**Central Bedfordshire Council**
**Priory House**
**Monks Walk**
**Chicksands,**
**Shefford SG17 5TQ**

**This meeting may be filmed.***

Central Bedfordshire

**please ask for** Sharon Griffin
**direct line** 0300 300 5066
**date** 23 February 2017

# NOTICE OF MEETING

## SCHOOLS FORUM

Date & Time
**Monday, 6 March 2017 at 3.00 p.m.**

Venue at
**Room 14, Priory House, Monks Walk, Shefford**

Richard Carr
**Chief Executive**

**To: The Chairman and Members of the SCHOOLS FORUM:**

School Members:

Ali Brabner, Cranfield Academy
David Brandon-Bravo, Parkfields Middle School
Pete Cohen, Oak Bank School/Academy of Central Bedfordshire
Paul Burrett, Studham CofE Lower Schools and Pre-School
Shirley-Anne Crosbie OBE, The Chiltern School
Karen Hayward, Sandy Upper School
Sue Howley MBE, Fairfield Park Lower School
Sharon Ingham, Hadrian Academy
Kim McCamley, Sandye Place Academy
Alexia Moyle, Greenleas Lower School
Leigh Davies, Willow Nursery School
John Street,Etonbury Academy
Stephen Tiktin, Beaudesert Lower School
Rob Watson, Stratton Upper School

| | |
|---|---|
| Non School Members | Ali Challis, Early Years Private, Voluntary and Independent (PVI) Provider Representative<br>Martin Foster, Trade Union Representative<br>Mary Morris, Catholic Diocese Representative<br>Sarah Mortimer, Post 16 Education Representative |
| Observer: | Cllr Steven Dixon, Executive Member for Education and Skills |
| Current Vacancies | Academy Upper School Governor<br>Middle School Headteacher<br>Middle School Governor (maintained or academy)<br>Upper School Governor<br>Academy Lower School (Governor or Headteacher)<br>Church of England Diocese Representative |

Please note that there will be a pre-meeting starting **half an hour before** the Forum meeting to enable technical aspects of the reports to be discussed with officers before the Forum meeting begins.

***Please note that phones and other equipment may be used to film, audio record, tweet or blog from this meeting. No part of the meeting room is exempt from public filming.**

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# AGENDA

1. **Apologies for absence**

To receive apologies for absence and notification of substitute members.

2. **Minutes of the previous meeting and matters arising**

To approve the minutes of the previous meeting held on 9 January 2017 and to receive an update on any matters arising from these.

3. **Chairman's Announcements and Communications**

To receive announcements from the Chairman and any matters of communication.

## Information

| Item | Subject | Page Nos. |
|---|---|---|
| 4. | **Schools Forum powers and responsibilities**<br>To note the Schools Forum power and responsibilities summary document issued by the Education Funding Agency (copy attached). | 15 - 20 |
| 5. | **Sub-Groups of Schools Forum**<br>To receive an update from the Sub-Groups of Schools Forum on work being undertaken. | 21 - 22 |

| Sub Group | Meetings held since last meeting of Forum | Lead Officer | Update report attached |
|---|---|---|---|
| Early Years | | Sue Tyler | ✓ |
| High Needs | | Helen Redding | To follow |
| Growth Fund | None | Victor Wan | N/A |
| School Block | | Dawn Hill | N/A |

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|---|---|---|
| 6. | **Draft response to the High Needs Block consultation**<br>To note the draft response to the High Needs Block consultation pending further discussion at the next meeting of the High Needs Technical Sub-Group. | 23 - 24 |
| 7. | **Draft response to the Schools Block consultation**<br>To discuss the draft response to the Schools Block consultation. | 25 - 36 |

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| 8. | **Revised Terms of Reference for the Early Years Block Technical Sub Group**<br><br>To note the revised Terms of Reference for the Early Years Block Technical Sub-Group. | 37 - 38 |
| 9. | **Dedicated School Grant Contingency Budgets**<br><br>To provide an update on the use of the School Contingency Budgets for 2016/17. | 39 - 42 |
| 10. | **Schools Forum Budget**<br><br>To provide an update on the use of the School Forum Budget for 2016/17. | 43 - 44 |
| 11. | **Dedicated Schools Grant**<br><br>To provide an update on the High Needs Block spend in 2016/17 and proposed spend for 2017/18. | To Follow |

**Proposals**

| Item | Subject | Page Nos. |
|---|---|---|
| 12. | **Growth Fund payments and criteria**<br><br>To seek approval for the Growth Fund Panel to agree standardised rates of payments to schools eligible for growth funding. | 45 - 50 |
| 13. | **Work Programme**<br>To consider the work programme for the Central Bedfordshire Schools Forum. | 51 - 52 |
| 14. | **Date of Next Meeting**<br><br>Monday 12 June 2017, 3pm, Priory House, Monks Walk, Shefford. | |

**CENTRAL BEDFORDSHIRE COUNCIL**

At a meeting of the **SCHOOLS FORUM** held at Room 14, Priory House, Monks Walk, Shefford on Monday, 9 January 2017

**PRESENT**

Mr D Brandon-Bravo (Chairman)
Mrs S Howley MBE (Vice-Chairman)

| | | |
|---|---|---|
| School Members: | Mr P Burrett | Headteacher |
| | Mr P Cohen | Executive Headteacher |
| | Mrs SA Crosbie OBE | Headteacher |
| | Mrs L Davies | Headteacher |
| | Miss K Hayward | Headteacher |
| | Mrs S Ingham | Headteacher |
| | Kim McCamley | Headteacher |
| | Ms A Moyle | School Business Manager |
| | Mr J Street | Academy Middle School Representative |
| | Mr S Tiktin | Governor, Beaudesert Lower School |
| Non-School Members: | Mrs A Challis | |
| | Mr M Foster | Trade Union representative |
| Apologies for Absence: | None | |
| Officers in Attendance: | Ms D Hill | Senior Finance Manager - Children's Services |
| | Miss H Redding | Assistant Director School Improvement |
| | Mrs S Tyler | Head of Child Poverty and Early Intervention |
| | Mr D Waller | Policy & Implementation Manager, Human Resources |

CBSF/16/22. **Minutes of the previous meeting and matters arising**

**RESOLVED**

**That the minutes of the meeting of the Central Bedfordshire Schools Forum held on 21 November 2016 be confirmed and signed by the Chairman as a correct record subject to the following amendment:**

CBSF/16/16
Paragraph 4 - Mr Burnett to be amended to Mr Burrett.

Matters arising:

CBSF/15/7 Members of the Forum agreed that no further action should be taken regarding the request for a refund from the conference Forum members and officers had attended, as it would be an unproductive use of officer time.

CBSF/15/7 An update on the Growth Fund element of the Dedicated Schools Grant (DSG) would be added to the work programme for the March meeting. **Action: Interim Head of Service, Planning, School Admission / Committee Services Officer**

CBSF/15/12 Members of the Forum were advised that growth funding was only available for statutory provision. It was not available for non-statutory provision.

CBSF/16/17 Members were advised that the Terms of Reference for the Early Years Block Technical Sub-Group had been accurate at the time of publication. The DfE had subsequently re-issued the Schools Forum powers and responsibilities document in December 2016. The revised Terms of Reference would be submitted to the March meeting of the Schools Forum. **Action: The Head of Child Poverty and Early Intervention.**

CBSF/16/18 A second piece of work was taking place to look at alternative ways to fund the Academy of Bedfordshire (ACB). This issue would be discussed by the High Needs Technical Sub Group and reported back to the Schools Forum. **Action: The Assistant Director School Improvement**.

