

**MINUTES OF A MEETING OF THE SUNDERLAND SCHOOLS FORUM HELD ON THURSDAY 5<sup>TH</sup> JULY 2007 AT SUNDERLAND CIVIC CENTRE**

The following members of the Forum were present: -

Mr H Brown (Governor Rep. - Secondary) – Vice-chair of Forum  
 Mr D Ambrose (Governor Rep. - Secondary)  
 Mrs T Bevan (Headteacher Rep. – Junior)  
 Mrs D Butler (Governor Rep. - Secondary)  
 Mrs S Carter (Headteacher Rep. - Nursery)  
 Mr J Clarke (Governor Rep. Secondary)  
 Mrs S Collingwood (Headteacher Rep. – Infant)  
 Mrs D Elliott (Governor Rep. - Special)  
 Mr M Foster (Headteacher Rep. – Community Secondary)  
 Mr J Hallworth (Headteacher Rep. – Community Secondary)  
 Mrs T Hambleton (Headteacher Rep. – Primary Hetton/Houghton)  
 Mr M Hartnack (Governor Rep. - Primary)  
 Mrs A Hodgson (Headteacher Rep. – Community Primary Sunderland South)  
 Mr D Litchfield (Headteacher Rep. – Community Secondary)  
 Mrs A Mackay (Headteacher Rep. – Roman Catholic Primary)  
 Ms G McDonough (Non-schools Group – Voluntary sector)  
 Mr J McKnight (Headteacher Rep. - Special)  
 Mrs J McLagan (Governor Rep. - Primary)  
 Mrs M D Mitchell (Non-schools Group – Pupil Referral Unit)  
 Mr C Short (Governor Rep. – Primary)  
 Mrs T Stoker (Headteacher Rep. (Community Primary Sunderland North))  
 Mrs K Wilkinson (Governor Rep. – Nursery)  
 Cllr L Williams (Non-schools Group – Early Years & Childcare Partnership)  
 Dr E. Yeates (Headteacher Rep. – Secondary (Church of England))

Together with: -

Mr P Campbell – Head of Resources  
 Mr J G Robinson – Governor Support Manager (Clerk to the Forum)  
 Mrs V Thompson – Principal Finance Officer  
 Cllr P Smith – Portfolio Holder for Children’s Services

**Action Points**

**07/56 Apologies for absence**

Apologies for absence were received from:

Mrs Y Gray (Headteacher Rep. – Church of England Primary) – Chair of Forum  
 Mrs J Brown (Non-schools group – Teaching Associations)  
 Mrs S Hyland (Headteacher Rep. – Foundation)  
 Mr S White (Headteacher Rep. – Secondary (Post 16))  
 Mr R Wilkinson (Headteacher Rep. – Community Secondary)  
 Mrs S Wright (Headteacher Rep. – Community Primary Washington)

**07/57 Declarations of Interest**

Cllr Mrs L. Williams declared an interest in the application for a

licensed surplus from Lambton Primary School, Mrs K Wilkinson declared a similar interest in an application in respect of Hetton-le-Hole Nursery School and Mrs S Carter declared an interest in the application from Hetton Lyons Nursery School. They would withdraw from the meeting during consideration of these items.

**07/58 Minutes of previous meeting held on 24<sup>th</sup> May 2007**

The minutes were approved as a true record.

**07/59 Matters arising from the minutes**

07/47 (school meals) – Further to the discussions at earlier meetings, a report would be discussed later on the agenda regarding the school meals provision, the reasons for the current position and financial situation.

