenced in accordance with Department for Education (DfE) guidelines or approvals at Schools Forum (SF).

2.5 **Table 3** provides a high level summary of the material variances which constitute 88.9% of the total value.

TABLE 3: UNDER SPENDS - SUMMARY		
	(Under) Spend £m	Details
3 & 4 year old contingency	(0.278)	Pupil premium, to be paid back to the DfE in 2016/17
BSF slippage	(0.619)	Slippage in capital programme.
Pupil growth slippage	(0.099)	Slippage to support 2015/16 growth as per report presented to SF 23 April 2015. To be allocated to support 2016/17 spend as per DfE financial regulations.
Early Years Contingency	(0.125)	No longer required.
Exclusions	(0.281)	Primary exclusions.
Home Tuition	(0.100)	Not required in 2015/16.
Special Schools Contingency & Transition	(0.166)	Underspend of contingency and transitional costs.
Special Education Needs	(0.116)	Staffing vacancy levels higher in year
Headroom	(0.143)	Unallocated balance of final settlement.
Education cost of placements	0.322	Increase in complexity and growth in population.
Cross Border Top ups	0.385	Demand driven increase.
TOTAL MATERIAL UNDERSPENDS	(1.220)	

2.6 The SSR balance as at 1 April 2015 was £14.885m. After in year movements the opening balance as at 1 April 2016 is £14.260m.

2.7 **Table 4** below sets out:

- The forecast position as at 31 March 2015;
- The actual position as at 31 March 2016;
- The uncommitted balance based on current approvals.

TABLE 4: RESERVE ANALYSIS		
	Forecast	Actual
	£m	£m
Opening Balance as at 1 April 2015*	(14.885)	(14.885)
Less: 2015/16 Commitments	5.826	4.261
Add: 2015/16 Under spends		(1.373)
Closing Balance as at 31 March 2015	(9.875)	(11.997)
Less: 2015/16 & 2016/17 Commitments	4.212	7.796
Less: 2 Year old Funding	4.405	
Uncommitted Balance	(1.258)	(4.201)

Appendix A sets out the commitments/ring fenced funding from the SSR resulting in an unearmarked balance of £4.201m.

- 2.8 The uncommitted element of the SSR is 1.7% of the 2015/16 DSG budget. There is no statutory requirement for this reserve however this percentage does align with the Local Authorities Medium Term Financial Strategy.
- 2.9 All recommendations within this report align to the Schools and Early Years Financial Regulations 2015. Future use of the reserve needs to align to the following expenditure categories set out in **Table 5**.

TABLE 5: EXPENDITURE CATEGORIES
HIGH NEEDS BUDGET
Top-up funding – maintained schools
Top-up funding – academies, free schools and colleges
Top-up and other funding – non-maintained and independent providers
Additional high needs targeted funding for mainstream schools and academies
SEN support services
Hospital education services
Other alternative provision services
Support for inclusion
Special schools and Pupil Referral Units (PRU's) in financial difficulty
PFI/ BSF costs at special schools and AP/ PRUs
Direct payments (SEN and disability)
Carbon reduction commitment allowances (PRUs)
EARLY YEARS BUDGET
Central expenditure on children under 5
CENTRAL PROVISION WITHIN SCHOOLS BUDGET
Contribution to combined budgets
School admissions
Servicing of schools forums
Termination of employment costs
Falling Rolls Fund
Capital expenditure from revenue (CERA)
Prudential borrowing costs
Fees to independent schools without SEN
Equal pay - back pay
Pupil growth/ Infant class sizes
SEN transport
Exceptions agreed by Secretary of State
Other Items

2.10 A risk register was valued in February 2015 and presented to SF on 23 April 2015. Until more work is undertaken with Schools Forum Sub Group it is recommended that the risk valuation remains at £0.818m detailed in **Table 6** below:

TABLE 6: RISK ASSESSMENT			
POTENTIAL RISK	Worse Case £m	Assessment of risk £m	Estimated exposure £m
Academy DSG recoupment Impact on services provided by Local Authority. Risk of reduction of services in conjunction with academisations.	0.700	H	0.630
Deficit Balances for sponsored academy conversions LA has to pick up deficits for academies converting with a sponsor. Worse case is based on the total projected year-end deficits.	0.376	M	0.188
TOTAL	1.076		0.818

3. OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 No other options were considered as part of this report.

4. OUTCOMES/DELIVERABLES

4.1 To provide SF with the 2015/16 outturn position and to confirm the opening balance of the SSR for 2016/17.

5. FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

5.1 This report contains financial implications.

6. RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)

6.1 The current law in force in this area is the School and Early Years Finance (England) Regulations 2015. Spend from the SSR needs to align with the requirements of the Regulations.