CBSF/16/19 A draft response to the High Needs Block and School Block consultations would submitted at the March meeting of the Schools Forum. **Action: The Assistant Director School Improvement and Senior Finance Manager Children Services, Resources.**

CBSF/16/23. **Chairman's Announcements and Communications**

None.

CBSF/16/24. **Schools Forum powers and responsibilities**

The Forum received and noted the Schools Forum powers and responsibilities document re-issued by the Education Funding Agency in December 2016.

**RESOLVED**

**that the Schools Forum powers and responsibilities document re-issued in December 2016 would be updated to indicate the amendments and additions in comparison with the previous version.**

CBSF/16/25. **Sub-Groups of Schools Forum**

The Forum was advised that the High Needs Technical Sub Group, Schools Block and Growth Fund sub groups had not met since the last meeting of the Schools Forum. An update from the Early Years sub group meeting on the 9 January would be given at the next meeting of the Schools Forum.

The lead officers for the sub groups advised the following:

- The High Needs Technical sub group were satisfied that membership included representation from the appropriate cross section of members from Schools Forum. The meetings were well attended.
- The Early Years Technical sub group had reasonable representation and was usually well attended. The sub group worked well and included representation from Head Teachers of lower schools and Early Years.
- The Growth Fund meetings were held based on the receipt of applications. It was noted that Infant Class Size applications were limited and were generally agreed via email.
- The Schools Block Technical sub group met when there was the requirement to discuss a consultation.

Points and comments included:

- Concern was expressed about the lack of awareness of the existence of the sub groups.
- The membership of each sub group should be included in the minutes of Schools Forum.
- Members of Schools Forum should be given the opportunity to express an interest in attending a sub group.

**RESOLVED:**

**Membership of the Schools Block Technical Sub Group would reviewed once the School Block consultation had been undertaken and the results had been made available.**

CBSF/16/26. **Revised Terms of Reference Early Years Block Technical Sub-Group**

This item was deferred to the March meeting of Schools Forum.

CBSF/16/27. **Apprenticeship Levy**

The Forum received a report which provided an overview on the Apprenticeship Levy and to understand the HR implications of the Levy.

During discussions the following was noted:

1. An apprenticeship levy of 0.5% of the employer's total pay bill will be in place from April 2017.
2. Schools where the local authority is the contractual employer will need to be included in the calculation for the Levy that will apply to Central Bedfordshire Council. This will therefore include, all Community and Voluntary Controlled schools.
3. Those schools where the governing body is considered to be the employer (Foundation, Voluntary Aided schools and Academies) with a pay bill of over £3 million will be subject to the Levy and will have to calculate their own liability and make arrangements for payment.
4. The Levy can be used to support the funding of training for existing members of staff, in accordance with published criteria, for example, a Masters after a Degree as well as for apprentices. There would be a cap of 0.5% on the amount of the Levy schools can claim back to ensure that the levy is proportionately distributed between schools and the corporate structure of the Council.
5. The government will top up the digital account by 10% each month.
6. The Levy is non refundable. Any underspend would be returned to the Government.
7. Unknown elements of the Levy are the mechanism for accessing money and how the Levy will be paid. Clarification was also needed about the 15 bands of the new funding system.

In response to questions, the Forum noted the following:

1. For some schools, the 0.5% of the Levy costs they could claim back would be a very small amount and would not cover many training costs. The Levy is effectively is a flat tax that cannot be claimed back, if not used.
2. The introduction of the Levy could have a big impact on some schools.
3. It was important that schools in the categories subject to the Levy were aware that this was another payment that needed to be included in their budget.
4. When information about the Levy was disseminated to schools, it would be helpful to include the date of when the decision to introduce the Levy was made and to give advice on how Mainstream schools can access the funding.
5. Imaginative and collaborative ways of using the Levy were needed in order to ensure good use of funds.

**NOTED**

1. **the content of the report and its financial impact on Maintained Schools and in particular Community and Voluntary Controlled Schools, Nurseries and Special Schools;**

2. **that the information provided in relation to accessing funding for training for apprenticeships in schools subject to receipt of further, more detailed information in the Spring Term;**

3. **that further information would be provided in the Spring term 2017 to Community and Voluntary Controlled Schools in order to support financial planning;**

4. **that further information and guidance would also be provided when known through the Central Essentials bulletin and at a future meeting of the Schools Forum.**

CBSF/16/28. **Trade Union and Professional Associations Facilities Time Funding**

The Forum received an overview on the funding for facilities release time for Trade Union and Professional Associations for which the continuation of funding was being sought.

Points and comments included;

- The principles of the funding remained the same as previous years.
- The expected cost per pupil is less than previous years because of carry forward of the remaining balance from the 2015/16 and 16/17 funding periods and the subsequent off set of costs. The carry forward is due to Trade Unions not claiming against the fund, where at present they so not have a local representative, which has resulted in the spend being less.
- A maximum charge of £3.31 per pupil had been agreed by the Schools Forum.
- The brought forward monies from previous years had reduced the estimated cost per pupil to £2.54 for the Maintained Primary and Secondary phases with every school being charged the same amount per pupil.
- Academies currently had their own arrangements for the funding of Trade Union facilities time. However Trade Unions had asked about the possibility of Academies having a similar set up managed by the local authority to be explored. A number of Academies had shown interest in scheme depending on the cost. A report is to be provided to the Director of Children's Services by Human Resources for consideration of a Council managed scheme. There are no decision making powers for the Schools Forum in relation to this matter.

**RESOLVED:**

**The Forum voted unanimously within their phases that:**

1. **funding from the Lower/Primary School Phase for the use of Trade Union facilities time (£2.54 per pupil) should be de-delegated**

2. **funding from the Secondary School Phase (Middle and Upper) for the use of Trade Union facilities time (£2.54 per pupil) should be de-delegated.**

CBSF/16/29. **Dedicated Schools Grant (DSG)**

The Forum received an update on the Dedicated Schools Grant (DSG) and Growth Fund allocation for 2016/17, funding arrangements for 2017/18 and information on stage two of the Government consultation on the Schools National Funding Formula and High Needs National Funding Formula.

Points and comments included:

- The funding announcement for 2017/18 included the ability of local authorities to centrally retain DSG to fund central services previously funded within the retained duties rate (for all schools) and to centrally retain DSG to fund services previously funded within the general duties rate (for maintained schools only) with the agreement of maintained school members of the Schools Forum. As a result of the delay of the second stage of the consultation and the receipt of the central block, the Education Services Grant (ESG) had been tipped into the DSG. Approval was needed from Schools Forum to retain DSG to fund central services.
- The introduction of an annual school improvement monitoring and brokering grant for local authorities from September 2017 and plans for a new £140M Strategic School Improvement Fund. Maintained schools and academies would be able to apply for this fund, with the support of a teaching school, local authority or Regional Schools Commissioner.
- An increase in DSG funding of £52,514k for the Schools Admissions team had previously been agreed by Schools Forum. As the application was subsequently refused by the Secretary of State, the Education Services Grant (ESG) had been used to fund the shortfall. The request for the same amount of funding was being re-submitted as the ESG was no longer available.

In response to questions, the Forum noted the following;

- Concern was expressed about the validity of the request for the identical amount of DSG funding for the Schools Admissions Team, given the increasing financial pressures schools and other providers were facing for example, changes in staffing costs and the increase in pension contributions. The Forum was advised that the funding requested covered the amount the Admissions Service costs the council and also took into account some changes to the process electronically, and the increase in services due to the rise in pupil numbers and the number of schools using the Admissions service. Other funding options and opportunities in relation to this were being explored.
- Any unspent funds at year end would be added back to the schools budgets in the following year.
- The consultation for stage two of the Schools National Funding Formula and High Needs National Funding Formula closes on the 22 March 2017.