07/47 (SEN amendments) – It was confirmed that the LMS/LMSS Review Group had considered support for pupils with SEN in early years. This issue had primarily been raised by infant and nursery schools who had pointed out that they made provision for SEN children whilst their needs were being assessed and, because of the duration of the statementing process, the school did not receive funding until the child was due to transfer to junior in some cases. They had therefore asked that the Authority consider interim or retrospective funding in these cases. The LMS/LMSS Review Group had considered a number of different scenarios to address this in the context of NTA funding models. It had been made clear that changes meant re-distribution of existing monies. Having discussed options the group felt that this was an issue that was specific to nursery and infant pupils and therefore agreed by a majority that the most appropriate measure would be to model 0.5 NTA funding in all nursery classes and infant main school. Some concerns had been raised by certain members of the LMS/LMSS Review Group because of the impact on funding upon junior schools and the possible adverse effect upon some individual primary schools. Paul Campbell had made it clear, however, that with any redistribution of resources, all schools could not be winners and if the group wished to address an issue they needed to acknowledge that there would be changes. This decision would be proposed for wider consultation.

07/47 (nursery free meals entitlement) - Paul Campbell was continuing to pursue the issues around eligibility/entitlement to nursery free meals as raised at earlier meetings. He was seeking formal clarification of the position from the DfES. Clearly the DfES took a national view rather than the position facing individual Local Authorities. Furthermore, Paul reiterated that any change to the current position would not result in any additional monies being provided to the Authority for the provision of free meals. Therefore there were funding issues to be addressed according to the feedback that was received from the DfES.

07/52 (spending on child protection) – At the last meeting the Forum had asked for comparative information showing full section 52 spending information for Sunderland against similar information for geographically neighbouring Authorities. Paul Campbell had looked into this request and reported that the required information had been supplied to members of the Forum at their meeting in January 2007. He added, however, that direct comparisons of spending in this way were not always informative, as Authorities were organised in different

Paul Campbell to seek clarification of DfES position on nursery free meals eligibility/entitlement and consequent funding implications

ways. Therefore comparisons of figures without contextual information was of limited value and could be misleading. Members of the Forum noted Mr Campbell's comments.

07/54 (Building Schools for the Future) - It was confirmed that Mike Foster continued to communicate views of the Schools Forum to the BSF project management board. The concerns expressed at earlier meetings regarding the complete withdrawal of Capital Funding from schools affected by phase one of BSF had been referred to the BSF. However, as expected, the DfES had been unable to provide any flexibility to the scheme and the project management board was considering how the situation with capital funding could be addressed locally.

**07/60 Minutes of Children's Trust**

Minutes of the last Children's Trust meeting held on Tuesday 3<sup>rd</sup> April 2007 had been circulated to all members of the Forum in advance. Members noted the minutes.

**07/61 Feedback from Standards Fund Monitoring Group**

The last meeting of the Standards Fund Monitoring Group had taken place on 21<sup>st</sup> June 2007. Items discussed at the meeting had included: -

- Steve Auster had provided a list of which schools had accessed music service provision. Most had benefited from the service in some way.
- Sue Morgan had provided a breakdown of which schools benefited from Support for Under-performing Pupils monies from the Primary National Strategy retained funding. It was agreed that the naming of these schools was a sensitive issue and members were asked to treat the information in confidence. It was also hoped that all of the schools named as needing these extra resources knew that they were on the list. Following the meeting the School Improvement Service had given an assurance that schools had been notified in writing that they had qualified for this grant.
- The SFMG had discussed how to use available SEN monies available under Grant 101(a). There was an underspend of £70,000 in this grant. This money could either be devolved to schools or could be invested in autism outreach provision at Farringdon School. The rise in incidence of ASD had been discussed and an audit of provision last year had shown a lack of provision in the secondary sector. Initially the possibility of two secondary provisions had been explored (Biddick and Farringdon) but this possibility had been affected by the BSF programme. Therefore Farringdon had been identified as the school that could meet the needs of the whole City. There had been six ASD pupils placed at Farringdon in the past year and this would increase to twelve in the next year. The additional funding would also enable Farringdon to offer service to other schools. The funding was not specifically for the secondary sector but it was felt that this provided an opportunity to implement necessary improvements. The need to include checks and balances to ensure that this did benefit all secondary schools had been highlighted at the SFMG.