7. HR ISSUES

7.1 Not applicable

8. EQUALITY IMPACT ASSESSMENT

8.1 An EIA is not needed as the report does not contain proposals or financial decisions.

Has the equality impact been assessed?

Not needed (report does not contain proposals or financial decisions)

No

Yes – Equality Impact Assessment attached

Due regard should be given to the equality implications identified in the EIA.

9. LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

9.1 None

10. PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

10.1 Schools Forum 21 April 2016 – Alternative Provision Model 2016/17

10.2 Schools Forum 22 March 2016 – Schools Budget 2016/17

2014/15+ RESERVE COMMITMENTS								
No		Date Approved	Funding Narrative	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Other Comments
1	Re-phased BSF Wave 5 funding	29 March 2012 - Agenda Item 12-03-10		0.174	0.740			See comment above in Appendix A. 2015/16 spend is carried forward from 2014/15 underspends.
2	Early Years – 2 Year old funding	DfE	Ring fenced funding and underspend in central expenditure carried forward as per financial regulations 2014, Part 2, Chapter 1 paragraph (8).		0.537 0.240	0.753 4.165		2015/16 drawdown aligns to the 2014/15 budget report and has been updated to reflect the confirmed funding from the DfE. The 2016/17+ figure includes 2014/15 underspends on Early years of £3.115m
3	Strategic Partnership Bids	24 Jan 2013 - Agenda Item 7	Educational Investment Fund	0.061	0.061			This is the balance remaining from the £0.500m initially earmarked within this reserve for one off educational investment. Slippage
4	Inclusion Strategy	21 March 2013 - Agenda Item 9	Partnership's inclusion strategy to support young people displaying challenging and/or antisocial behaviour in schools and the community. The report stated that this would be achieved by empowering the Partnership to provide a range of services which would fulfil the statutory duties of the Local Authority.	0.677				Balance recouped from school exclusions – element to be allocated to Nottingham City Secondary Education Partnership. £0.190m for Fair Access for 2014/15 comes from DSG annual budget. £0.867m paid in total.
5	E-learning Centres	27 Jan 2011 - Agenda Item 11-01-17	To underwrite the service until fully traded. The allocation was £0.456m in 2011/12 and £0.364m in 2012/13.	0.150				Slippage in spend due to income received from schools however changes to this service are being implemented, no income being received and this balance is required to fund the changes and underwrite a traded post to address the new primary curriculum.

No		Date Approved	Funding Narrative	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Other Comments
6	Development of Modern Languages and International Education	29 March 2012 - Agenda Item 12-03-07	The retention of a post responsible for International Dimension and Modern Languages as a means of providing schools with the necessary expertise and support to develop their curriculum and external outlook. Agreed at £0.060m per annum for 2012/13 and 2013/14.	0.120 0.012	0.108 0.008	0.100		Will be spent during 2014/15 and 2015/16. The full underwrite was not required during 2012/13 and 2013/14, however due to the requirements of the new national curriculum this underwrite will be required over the next 2 years. No further underwrites will be requested. Slippage into 2016/17.
7	School Improvement	30 Sept 2010 - Agenda Item 10-09-10	£0.270m to ensure the continuation of teaching and learning consultant support for primary schools. This funding was to mitigating any balance in income generated up to that value.	0.090				
8	Communication, Language and Literacy Development	27 Jan 2011 - Agenda Item 11-01-14	The amalgamation of grants into the DSG in 2011/12 resulted in funding received funds the cost of a CLLD Consultant. This funding ceased and it was agreed that the post of CLLD Consultant is extended for a further 3 years to focus on the transition between the Early Years Foundation Stage (EYFS) and Year 1, as Year 1 indicates lower progress than at other transition points. Funding was for £0.055m per annum for 2011/12 – 2013/14.	0.038				Slippage into 2014/15, no further funding required after this funding is used. Update: Unspent and funding no longer required.