**RESOLVED**

1. **that the update to 2016/17 DSG allocations was noted and commented on;**

2. **that the update to 2016/17 Growth Fund was noted and commented on;**

3. **that the 2017/18 funding announcement was noted and commented on;**

4. **that the request for the 2017/18 DSG allocation for Growth Fund be set at £2M was approved;**

5. **that the request for the central retention of the "central budget for services" for 2017/18, previously funded by the retained rate of the Education Services Grant at £612,216 was approved;**

6. **that the request for the 2017/18 DSG allocation for Admissions be set at £313,004 was approved;**

7. **that the request for 2017/18 DSG allocation for School Forum to be set at £3k was approved;**

8. **that stage two of the Government consultations on Schools and High Needs National Funding Formula was noted and commented on.**

9. **that the DSG funding costs requested for the Schools Admissions Team would be re-explored.**

CBSF/16/30. **Training for Schools Forum members**

The Forum considered areas of training for Schools Forum members.

Concern was expressed about attendance at all recent meetings, the need to urgently fill membership vacancies and how to address the issue of the recruitment of new members.

**RESOLVED**

**That ideas for areas of training for Schools Forum members would be drafted by the Assistant Director School Improvement and Finance Manager, Children Services for consideration by a virtual task and finish group comprised of the following members;**

- **David Brandon-Bravo**
- **Paul Burrett**
- **Shirley-Anne Crosbie**

- **Sue Howley**

CBSF/16/31. **Dedicated School Grant Contingency Budgets**

The Forum received an update on the use of the Dedicated School Grant Contingency Budgets for 2016/17.

Points and comments included;

- The final figure for the closing schools was yet to be confirmed as invoices were still being received from some schools. An update would be given at a future meeting of Schools Forum.
- The High Needs block is a 'needs led' budget. Assumptions have to be made on needs led provision and the number of children coming through the system who might need support. There were also additional costs to take into account such out of county placements. Forecast spend was more difficult to ascertain. The budget figures are closely monitored.
- A mechanism for clawback for underspend from schools was now included in the Scheme for Financing Schools. It was noted that some schools had committed to use their underspend for capital. In the new regime there is the opportunity to claim for specialist provision and build. Central Bedfordshire Council were well placed to bid towards contribution for capital projects.
- Issues raised by Schools Forum members would be forwarded to the Technical Sub Group for discussion as it was important to have a full response to consultation.

**NOTED**

1. **the Dedicated School Grant (DSG) Contingency spend to 31 December 2016.**

2. **that an update on the final figure for the closing schools would be given at a future meeting of Schools Forum.**

3. **that the issues raised about the Dedicated School Grant Contingency Budgets for 2016/17 would be forwarded to the Technical Sub Group for discussion.**

CBSF/16/32. **Schools Forum Budget**

The Forum received a report which provided an update on the use of the School Forum Budget for 2016/17.

**NOTED**

**the School Forum spend to 31 December 2016.**

CBSF/16/33. **Early Years consultation - changes to funding for 3- and 4-year-olds**

The Forum received a report outlining the guidance issued on the new Early Years National Funding Formula.

During discussions the following was noted:

- Subsequent to the new guidance issued in December 2016, advice had been received about further changes to the calculations around nursery school supplements.
- The '30 hours allowance' would be rolled out nationally from September 2017.
- The information in the national press coverage was misleading. For Central Bedfordshire the formula paid to the local authority is at the national minimal funding rate of £4.30 per hour.
- New requirements of the Early Years Funding Formula included;
  - a local universal base rate for all types of provider, to be set by local authorities by 2019/20 at the latest, removing all differentials between types of providers
  - the establishment of a special educational needs inclusion fund by local authorities. This is already in place in Central Bedfordshire.
  - 93% pass through
- Model 1 is the model currently used by Central Bedfordshire Council. The four models include the advantages and disadvantages of each one.
- Following discussions and having taken into account the risk of a very small contingency sum, the Early Years Technical Sub Group recommends Model 4 as the operating model for consultation with Early Years providers.
- Initial discussions had taken place whether the sums in each block in Model 4 could be increased. The decision was made to leave the blocks as currently shown until the take up of the additional 15 hours entitlement was known rather than move funding on speculation.

Points and comments included:

- Had the Department for Work and Pensions predicted the take up of the additional 15 hours entitlement?
- Concern was expressed about the provision of the additional hours at the current rate which was not sustainable.
- Some settings could face closure and there could be the temptation to employ younger staff on a lower rate of pay which might result in a reduction in the quality of the service.
- There are the issues of a setting pricing itself out of market and if a setting doesn't offer the provision parents choosing to go elsewhere to be taken into consideration.

- One option of alleviating the pressure of the additional free childcare entitlement on school settings could be to work in conjunction with a day care setting or childminder to provide the 30 hours allowance.

**RESOLVED**

1. **that a short consultation be carried out with all early years providers from all sectors on the basis of Model 4 as the recommended operating model moving forward.**

2. **that a review of the current inclusion funding system within Central Bedfordshire would be carried out later in the year was noted.**

CBSF/16/34. **Work Programme**

The Forum received and considered the work programme for the Central Bedfordshire Schools Forum.

**RESOLVED**

**that the work programme was considered and would be updated as required.**

CBSF/16/35. **Date of Next Meeting**

Monday 6 March 2017, 3pm, Priory House, Monks Walk, Shefford.

(Note: The meeting commenced at 3.00 p.m. and concluded at 5.10 p.m.)

Chairman …….…….

Dated …… …….

Education Funding Agency

Amended text is shown in green
Additional text is shown in yellow

# Schools forum powers and responsibilities

A summary of the powers and responsibilities of schools forums.

| Function | Local authority | Schools forum | DfE role |
|---|---|---|---|
| Formula change (including redistributions) | Proposes and decides | Must be consulted [voting restrictions apply - see schools forum structure document] and informs the governing bodies of all consultations | Checks for compliance with regulations |
| Contracts (where the LA is entering a contract to be funded from the schools budget) | Proposes at least one month prior to invitation to tender, the terms of any proposed contract | Gives a view and informs the governing bodies of all consultations | None |
| Financial issues relating to:<br>• arrangements for pupils with special educational needs, in particular the places to | Consults annually | Gives a view and informs the governing bodies of all consultations | None |

| Function | Local authority | Schools forum | DfE role |
|---|---|---|---|
| be commissioned by the LA and schools and the arrangements for paying top-up funding;<br>• arrangements for use of pupil referral units and the education of children otherwise than at school, in particular the places to be commissioned by the LA and schools and the arrangements for paying top-up funding;<br>• arrangements for early years provision;<br>• administration arrangements for the allocation of central government grants | | | |
| Minimum funding guarantee (MFG) | Proposes any exclusions from MFG for application to DfE | Gives a view | Approval |
| De-delegation for mainstream schools for:<br>• contingencies<br>• administration of free school meals<br>• insurance<br>• licences/subscriptions<br>• staff costs – supply cover<br>• support for minority ethnic<br>• pupils/underachieving groups<br>• behaviour support services<br>• library and museum services | Proposes | Primary and secondary school member representatives will decide for their phase. Middle schools are treated according to their deemed status | Will adjudicate where schools forum does not agree LA proposal |