An assurance had been given that these mechanisms were already in place. Having considered the matter, members of the SFMG agreed unanimously to allocate the £70,000 to support provision at Farringdon. They had asked, however, for clarification of where the money would be held and requested details of how checks on accountability would be managed. This decision was subject to ratification at the Schools Forum meeting.

- There were no 2006/07 standards fund grants giving cause for concern.
- The 2007/08 Standards Fund was £48 million including Capital Grants.
- There was no indication yet of next year's standards fund allocation. This would depend on changes in government leadership.

Members of the Schools Forum endorsed the decisions made by the SFMG at their last meeting.

Forum approved  
SFMG decisions

## 07/62 Year End Balances

Members received a report setting out the year end balances for schools for 2006/07 and asking them to consider applications for licensed surpluses and make recommendations to the Director of Children's Services and City Treasurer. Schools' Finance Liaison Officers had continued to work closely with schools to support them with monitoring and managing budgets. The number of schools in the nursery, primary, secondary and special sectors with balances above the 5%/8% threshold were as follows: -

	<b>2005/06 Balance</b>	<b>Number above 5%/8%</b>	<b>2006/07 Balance</b>	<b>Number above 5%/8%</b>
Nursery	£244,256	7	£209,098	5
Primary	£2,576,452	1	£3,845,544	6
Secondary	£1,446,129	2	-£415,786	0
Special	£379,063	0	£224,446	1
Total	£4,647,900	10	£3,863,323	12

Despite an increase in the number of schools with balances in excess of the thresholds, overall balances had reduced by 20%, from £4,647,900 to £3,863,323. A breakdown showed the end of year position for all schools.

In calculating balances for comparison against the 5% & 8% thresholds, the rates surplus distributed to schools in March had been deducted, as previously reported to members, because of the late distribution of the funding. Nine schools had made application for retaining surplus funding in excess of the specified limits. Schools' Finance Liaison Officers had supported the nine schools in formulating their applications for licensed surpluses for consideration by the Forum. Members of the Forum proceeded to consider the applications as follows: -

- (a) Hetton-le-Hole Nursery School (surplus above 8% = £12,912). Mrs K Wilkinson withdrew during consideration of this application.

- (b) Hetton Lyons Nursery School (surplus above 8% = £15,358). Mrs S Carter withdrew during consideration of this application.
- (c) Houghton Community Nursery (surplus above 8% = £28,729).
- (d) Millfield Nursery School (surplus above 8% = £3,149)
- (e) Grangetown Primary School (surplus above 8% = £7,380)
- (f) Holley Park Primary School (surplus above 8% = £9,535)
- (g) Lambton Primary School (surplus above 8% = £13,847)
- (h) Shiney Row Primary School (surplus above 8% = £22,421)
- (i) Columbia Grange Special School (surplus above 8% = £69,438)

Having discussed these individual applications, members of the Schools Forum approved all of the applications but asked for regular monitoring/updates. They were pleased to note that the overall level of surpluses was falling. The application from Columbia Grange School was particularly commended as it showed clear links to the school's development planning. It was agreed that in future, schools making application for surpluses would be asked to specify how it linked to their school development plan and to give more detail about the whole balance (not just the proportion above the 5% / 8% limit). The Schools Forum recommendations would be forwarded to the Director of Children's Services and City Treasurer who would make the final decision on the applications.

With regard to Licensed deficits, members were reminded that schools could not set a deficit budget unless they were given authorisation by the Authority. Finance Liaison Officers supported schools in reviewing and realigning budgets where necessary, and advised on applications for licensed deficits where a balanced budget could not be set. An application for licensed deficit needed to be based on a fully detailed plan which set out how savings could be made to bring the budget back into balance within a maximum three-year period. Licensed deficits for ten schools had been approved for 2007/08 (three primary schools, six secondary schools and one special school).