No		Date Approved	Funding Narrative	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Other Comments
9 Page 28	Sustainable Schools Co-ordinator (Apr 14 – Aug 14)	29 March 2012 - Agenda Item 12-03-08	<p>In March 2010 Schools Forum released funding to recruit two Sustainable School Coordinators to develop, support and deliver sustainability projects, and provide guidance and support to the 101 Nottingham City Schools, over a two-year period. It was decided to focus this work on the internationally recognised Eco-School programme as a sustainable framework within which schools can be accredited for their work. For the top award, the Green Flag Award, there is a clear requirement to develop work on Energy Management.</p> <p>In summer 2009 Nottingham City Council set an ambitious target to reduce its own carbon emissions by 31% by 2016. The Council is a participant in the national CRC Energy Efficiency scheme, and therefore failure to achieve our carbon target will bring a substantial fine for the Council. Schools account for 35% of carbon dioxide emissions from Nottingham City Council buildings, so any work undertaken in schools saves money as well as carbon. Funding was for £0.067m per annum for 2012/13 and 2013/14.</p>	0.030				Slippage of £0.030m due to a delay in recruitment.
10	Nottingham City Secondary Education Partnership (NCSEP) – Capital Expenditure	21 March 2013 - Agenda Item 8	A number of sites have been identified to house the PRU from September onwards and discussions are still being considered to secure the most appropriate site for the PRU.		0.825			Replaced

No		Date Approved	Funding Narrative	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Other Comments
11	Safety on school visits	24 April 2014 - Agenda Item 8	Continuation of access to advice and guidance from Education Partnerships to ensure that a consistent approach to the management of off-site visits across schools in the City is maintained and that both schools and employers are compliant with their health and safety obligations. Funding was for £0.030m for 2014/15.	0.030				
12	Increased capacity at Westbury School	18 July 2013 - Agenda Item 7	The Local Authority (LA) has increasingly limited capacity in specialist maintained provision for pupils with social, emotional and behavioural difficulties whose needs cannot be met within mainstream schools. This issue is further compounded by the rising birth rate which is already putting significant pressure on primary places across the City. Without increasing the capacity of Westbury School, the LA will need to commission independent specialist day provision to meet the needs of this growing cohort of young people. £0.094m will be required to fund a modular building to accommodate 16 additional learners at Westbury. Spend in 2014/15 academic year.	0.037 0.019	0.018	0.018		Slippage into 2016/17.
13	Behaviour Support Team Underwrite	5 Dec 2013 - Agenda Item 8	Support of the non statutory element within this service in 2014/15.	0.106	0.106			Slippage due to service underspends. Will support 2016/17 business case.

No		Date Approved	Funding Narrative	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Other Comments
14	Sustainable Schools Co-ordinator (Sep 14 - Aug 16)	26 August 2013 - Agenda Item 7	<p>The approval for this funding was originally for 2 posts for 2 years. Due to delays in recruitment the current approved funding is sufficient to fund the posts up to September 2014. The additional two years funding being requested will enable the officers to continue and develop their program until September 2016.</p> <p>The funding will enable implementation of technical and behavioural change measures, coupled with teaching from foundation aged children upwards and advice sessions for adults, using available data, over a six month period the project has reported the following savings:</p> <ul style="list-style-type: none"> • £42,000 energy savings pro rata inclusive of CRC • 132 tonnes of CO₂ savings pro rata 	0.033	0.067 0.060	0.034		
15	Exclusions – Primary	DfE financial regs		0.022	0.033	0.033		Review requirement as part of Schools Forum Sub Group. Funding transferred to 2016/17.
16	Exclusions – Secondary	DfE financial regs		0.353	0.431	0.431		Review requirement as part of Schools Forum Sub Group. Funding transferred to 2016/17.
17	Fixed Costs for split site kitchens	12 Feb 2015	To support the fixed costs associated with split site kitchens	0.083				This is incorporated in the formula from 2015/16 onwards.
18	Education Service Grant reduction	23 Feb 2012	Aligns to academising schools and the impact to LA services.	0.484	0.484	0.484		Academisation of schools in late 2016/17 will impact on achievement of service reduction.
19	Nethergate place funding	BSF Wave 5	Seven additional places from September 2013. £0.041m allocated in 2013/14 and £0.029 in 2014/15.	0.029				Funding no longer required as included in formula for 2014/15+.