| Function | Local authority | Schools forum | DfE role |
|---|---|---|---|
| • School improvement | | | |
| General Duties for maintained schools<br>• services previously funded by the ESG general duties rate. Read the updated 'Schools revenue funding 2017 to 2018: operational guide' for more information. | Proposes | Would be decided by the relevant maintained school members (primary, secondary, special and PRU). | Adjudicates where schools forum does not agree LA proposal |
| Central spend on and the criteria for allocating funding from:<br>• funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy<br>• funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years | Proposes | Decides | Adjudicates where schools forum does not agree LA proposal |
| Central spend on:<br>• early years block provision<br>• funding to enable all schools to meet the infant class size requirement<br>• back-pay for equal pay claims<br>• remission of boarding fees at maintained schools and academies | Proposes | Decides for each line | Adjudicates where schools forum does not agree LA proposal |

| Function | Local authority | Schools forum | DfE role |
|---|---|---|---|
| • places in independent schools for non-SEN pupils<br>• services previously funded by the retained rate of the ESG<br>• admissions<br>• servicing of schools forum | | | |
| Central spend on:<br>• capital expenditure funded from revenue – projects must have been planned and decided on prior to April 2013 so no new projects can be charged<br>• contribution to combined budgets – this is where the schools forum agreed prior to April 2013 a contribution from the schools budget to services which would otherwise be funded from other sources<br>• existing termination of employment costs (costs for specific individuals must have been approved prior to April 2013 so no new redundancy costs can be charged)<br>• prudential borrowing costs – the commitment must have been approved prior to April 2013 | Proposes up to the value committed in 2016-17 and where expenditure has already been committed.<br><br>See para 71 for Information on historic commitments. Read establishing local authority DSG baselines for more information. | Decides for each line | Adjudicates where schools forum does not agree LA proposal |
| Central spend on:<br>• high needs block provision | Decides | None, but good practice to inform forum | None |

| Function | Local authority | Schools forum | DfE role |
|---|---|---|---|
| • central licences negotiated by the Secretary of State | | | |
| Carry forward a deficit on central expenditure to the next year to be funded from the schools budget | Proposes | Decides | Adjudicates where schools forum does not agree LA proposal |
| Scheme of financial management changes | Proposes and consults the governing body and Head of every school | Approves (schools members only) | Adjudicates where schools forum does not agree LA proposal |
| Membership: length of office of members | Decides | None (but good practice would suggest that they gave a view) | None |
| Voting procedures | None | Determine voting procedures | None |
| Chair of schools forum | Facilitates | Elects *(may not be an elected member of the Council or officer)* | None |

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**Notes from Early Years Technical Sub-Group held on Monday 9th Jan 2017**

The Early Years Technical Sub Group met immediately after the Early Years Reference Group.

The only agenda item was a discussion around the paper which went to the Schools Forum at the meeting held later on 9th March regarding the new Early Years National Funding Formula.

It was agreed that the recommendation of Model 4, as proposed in that paper, was really the only viable one.

It was also agreed that assuming the Schools Forum agreed, there should be a short ,e-consultation carried out to the sector.

There was a brief discussion on Terms of Reference. It was agreed that the section in the ToR which lists the responsibilities of the Schools Forum (and sub-groups) as defined in the Education Funding Document published by the DfE, needed to be updated with the publication of the new document in December 2016.

Sue Tyler
18.1.2017

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**High Needs Block Consultation Questions**

1. **In designing the national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance?**

   No. We think that using the historic spend further exacerbates historic inconsistencies and builds on unfair distribution. Examples where this may be the case are some Authorities identifying more pupils requiring an EHC plan that would be having their needs well met in other LA areas at SEND support, some LAs using High Needs Block for funding activity that other LAs have not, and specifically SEN Transport.

2. **We are proposing a formula comprising a number of formula factors with different values and weightings. Do you agree with the following proposals?**
   a. **Historic spend factor – to allocate to each authority a sum equal to 50% of the planned spending baseline.**

      No – as stated above we think there should be a clean baseline and a benchmarking exercise undertaken to ensure fair starting point in 2018. We think there should be more clarity on what factors should be covered by 'historic' and which should not be counted to ensure fairness. Population growth should be reflected in terms of average percentage of population that are identified as needing EHC assessment and plan and more specialist provision to avoid historic inconsistencies.

   b. **Basic entitlement – to allocate to each LA £4k per pupil**

      We are currently unsure about this – confused by references to 4k, 6k and 10k. We felt the proposed new system is more complicated than current….!

3. **We propose to use the following weightings for each of the formula factors listed below, adding up to 100%. Do you agree?**
   a. **Population – 50%**
   b. **FSM eligibility – 10%**
   c. **IDACI – 10%**
   d. **KS2 low attainment – 7.5%**
   e. **KS4 low attainment – 7.5%**
   f. **Children in bad health – 7.5%**
   g. **DLA – 7.5%**

   We think it should be a balance of 50% population and then the other 50% on FSM and IDACI weighted more at FSM eligibility which is annual and less at IDACI which is every 5 years. Want to look at other responses to this.

4. **Do you agree with the principle of protecting LAs from reductions in funding a as a result of this formula? (Funding floor)**

   Not where there have been inconsistent practices such as some LAS using HNB to fund SEND transport etc. We felt some factors should be removed – hospital education, SEND transport for example.

5. **Do you support our proposal to set the funding floor such that no LA will see a reduction in funding, compared to their spending baseline?**

   As above

6. **Do you agree with our proposals to allow limited flexibility between schools and high needs budgets in 2018/2019?**

   Yes, although in an ideal world there shouldn't be a need for flexibility, and this can cause challenges in budget setting. Need criteria to ensure consistency and oversight by Schools Forum.

7. **Do you have any suggestions about the level of flexibility we should allow between schools and high needs budgets in 2019/2020 and beyond?**

   Needs to be limited as it could complicate position further. A degree of flexibility could support schools working together more effectively. We questioned where the resource would come from for managing and overseeing this.(QA)

8. **Are there any further considerations we should be taking into account about the proposed high needs funding formula?**

   Timescale for further consultation on AP funding could impact on High Needs Block. This should be done in tandem.
   Clarification on 'full time' post 16 and ensuring parity.
   Support for a proportion of students up to 25 should be built into the HNB.

9. **Is there any evidence relating to the 8 protected characteristics as identified in the Equality Act 2010 not included in the Equality Impact Assessment that should be taken into account?**

   No

**Schools National Funding Formula Consultation Stage 2**

**(Closing Date 22nd March 2017)**

**Overall Approach**

1. **In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance? (Pages 7-15)**

   Yes
   **No**

   Please explain your reasoning and any further evidence we should take into account:

We welcome the fact that the proposed funding formula indicates a total gain for Central Bedfordshire once the national formula is fully implemented from 2019-20.

However, there are key elements of the government's proposals that we would like to see amended:

1. **Weakness of evidence for proposals and continued use of averages**
2. **The proportion of weighting given to AEN rather than basic entitlement**
3. **The 3% funding floor, which locks in historical differences**
4. **Quantum and spending cuts**

**Weakness of evidence for proposals and continued use of averages**

As with the first stage of the consultation, there is still a basic weakness in that there is no commitment to a definition of what the government is actually funding. The emphasis is on redistributing money more fairly.

It is disappointing to see the continued use of averages, which reflect what LAs can currently afford to do, rather than a needs-based model which can evidence that the proposed funding levels are sufficient to cover the required costs of operating schools of different sizes and levels of needs wherever they are in the country.

Without the underlying understanding as to what the government is funding it is difficult to understand the rationale for the basic entitlement compared to the additional needs.