Members were given an assurance that a condition of approval of licensed surpluses and deficits was that structured and regular monitoring of progress would be undertaken by the Finance Service. Liaison Officers would arrange monthly visits, with the Finance Manager or Principal Finance Officer attending on a bi-monthly basis. The Schools Forum would receive reports on progress of surpluses from time to time.

The Authority's report also referred to Standards Fund balances. The 2006/07 Standards Fund period ended on 31<sup>st</sup> August 2007. The Standards Fund Monitoring Group had received a report which showed considerable balances in all sectors as at 31<sup>st</sup> March 2007. However, further investigations showed that in schools with the highest balances the funding was earmarked for committed staffing costs and all funding would be fully spent by 31<sup>st</sup> August 2007. Members noted the information.

## Action Points

Forum recommended approval of all applications for licensed surplus subject to regular monitoring and updates being provided.

In future all schools making application for licensed surplus would be asked to show how their whole surplus linked to their school development plan.

**07/63 Dedicated Schools Grant Outturn 2006/2007**

Members of the Forum received a report which detailed the outturn against the Dedicated Schools Grant (DSG) for 2006/2007. The report also asked members of the Forum to consider proposals for the use of unallocated school resources arising in 2006/2007 from unallocated ISB contingency and rates surpluses.

The DSG disclosure note in the Statement of Accounts would show an overspend of £129,000 against the DSG. This funding had been provided in year by the Authority following approval of individual bids, predominantly by schools, by the various Area Committees. By topping up the Schools Block budget, this ensured that no overspend would be required to carry forward into 2007/2008.

At the November meeting of the Schools Forum, approval was given to fund redundancy costs arising at schools from any underspend from the Schools Block Other budget, subject to these costs generating on-going savings to schools budgets, in accordance with revised regulations. Following the amalgamation of Havelock and Pallion into Highfield Primary School and redundancies associated with the impending closure of Usworth, redundancy costs totalling £170,000 had been funded from the DSG.

The Schools Forum was made aware that an unallocated contingency was held for each financial year. The amount held at the beginning of 2006/2007 totalled £337,393. This was utilised in line with the agreed criteria during the course of the year. In addition a sum of £117,565 from the 2005/2006 surplus was retained within the contingency. Having regard to the forecast outturn position and following approval at the March 2007 meeting, the forecast remaining sum of £105,106 was distributed to schools based on pupil numbers. In doing so it was envisaged that there would be minimum surplus remaining in the contingency at year-end.

A surplus of £14,445 remained. It was proposed to retain this surplus within contingencies pending greater certainty regarding outturn for the year. A further report would be brought to the forum, later in the financial year to inform members of the contingency position and whether any distribution to schools was required.

The report also referred to rates charges in relation to schools. These were classified as delegated to schools as part of their budget share but were top sliced from the ISB, for projected rates charges, before running the formula or providing for the MFG. Following approval at the March meeting, a sum of £125,000 was distributed to schools based on pupil numbers. In doing so it was envisaged that a year-end surplus in the region of £60,000 would remain as a prudent sum to hold to meet any shortfall in budget within 2007/2008. It was now known that a surplus of £78,566 remained. It was proposed to retain this surplus pending greater certainty regarding outturn for the year. A further report would be brought to the Forum, later in the financial year to inform members of the contingency position and whether any distribution to schools was required.

Members of the Forum agreed to note the outturn against DSG. They also agreed to holding the ISB contingency underspend and Rates underspend centrally, pending identification of requirements during the course of the year.

Agreed to hold ISB contingency and rates surplus centrally pending identification of requirements

It was further agreed that the Forum would receive future reports on unallocated ISB contingency and rates positions as necessary.

**Action points**

Further reports on ISB and rates positions to be presented

**07/64 Budget Position 2007/2008**

Members were presented with a report on the updated budget position on Schools Block Budgets for 2007/2008.