No		Date Approved	Funding Narrative	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Other Comments
20	Inter authority recoupment	DfE financial regs	This relates to children who cross borders to attend special schools. There will be no new commitments associated with this based on the new funding formula and any future charges will relate to outstanding charges from other authorities.	0.386 0.188	0.240	0.240		2014/15 under spend carried forward to 2015/16 to support future liabilities.
21	Contribution to Nottingham Safeguarding Children's Board	5 Dec 2013 - Agenda Item 6	Approve an annual contribution of £13,000 from the Dedicated Schools Grant to the NCSCB on an ongoing basis to ensure the shortfall between the income generated by the Schools and Education Safeguarding Team through the safeguarding training and the £33,000 committed is met.	0.013	0.013	0.013	0.013	Slippage to 2017/18.
22	Funding to support an expanding school – exempt report	24 April 2014 - Agenda Item 14	Funding to support an expanding school	0.164	0.117			
23	Late Admissions to Schools	DfE	Requirement to fund any pupils admitted late to schools.	0.290				
24	Additional growth funding	16 Oct 2014 – Agenda item 10	To fund the shortfall of funding required so support the growth of school places in 2014/15.	0.513	0.099 0.246	0.099		Slippage of £0.099m from 2014/15 into 2015/16 as per report to Schools Forum 23 April 2015. Underspend included in £5.815m.
25	Funding to support an expanding school – exempt report	16 Oct 2014 – Agenda item 14	Funding to support an expanding school	0.165	0.150			
26	Deficit Funding	DfE	Deficit budgets from converting schools	0.270	0.324 0.031			Currently estimated. Payment potentially required in 2015/16. Included in risk register.
27	Business Rate Funding	DfE	Backdated business rate charge to Farnborough	0.206				The DSG has to fund the cost of business rates.

No		Date Approved	Funding Narrative	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Other Comments
28	Enhancing Capacity	23 April 2015 – Agenda item 8	Fund the support required to undertake specific work required to enhance and deepen the support and challenge we can provide in relation to securing improvements in the effectiveness of our city schools and academies.		0.061			
29	Strategic Alliance Activity	23 April 2015 – Agenda item 9	Develop a citywide strategic alliance and fund focussed improvement activities. City Council has agreed to match fund £0.600m to the project.		0.600			
30	Alternative Educational Provision Increased Costs	DfE – 24 Sept 2015 – Agenda item 8	Increased costs of AP (April – July) and an increase in pupil growth for 2015/16.		1.109 1.600			Report approved at SF 24 Sept 2015 and EB 22 Dec 2015
31	Secondary Fair Access	5 Nov 2015 – Agenda item 7	NCSEP Fair Access funding support and managed move strand		0.157			
32	St Mary's temporary classroom funding	21 January 2016 – Agenda item 6	Funding to support temporary accommodation at Bulwell St Mary's CE Primary School		0.035		0.267	Funding period is Sept 2015 to July 2020.
34	Split site funding	DfE	Djanology split site funding for 2015/16		0.050			
35	Alternative Provision – New model	21 April 2016 – Agenda item	New model for alternative provision for Nottingham. Funding to support 2016/17 to 2021/22.			5.565		
36	High Needs 2015/16 slippage	DfE financial regs	Slippage on high needs can be carried forward to following year.			0.221		
37	Early Years Pupil Premium	DfE financial regs	This unallocated amount may be clawed back by the EFA			0.278		

No		Date Approved	Funding Narrative	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Other Comments
TOTAL COMMITTED				2.898	5.826 4.262	4.212 7.516	0.280	

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