**The proportion of weighting given to AEN rather than basic entitlement**

Our initial reaction is that too much funding is directed towards deprivation and that when Pupil Premium is also taken into account this could be considered as double funding. Clarity is required between the differences as to what the deprivation funding in the main funding formula and pupil premium are supposed to support.

**The 3% funding floor, which locks in historical differences**

One of the key principles set out in Stage 1 of the consultation, was that pupils of similar characteristics should attract similar levels of funding wherever they are in the country (allowing for the area cost adjustment). When the funding formula to be implemented is deemed fair, it should be applied to all schools on a consistent basis.

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However, the proposed 3% funding floor "locks" in some of the historical differences for those schools which have been better funded for several decades. Equally the cost of this protection limits the redistributive impact and will result in the continuation of different funding levels for pupils across the country. Stability for schools in funding is important, but not at the expense of never reaching a fair formula and outcome

**Quantum and spending cuts**

Central Bedfordshire understands that this consultation is about finding a fair funding methodology and not (at this time) about the quantum of funding available. But, schools in lower funded areas have been making cuts for well over five years now and have reached the limit of where cuts can be made without significantly reducing standards and outcomes for children. We recognise the work that the DfE has undertaken in supporting schools in making efficiencies, but we are struggling to understand where more cuts can be made by schools in the lowest funded authorities.

The removal of the Education Services Grant (ESG) will have an impact on schools. Academies will have costs which were supported by the ESG which they will need to fund from their General Annual Grant and local authority cuts are likely to lead to additional charges to maintained schools.

The level of revenue funding defines the number of teachers (and therefore the number of pupils per teacher) and education support staff and pastoral care staff and leaders within the school. The additional needs funding should separately add further staff or therapists to the core staff within the school. Without understanding what is being purchased you cannot say that there is room for cuts.

2. **Do you support our proposal to set the primary to secondary ratio in line with the current national average? (Pages 16-17)**

   We have decided that the secondary phase should be funded, overall, at a higher level than primary, after consulting on this in stage one. We are now consulting on how great the difference should be between the phases.

   The current national average is 1:1.29, which means that secondary pupils are funded 29% higher overall than primary pupils.

   Yes
   No – the ratio should be closer (i.e. primary and secondary phases should be funded at more similar levels)
   No – the ratio should be wider (i.e. the secondary phase should be funded more than 29% higher than the primary phase)
   **None of the above**

Please explain your reasoning and any further evidence we should take into account:

Central Bedfordshire recognises the need for a differential in funding between primary and secondary schools but comparison to a ratio is an artificial concept. The amounts and relative weightings need to be evidence based with reference to actual costs and factors such as:

- Teaching group sizes.
- Teacher contact time, including an allowance for planning, performance and assessment (PPA).

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- Teaching assistant time.
- Absence e.g. sickness, maternity etc.
- Leadership costs.
- Non-class staff costs.
- Resources.
- Exam fees (Key Stage 4 only).

When this has been calculated the ratio will be what it is.

**3. Do you support our proposal to maximise pupil-led funding? (Pages 17-18)**

We are proposing to maximise the amount of funding allocated to factors that relate directly to pupils and their characteristics, compared to the factors that relate to schools' characteristics. We propose to do this by reducing the lump sum compared to the current national average (see question 7 on the lump sum value).

**Yes**
No - you should further increase pupil-led funding and further reduce school-led funding
No - you should keep the balance between pupil-led and school-led funding in line with the current national average
No - you should increase school-led funding compared to the current national average

Please explain your reasoning and any further evidence we should take into account:

The balance between the factors must result in adequate funding for all schools regardless of size and location. The interaction of the lump sum with the sparsity factor is therefore key to ensuring that any necessary and vital small schools remain sustainable as a result of the revised funding formula. If this is not sufficiently considered the formula could result in necessary small schools closing and local authorities incurring additional costs to transport pupils. Further still, there is the impact on the individual children (and potentially some very young children) that would find themselves having to travel.

As can be seen from the range of lump sums and the use of sparsity currently, each local authority has taken a different attitude to the use of the lump sum and sparsity allocations. This really is an area where one size does not fit all. Some local authorities use a small lump sum allied to strategic use of the sparsity factor to ensure that the schools that they need are viable. Other authorities use a larger lump sum with small sparsity allocations where the current sparsity restrictions do not allow for a more targeted use of sparsity factors

Therefore, at least in the short- to medium-term, Central Bedfordshire considers that the distribution of the lump sum and the sparsity factor could be managed locally in line with local priorities and local authority's sufficiency duties along with the other school-led funding arrangements that will need to be made for split sites and other specific school led costs.

**<u>Pupil-Led Factors</u>**

We ask respondents to bear in mind with each question on this page that we are redistributing funding. Any money that we put into one factor will have to come from another factor. We have indicated what we think are the right proportions for each factor.

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**4. Within the total pupil-led funding, do you support our proposal to increase the proportion allocated to the additional needs factors? (Pages 20-21)**

Of the total schools block funding, 76% is currently allocated to basic per-pupil funding (AWPU) and 13% is allocated to the additional needs factors (deprivation, low prior attainment and English as an additional language).

The formula will recognise educational disadvantage in its widest sense, including those who are not eligible for the pupil premium but whose families may be only just about managing. It increases the total spent on additional needs factors compared to the funding explicitly directed through these factors in the current system.

We are therefore proposing to increase the proportion of the total schools block funding allocated to additional needs factors to 18%, with 73% allocated to basic per-pupil funding.

Yes
No – allocate a greater proportion to additional needs
**No – allocate a lower proportion to additional needs**

Please explain your reasoning and any further evidence we should take into account:

It is vital that the basic level of funding allocated to all schools is adequate for the school to staff and operate sufficiently. The additional needs funding should be as the name suggests, additional. If the DfE can clearly evidence that additional funding needs to be targeted at the AEN factors, this should not be at the expense of the basic entitlement funding which is intended to provide a core baseline of funding for all pupils and is imperative to achieving a fair, balanced and equitable funding formula.

**5. Do you agree with the proposed weightings for each of the additional needs factors?**

**<u>Deprivation - pupil based at 5.5% (Pages 21-25)</u>**

Allocate a higher proportion

The proportion is about right

**Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

There is a question around the double funding of deprivation through pupil premium. Where schools attract relatively low levels of additional needs funding there needs to be confidence that basic funding is sufficient to cover the costs of running the school. The additional needs funding should be as the name suggests – additional and to support creative additional programmes for pupils, not prop up the funding for the majority of pupils. Clarity is required between the differences as to what the deprivation funding in the main funding formula and pupil premium are supposed to support.

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**Deprivation - area based at 3.9% (Pages 21-25)**

Allocate a higher proportion

The proportion is about right

**Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

Given the known and recent difficulties in revaluing the IDACI indices regularly, it is considered it is better at least in the short- to medium-term, not to use the IDACI model.

**Low prior attainment at 7.5% (Pages 25-27)**

Allocate a higher proportion

The proportion is about right

**Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

Central Bedfordshire has previously raised concerns about the reliability and consistency of data being used to determine funding allocations under the current system in this area. National changes in assessments have resulted in data volatility which seriously undermines confidence when using to allocate funding.

For these reasons Central Bedfordshire has chosen not to use this factor in its local formulae

**English as an additional language at 1.2% (Pages 27-28)**

Allocate a higher proportion

**The proportion is about right**

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

This is less about the proportion and more about who is deemed eligible and for how long. Certain groups may require varying levels of support and due to the 3-year limit some secondary schools will never receive support for EAL pupils.