A report had previously been provided to the March meeting of the Forum setting out the amendments to the indicative School Block budget for 2007/2008. This was based on information at the time, following receipt of PLASC and Early Years Census data, but pending the DfES data validation exercise. The receipt of PLASC and Early Years Census data allowed the Authority to forecast the final figure of Dedicated Schools Grant (DSG) utilising a DfES template designed for this purpose. In doing so the estimate of final DSG available for Sunderland was £158,578,000. This represented an increase of £98,000 from the floor position of £158,480,000 used for budget purposes.

A final allocation had recently been notified by the DfES. Sunderland's allocation was confirmed at £158,576,000. This was a slight reduction from that envisaged, although this was due to rounding as countable pupil numbers had remained at 41,479.

Confirmation of this increased DSG resulted in an additional £96,000 being available from the DSG to fund school block pressures. This was currently residing within contingencies pending distribution.

It was proposed to allocate this funding as follows:

- £35,000 to fund revised legislation with regard to school exclusions within 2007/2008. This was a new requirement, the £35,000 being based on DfES indications. A full year cost of £90,000 would be funded from within the DSG in 2008/2009.
- £61,000 distributed to schools based on the current formula mechanism.

Monitoring of Schools Block Budgets, as part of the budget monitoring framework within Children's Services, had commenced at period 2. At present, there were no issues to report.

The report on DSG allocation for 2007/08 and budget monitoring was noted. The Forum would receive further reports as appropriate.

**07/65 School Meals Provision Review**

A joint report of the Director of Children's Services, the City Treasurer and the Director of Community and Cultural Services was submitted for members' attention. This provided an update on the continuing challenges associated with the declining uptake of school meals. School meal uptake within Sunderland had continued to deteriorate in recent years, to the extent that for the financial year 2006-2007 Community and Cultural Services (CCS) had made a traded deficit of £292,000. A continuation of this trend, with the continuation of the agreed 10p per sector price increase in the September of each year, was forecast to make a cumulative deficit of £1.34 million by the end of the financial year 2009-10. The main problem lay within secondary schools (£1.214 million deficit). These figures were based on trading

levels experienced in 2006-07. The service area also had a ring-fenced deficit of £120,000 from previous years which it was anticipating would be recouped from surpluses made in future years.

In 2003 an Association of Public Service Excellence (APSE) Best Value Service Review of school meals in Sunderland identified cost-effective service provision, financially comparable with efficient private sector provision, and within the top quartile of local authority catering providers nationally. Since the completion of this review a number of cumulative issues had emerged that had been beyond the control of the service, which were impacting on the trading position. These factors included the impact of Single Status allied to pricing policy in order to provide a break even trading position in 2007/08. The intervention of Jamie Oliver was also cited and it was clear that this had led to a national lack of confidence in school meals and a corresponding drop in meal uptake. The subsequent introduction of nutritional standards for school meals, which had been focused on healthy menus had exacerbated the problem of declining school meal uptake as children disliked the new menus on offer.

Funding for school meals in Sunderland was delegated to all schools. Where a school had a delegated budget for meals, the governing body had the responsibility for their provision. This included deciding on the content and cost of meals, providing free school meals to eligible pupils, complying with the new nutritional standards for school lunches, and ensuring that meal providers were competent to deal with the various health and food safety issues. In Sunderland's scheme of delegation to schools, governing bodies must also have regard to the school meals pricing policy.

Currently CCS provided 99 schools through the consortium, CCS had individual SLAs with 8 schools, 7 schools delivered meals themselves and 4 schools were provided by the private sector. CCS invoiced primary schools in the Consortium for the number of meals sold, whilst in secondary schools CCS invoiced for the income taken plus the subsidy allocation per pupil, per school day. The current Consortium arrangement commenced in April 2004 and was due to end in March 2009. Any residual budget is ring-fenced to the overall Consortium budget.