For these reasons Central Bedfordshire has chosen not to use this factor in its local formulae

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**6. Do you have any suggestions about potential indicators and data sources we could use to allocate mobility funding in 2019-20 and beyond? (Pages 28-29)**

We have decided to include a mobility factor in the national funding formula, following the first stage of consultation. This will be based on historic spend for 2018-19, while we develop a more sophisticated indicator. We would welcome any comments on potential indicators and data sources that could be a better way of allocating mobility funding in future.

Mobility factor needs to provide for two different situations. First, for schools that have a high proportion of service children where whole regiments can be transferred in and out and the mobility factor needs to provide sufficient funding to keep a stable staff in school. Secondly to provide for exceptional turnover of pupils.

The current mobility factor requires a 10% turnover before providing even the smallest payment. Schools with the highest turnover probably require a stepped payment method.

**School-Led Factors**

We ask respondents to bear in mind with each question on this page that we are redistributing funding. Any money that we put into one factor will have to come from another factor. We have indicated what we think are the right amounts for each factor.

**7. Do you agree with the proposed lump sum amount of £110,000 for all schools? (Pages 29-31)**

This factor is intended to contribute to the costs that do not vary with pupil numbers, and to give schools (especially small schools) certainty that they will receive a certain amount each year in addition to their pupil-led funding.

**Primary**
Allocate a higher amount

This is about the right amount

**Allocate a lower amount**

**Secondary**
**Allocate a higher amount**

This is about the right amount

Allocate a lower amount

Please explain your reasoning and any further evidence we should take into account:

The lump sum is vital to support the operation of all schools, especially small schools. As such we believe that the lump sum needs to be considered alongside the basic per pupil funding amount and sparsity funding to ensure that a necessary small school receives a sufficient funding allocation to be able to operate.

The suggested amount is £120,000

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The distribution of the lump sum and the sparsity factor could be managed locally in line with local priorities along with the other school led funding arrangements that will need to be made. Schools are not the same and it is reasonable that the school led factors, held in a ring-fenced budget could be locally directed. This is where local knowledge and negotiation are essential and the Schools Forum can provide this.

**8. Do you agree with the proposed amounts for sparsity funding of up to £25,000 for primary schools and up to £65,000 for secondary, middle and all-through schools? (Pages 31-33)**

We have decided to include a sparsity factor to target extra funding for schools that are small and remote. We are proposing that this would be tapered so that smaller schools receive more funding, up to a maximum of £25,000 for primary schools and £65,000 for secondary schools.

**Primary**
Allocate a higher amount

This is about the right amount

Allocate a lower amount

**Secondary**
Allocate a higher amount

This is about the right amount

Allocate a lower amount

Please explain your reasoning and any further evidence we should take into account:

Consideration needs to be given to the interaction between the lump sum and support to small schools which may not be reflected in sparsity alone. Equally the use of the distance criteria as the crow-flies is still too rigid and does not allow for local variables.

We strongly recommend local flexibility around the usage of school-led funding factors (lump sum, sparsity etc.), and we believe this is where Schools Forum can exercise creditable local discretion. This will be a more reliable process than one relying on a one-size fits all national formula.

**9. Do you agree that lagged pupil growth data would provide an effective basis for the growth factor in the longer term? (Pages 34-37)**

The growth factor will be based on local authorities' historic spend in 2018-19. For the longer-term we intend to develop a more sophisticated measure and in the consultation we suggest the option of using lagged pupil growth data. We will consult on our proposals at a later stage, but would welcome any initial comments on this suggestion now.

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The use of lagged pupil growth data appears to be a reasonable interim approach to funding growth. However, we support a fundamental review of how growth in existing schools and new schools is funded. As we move towards a national funding formula there needs to be a consistent approach and guidance to funding growth and new schools. This will undoubtedly require local knowledge and input to ensure that growth is based only on need, otherwise there is the potential for inefficient use of resources. We think that if there were national funding rates based on set criteria it would support some of the additional issues in meeting sufficiency requirements.

**Funding Floor**

**10. Do you agree with the principle of a funding floor? (Pages 37-39)**

To ensure stability we propose to put in place a floor that would protect schools from large overall reductions as a result of this formula. This would be in addition to the minimum funding guarantee (see question 13).

Yes
**No**

Please explain your reasoning and any further evidence we should take into account:

The proposed 3% funding floor "locks" in some of the historical differences for those schools which have been relatively better funded for several decades. Equally the cost of this protection limits the redistributive impact and will result in the continuation of different funding levels for pupils across the country. MFG should be sufficient protection at -1.5% per pupil per year.

The application of a national funding floor does not enable the model to achieve one of the key principles of "fairness" and will only continue to perpetuate the argument for these changes outlined by the DfE of similar schools in different local authorities being funded at different levels.

If a floor is to be implemented, whether in the short or longer term, there needs to be the ability to apply dis-applications to the calculation should school circumstances change, so not to further lock in historical funding which is no longer appropriate.

**11. Do you support our proposal to set the funding floor at minus 3%? (Pages 37-39)**

This will mean that no school will lose more than 3% of their current per-pupil funding as a result of this formula.
Yes
**No – the floor should be lower (i.e. allow losses of more than 3% per pupil)**
No – the floor should be higher (i.e. restrict losses to less than 3% per pupil)

Please explain your reasoning and any further evidence we should take into account:

There should not be a funding floor.

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| |
|---|
| The MFG mechanism provides stability to schools and if the NFF identifies schools that have been considerably better funded for many years then this funding should be removed over time and re-distributed accordingly.<br>MFG should be sufficient protection to allow change over a period of time. This floor locks in past inequities. |

**12. Do you agree that for new or growing schools (i.e. schools that are still filling up and do not have pupils in all year groups yet) the funding floor should be applied to the per-pupil funding they would have received if they were at full capacity? (Page 43)**

**Yes**
No

We believe that, to treat growing schools fairly, the funding floor should take account of the fact that these schools have not yet filled all their year groups.

Please explain your reasoning and any further evidence we should take into account:

| |
|---|
| Agree that new/growing schools may require additional protection, but there is a need to ensure their funding is not artificially inflated and that there is the ability to apply dis-applications to the MFG should school circumstances change. |

**<u>Transition</u>**

**13. Do you support our proposal to continue the minimum funding guarantee at minus 1.5%?**

The minimum funding guarantee protects schools against reductions of more than a certain percentage per pupil each year. We are proposing to continue the minimum funding guarantee at minus 1.5% per pupil per year.

**Yes**
No – the minimum funding guarantee should be lower (i.e. allow losses of more than 1.5% per pupil in any year)
No – the minimum funding guarantee should be higher (i.e. restrict losses to less than 1.5% per pupil in any year)

Please explain your reasoning and any further evidence we should take into account:

| | |
|---|---|
| The continuing -1.5% per pupil MFG provides sufficient protection to schools on an ongoing basis. | |

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**Further Considerations**

**14. Are there further considerations we should be taking into account about the proposed schools national funding formula?**

**Education Services Grant (ESG)**
The removal of the ESG will have an impact on all schools, whether maintained or academy. Academies will have costs which were supported by the ESG which they will need to fund from their General Annual Grant and local authority cuts are likely to lead to additional charges to maintained schools. This is another cost which schools across the country will have to bear without additional resources.

**Movement between blocks**
In the past there was discretion to move funding between the blocks with the agreement of the Schools Forum. When the High Needs Block becomes stand-alone the only method available for LAs will be to reduce funding for top-ups for mainstream schools, resource provision, special schools and alternative. The answer to this is either to increase the funding into the HNB to ensure that it is adequate for pupils that need the most help (which it currently isn't, nor is it planned to be), or to enable schools via their Schools Forum to allow movement between Schools and High Needs.

**Schools Forum and Local Expertise**
There is no clarity in the consultation about the ongoing purpose of the Schools Forum. The members of Schools Forums and locally elected Councillors have a considerable number of combined years of experience of the management of schools and education. They work in the local area and understand the needs of their communities. This is a huge resource of local expertise about what works locally and supports children locally. By moving to a funding formula managed from the centre, this local expertise could be lost.

**Capacity of EfA to consider local issues**
Following on from above, we question the ability and capacity of the Education Funding Agency to be able to properly consider all the data it uses and to work with schools to apply the necessary local knowledge to a national funding formula. This is what LAs do all the time in the management of their local formula. It is difficult enough to manage at a local level: doing so at a national level will be a considerable challenge. An example of this is that the EFA currently send local authorities lists of data as part of the APT process. This is the type of work the EFA will need to look at in future and we doubt that they have the capacity or local understanding to do this type of work).

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**Central School Services Block (Pages 66-72)**

**15. Do you agree that we should allocate 10% of funding through a deprivation factor in the central school services block?**

**Yes**
No - a higher proportion should be allocated to the deprivation factor
No - a lower proportion should be allocated to the deprivation factor
No - there should not be a deprivation factor

Please explain your reasoning and any further evidence we should take into account:

The principle to allocate a proportion of the central school services block through a deprivation factor to reflect particular central services, such as education welfare services, appears reasonable.

**16. Do you support our proposal to limit reductions on local authorities' central school services block funding to 2.5% per pupil in 2018-19 and in 2019-20?**

**Yes**
No - allow losses of more than 2.5% per pupil per year
No - limit reductions to less that 2.5% per pupil per year

Please explain your reasoning and any further evidence we should take into account:

Based on the illustrative data, the range of winner and losers is varied, due to individual circumstances and historic local decisions. However, the proposals appear to give reasonable levels of protection which should allow LAs to realign services in a timely manner.

**17. Are there further considerations we should be taking into account about the proposed central school services block formula?**

Paragraph 5.22 refers to the ability of the LA to recycle money that is no longer needed for historic commitments into schools, high needs or early years in 2018-19. Central Bedfordshire does not have historical commitment.

The consultation states that the department will "set out our long-term intention for funding released from historic commitments at a later point". Local Authorities should not be protected if funds have been held, against regulations, for invalid historical commitments.

**Equalities Analysis**

**18. Is there any evidence relating to the 8 protected characteristics identified in the Equality Act 2010 that is not included in the equalities impact assessment and that we should take into account?**

Central Bedfordshire has nothing to add to this section

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# Terms of Reference

## Early Years Block Technical Sub Group of the School Forum

The Forum requested that a technical sub group be formed to consider the Early Years Funding Block and it was set up during the autumn term of 2016. This Technical Sub-Group is in addition to the Early Years Reference Group which is a formal sub –group of the Schools Forum, as identified in para 65 of the March 2015 publication Schools Forum Operational and Good Practice Guide by the Education Funding Agency Working.

The Group will meet when required, and the meetings will ordinarily follow the meetings of the Early Years Reference Group.

**Membership**

Sue Howley MBE — Stephen Tiktin
Paul Burrett — Ali Challis

**Schools Forum Powers and Responsibilities updated to include Dec 2016 edition changes published by Education Funding Agency** (Early Years related sections only)

| Function | Local Authority | Schools Forum |
|---|---|---|
| Formula Change (including redistributions) | Proposes and Decides | Must be Consulted and inform governing bodies of all consultations |
| Contracts (where the LA is entering a contract to be funded from the schools budget) | Proposes at least one month prior to invitation to tender, the terms of any proposed contract | Gives a view and informs the Governing Bodies of all consultations |
| Financial issues relating to:….. Arrangements for early years provision | Consults annually | Gives a view and informs the governing bodies of all consultations |
| Minimum Funding Guarantee | Proposes any exclusions from MFG for application to DfE | Gives a View |
| Central Spend ……..on Early Years block provision | Proposes | Decides |

**Terms of Reference**

The group will focus on the following elements:

- Issues relating to Early Years Funding Formula
- Issues relating to Early Years Pupil Premium
- Early Years Funding Consultations
- Consultations on changes with all Early Years Providers
- Any contracts entered into funded from the schools budget (none)
- Capitalised Early Years block
- Annual Review of Early Years Block Expenditure
- Anything else by request of the Schools Forum
- To note activity of the Childcare panel (Not DSG funded).

Agreed 3.10.16 Updated 24.01.2017

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**Meeting:** **Schools Forum**

**Date:** **6 March 2017**

**Subject:** **Dedicated School Grant Contingency Budgets**

**Report of:** **Director of Children's Services**

**Summary:** To provide an update on the use of the School Contingency Budgets for 2016/17.
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Contact Officer: Dawn Hill, Priory House, Shefford

Public/Exempt: Public

Wards Affected: All

Function of: Council

**RECOMMENDATIONS:**

1. **To note the Dedicated School Grant (DSG) Contingency spend to 28 February 2017.**

**Background**

1. From 2013/14 the Dedicated School Grant is split into three notional blocks; Schools, High Needs and Early Years with each block holding its own contingency budget.

**School Block**

2. The Schools Specific Contingency Budget falls under Schedule 2 (Part 5) of The School and Early Years Finance (England) Regulations 2015; 'Classes or descriptions of planned expenditure prescribed for the purposes of the Schools budget of a Local Authority which may be deducted from it to determine the Individual Schools Budget (ISB)'. Part 5 relates to items that may be removed from Maintained Schools' Budget Shares by way of de-delegation. De-delegation is not an option for Academies, special schools, nurseries or PRUs.

3. Expenditure on the Schools Specific Contingency is central expenditure deducted for the purpose of ensuring that monies are available to enable an increase in a school's budget share after it has been allocated; and where it subsequently becomes apparent that a governing body have incurred expenditure which it would be unreasonable to expect them to meet from the school's budget share which may include expenditure in relation to:
   - schools in financial difficulty
   - the writing off of deficits of schools which are discontinued, excluding any associated costs and overheads
   - new, amalgamating or closing schools, or

- other expenditure where the circumstances were unforeseen when initially determining the school's budget share

**High Needs Block**

4. Contingencies are held centrally to fund unforeseen circumstances and any potential overspends in the centrally retained High Needs Budgets. The following issues remain unresolved:

   - The resource implications of changes in SEND provision through the implementation of the Children and Families Act in 2014.
   - The implications of the development of Central Bedfordshire's vision for Special Schooling and Specialist Provision, including capital costs.

**Early Years Block**

5. Early Years provision is funded based on predicted total number of hours' attendance of registered pupils. The LA must review the budget share when further information on actual hours of attendance is available, in accordance with Part 3 of The School and Early Years Finance (England) Regulations 2015. The Early Years Contingency budget has been set aside to fund the headcount adjustment that is allowable within the regulations.

**Update**

**School Contingency**

6. The following table sets out the expenditure to 28 February 2017:

| | BUDGET £ | SPEND £ | BALANCE £ |
|---|---|---|---|
| Carry Forward from 2015/16 | 776,127 | | |
| Unallocated DSG (All Schools) | 4,390 | | |
| School Split Site Funding | | (20,000) | |
| Transfer to ISB | | (104,555) | |
| VAT Reimbursement CLA | | 40,823 | |
| **Total School Contingency** | **780,517** | **(83,732)** | **696,785** |

7. The C/F balance of £776,127 is split between de-delegated ring fenced funding for Maintained schools only of £671,572 and £104,555 for all schools. The balance of the de-delegated funding will be applied to the closing schools deficits; a current total of £547,289. The balance for all schools has been redistributed (to all schools) in 2016/17 via the Age-Weighted Pupil Unit (AWPU).