The report set out proposals for revised contractual arrangements. It was evident that as the basis of the current payments to CCS for the school meal service were linked to the number of meals provided, the recent changes in nutritional standards and the Jamie Oliver effect was resulting in the full detrimental financial impact being felt by the School Meals Service. There was currently no incentive within the current contractual arrangements in place from the schools' perspective to increase meal uptake, as the current reduced level of uptake leads to either a surplus within the Consortium arrangements, or an underspend on the SLAs. This position was therefore unsustainable in order to address the worsening financial position, it had become necessary to review service delivery arrangements. Detailed analysis had been completed to consider a new basis for service delivery arrangements, which spread the risk between schools and the service provider. The proposals were based on a mixture of fixed and variable costs. The fixed cost element would be based on, employees, premises, supplies and services and overhead costs and the variable cost based on the cost of provisions used to provide a meal. The newly calculated subsidy charge would be paid annually

by the school and based on the meal numbers for the previous trading year. This charge would include a fixed cost element, and a variable cost element. At the end of the each trading year, once the total number of meals provided was been verified, the school would pay additional costs for each additional meal that has been provided over and above the previous year's trading figures, or would be reimbursed for any under-provision.

Under these new arrangements schools would collect all income and would keep the allocation given to them to cover the cost of free school meals. This income would be used to subsidise the payment made to the School Meals Service. As the additional cost per meal was less than the income the school would receive there was an incentive for schools to increase the number of meals consumed.

In order to commence the new contracts on an even footing it was proposed to write-off the school meals deficit position, and to develop new arrangements to come into effect from September 2007. The new proposals would mean that the current Consortium arrangements for primary schools, special schools and nurseries would stay the same.

The Consortium Board had been informed of developments and a full consortium meeting has been arranged for 28th June to inform all schools of the implications on the consortium arrangements and the current trading position.

The new arrangements being proposed would have the effect of sharing the financial risk associated with school meal provision between CCS and schools. However, secondary schools in particular would need to identify ways of developing business growth to mitigate the financial impact. Schools could consider revisions to lunchtime lock-in policies, timetables, and the provision of lunchtime activities (subject to the required procedures).

The new arrangements would result in additional costs of £284,000 to Secondary schools based on projected figures for 2007-08, however if meal uptake was increased by 30% then these additional costs could be reduced by £63,000. An initial meeting was held with all secondary schools affected by the proposals on 6th June and individual one to one meetings occurred between 8th and 18th June 2007. Schools had acknowledged the need for the new arrangements and were actively working with CCS to develop strategies to minimise the financial implications.

Members of the Forum discussed the proposal to write-off the school meals deficit position, and to enter into new contractual arrangements with secondary schools to come into effect from September 2007, which would be based around schools undertaking 'cost-plus' arrangements.

It was noted that current Consortium arrangements for primary schools, special schools and nurseries would be maintained. Discussions were ongoing with the Consortium Board and the Consortium to discuss options open to them.

Forum discussed the current situation with secondary school meals provision and recognised the need to take action. However, it was noted that the measures would place more responsibility on schools and, in the light of this, it was agreed to ask the Authority to delay the introduction of these changes.

## Action points

Forum asked the Authority to delay the changes to school meals contract as they would place more responsibility on the client.

**07/66 School Place Planning**

Members were aware that the Authority was currently engaged in a review of school places in the secondary, primary, special and early years sectors. Consultation would be comprehensive involving Headteachers, school staff, school governors, parents and others. Members of the Forum would receive a presentation on School Place Planning at their next meeting.

Forum would receive a presentation on school place planning at their next meeting

**07/67 School, Early Years and 14-16 funding arrangements 2008-2011 - Outcome of consultation**

The Government announced its decisions on the School, Early Years and 14-16 funding arrangements for 2008-2011 on 25th June 2007, following consultation. Much of the detailed operation of the changes would be released at a later date. Therefore an interim report setting out the headline changes following the consultation was presented to the Forum. This report set out the key decisions and compared it to the Authority's own responses which had been compiled with discussion with the Schools Forum.

Many of the outcomes were in line with the response submitted by the Authority. Those outcomes which differed from the Authority's responses included the following: -

- Method of distribution for the period 2008-11: The Authority had preferred a formula basis but the outcome was to continue with the 'spend plus method'. It was noted that the LMS/LMSS review group were already considering deprivation factors in Sunderland.
- The pupil count date for the DSG would remain at January for the present. The Authority would have preferred an autumn pupil count date.
- With regard to the distribution of DSG, the new tax credit data was to be used in distribution of any additional funding for deprivation across the CSR period to better reflect circumstances of children in an authority's schools. The Authority had disagreed with the use of Acorn or Mosaic indicators and suggested IMD was a more responsive and objective indicator.
- There would be extra funding for children from deprived backgrounds in authorities where the overall level of deprivation is low. The Authority's response was that funding should not be diluted by top slicing and directing at less deprived areas.
- The central expenditure limit would be expressed as comparison between cash increase in DSG and the individual schools budget. The Authority's preference was to retain current method.
- Headroom between the minimum funding guarantee and DSG minimum increase would be 1%/0.8%/0.8% for the three CSR years. The Authority's preference was to retain the current 1% differential.
- The Minimum Funding Guarantee would reflect assumptions on efficiencies - so was likely to be nearer to 2.5% than the current 3.7%; the final figure would be announced in the autumn. The Authority strongly disagreed to the inclusion of efficiency savings on the basis that these were implicit in Sunderland's financial planning.

- A 5% balances levy would be implemented and school funding regulations amended so all schools were funded on a baseline with the 5% balances removed. DfES said that this was roughly equivalent to the interest on such balances. Local Authorities would be required to redistribute to schools 5% of all surplus balances. There would be consultation on the detailed implementation, but Authorities and their Schools Forums would decide how the money is to be reinvested locally. Sunderland had strongly disagreed with the proposal
- Headteachers would be allowed to elect other members of school senior management teams, such as bursars and Deputy Heads as members of schools forums. They would also be allowed named substitutes. Sunderland had disagreed with members other than Headteachers and governors being elected as members of the Forum.
- The limit for non-schools members on schools forums would be raised from 20% to 33%, to reflect Under 5s and 14-19 interests. Sunderland agreed there should be early years and 14-19 representation but disagreed that the ratio of schools and non-schools members be increased.
- 14-16 diplomas would be funded through a non ring-fenced specific formula grant on the basis of a formula reflecting the diploma lines offered, take up, the higher cost of provision in high wage areas and the additional costs in sparsely populated areas. Sunderland had concerns that high cost and sparsely populated areas would have additional weighted funding
- From April 2009 all local authorities would be required to count pupils in the maintained and PVI settings on the same basis for funding purposes. Sunderland's preference was to introduce planned places across all sectors to facilitate commissioning of places in the PVI sector. A sub-group of the LMS/LMSS review group would be considering the implications and model options.
- Local authorities will have leeway to move School Development Grant away from its historic distribution to reflect the most up to date data on deprivation. There would be 0% per pupil floor for School Development Grant changes at school level, and changes would be monitored to ensure that the deprivation basis for SDG remained. This was not in line with the Sunderland response which indicated a preference for a floor below 0%

Members of the Schools Forum noted the report and would receive a future report setting out implications of changes once full details were released nationally.

Of particular significance was the change which meant that 5% of all school balances would in future be clawed back (not just those over the specified limits). The clear intention was to encourage schools to spend their resources.

**07/67**     **Date and time of next meeting**

Schools Forum

SFMG

**27<sup>th</sup> September 2007**  
**29<sup>th</sup> November 2007**

**13<sup>th</sup> September 2007**  
**15<sup>th</sup> November 2007**

Members noted the outcome of changes to national consultation. They particularly noted the change which meant that 5% of all school balances would be clawed back