**High Needs Contingency**

8. At the meeting of the 14 March 2016 School Forum agreed in principle an application to the Secretary of State (SoS) to transfer unspent 2015/16 HN Block DSG to capital. On 16 June 2016 the SoS granted the transfer. The

funding has supported the increasing demand for places in specialist SEND provisions; with a contribution towards the expansion of primary and secondary provision at Ivel Valley Special School and the expansion of the Alternative Provision at the Academy of Central Bedfordshire.

9. The following table sets out the expenditure to 28 February 2017:

| | BUDGET £ | SPEND £ | BALANCE £ |
|---|---|---|---|
| Carry Forward from 2015/16 | 783,877 | | |
| Transfer to capital development in specialist provisions | | (783,877) | |
| Unallocated HN Block 2016/17 | 606,980 | | |
| Academy of Central Bedfordshire Rates Funding | | (5,131) | |
| Post 16 HN places (Manshead Upper) | | (20,000) | |
| 3% Increase to Top Up Funding Bands for Specialist Provisions | | (55,279) | |
| Academy of Central Bedfordshire Funding Uplift | | (70,000) | |
| Centrally Retained High Needs Overspend | | (629,143) | |
| **Total SEN Contingency** | **1,390,857** | **(1,563,430)** | **(172,573)** |

Any overspend at the end of the financial year will be met by unspent Early Years Contingency, as agreed at Schools Forum in November 2016.

**Early Years Contingency**

10. The following table sets out the expenditure to 28 February 2017:

| | BUDGET £ | SPEND £ | BALANCE £ |
|---|---|---|---|
| Carry Forward from 2015/16 | 819,823 | | |
| Unallocated Early Years Block 2016/17 | 395,740 | | |
| EY Block adjustment for growth in FTEs (Jan15 – Jan 16) | | (185,374) | |
| January 2016 census adjustment | | (208,789) | |
| Biggleswade Academy Split Site | | (110,000) | |
| May 2016 census adjustment | | (37,433) | |
| October 2016 census adjustment | | (182,734) | |
| **Total Early Years Contingency** | **1,215,563** | **(724,330)** | **491,233** |

**Appendices:**

None

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**Meeting:** **Schools Forum**

**Date:** **6 March 2017**

**Subject:** **School Forum Budget**

**Report of:** **Director of Children's Services**

**Summary:** To provide an update on the use of the School Forum Budget for 2016/17.

Contact Officer: Dawn Hill, Priory House, Shefford

Public/Exempt: Public

Wards Affected: All

Function of: Council

**RECOMMENDATIONS:**

1. **To note the School Forum spend to 28 February 2017.**

**Background**

1. The School Forum Budget falls under Schedule 2 of The School and Early Years Finance (England) Regulations 2015. 'Classes or descriptions of planned expenditure prescribed for the purposes of the Schools budget of a Local Authority which may be deducted from it to determine the Individual Schools Budget' – 'establishment and maintenance of, and consultation with, Schools Forums. Any deduction must not exceed the amount deducted for the previous funding period.

2. A budget of £3,000 for 2016/17 has been set for costs associated with the operation of the Forum, with the continued membership of the F40 group and £2,000 delegated to the Chairman of the Schools Forum to fund the commissioning of consultancy and administration support. The level of the budget will be reviewed annually.

**Update**

3. The following table sets out the expenditure to 28 February 2017:

| | **BUDGET £** | **SPEND £** | **BALANCE £** |
|---|---|---|---|
| Carry Forward from 2015/16 | 5,253 | | |
| Budget Allocation 2016/17 | 3,000 | | |
| F40 Subscription | | (1,000) | |
| General and Travel Expenses | | (194) | |
| Training Expenses | | (1,450) | |
| **Total** | **8,253** | **(2,644)** | **5,609** |

4. Any balance remaining at year end will be carried forward to 2017/18.

**Appendices:** None

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**Meeting:** **Schools Forum**

**Date:** **March 2017**

**Subject:** **Growth fund**

**Report of:** **Director of Children's Services**

**Summary:** This report sets out the need to revise the allocation method of the Council's growth fund. The report seeks the Forum's approval for the Growth Fund Panel to agree standardised rates of payments to schools eligible for growth funding.

Contact Officers: Victor Wan, Head of School Organisation, Admissions and Capital Planning (Interim)

Public/Exempt: Public

Wards Affected: All

Function of: Council

**RECOMMENDATIONS:**

1) **As agreed in the January 2017 Forum meeting under matters arising to note and comment on the content of the report on the Growth Fund element of the Dedicated Schools Grant (DSG)**

2) **Approve the principle of the revised process, in lieu of the panel's proposed payment amounts for the new financial year 2017-2018.**

**Background**

1. Central Bedfordshire Council's growth fund has been in operation since the 2013/14 financial year.

2. The growth fund provides additional financial revenue for schools where the Local Authority commissions new school places as a new school or equivalent new split site school provision or as permanent or temporary increases to an existing school site (i.e. to accommodate a bulge year). Qualifying provision includes:
    - New schools
    - Expansions to existing schools on additional sites
    - Temporary or permanent expansions to existing schools on their current site

3. Eligible schools are invited to make an application for initial revenue set up costs. Applications are then assessed by a panel consisting of council officers representing Children's Services Finance and the School Organisation, Admissions and Capital Planning Service, in addition to two members of the School Forum, nominated on an annual basis by the Forum. Approval for successful applications will be made by the Panel on behalf of the Forum.

**Growth fund applications and allocations 2014/15 to 2016/17**

4. The table below shows the amounts claimed and awarded from the growth fund during the last three financial years:

| Category | Amount claimed | Amount awarded |
|---|---|---|
| Programme management costs | £512,441 | £471,735 |
| Accommodation | £177,147 | £28,421 |
| Educational advisors/activities and specialist advisors | £448,583 | £87,518 |
| Staffing | £1,603,064 | £410,585 |
| Recruitment | £110,252 | £81,127 |
| Marketing | £49,891 | £27,124 |
| Administrative | £104,677 | £19,397 |
| Governance | £3,938 | £3,938 |
| IDACI funding | £93,705 | £19,390 |
| Pupil led funding | £2,803,908 | £2,539,264 |

5. Analysis of the applications and allocations during this period has highlighted the variances between claims from schools as well as commonly sought items:

   a) Programme management costs
   All programme management costs were approved with the exception of one school who claimed for a following financial year and one where the work was already completed so these costs were no longer applicable. There were similarities in that claims were generally associated with the time the following positions spent on tasks associated with the expansion;

- Site Agent/Facilities Manager
- Headteacher/Principal/Deputy Head or Principal
- Finance Officer/School Business Manager/Finance Director

   Some claims included timesheets of the additional work, some quantified the number of hours/weeks multiplied by an hourly cost and others quantified the amount of time with a cost.

   b) Accommodation
   Only 16% of claims in this category were approved. The vast majority of the items claimed by schools were not approved as they should be paid from either the school's split site fund (where applicable), capital costs or FF&E.

Two claims were for loss of lettings (holiday club and Saturday morning football) during the expansion building work and these were approved by the panel.

c) Educational advisors/activities and specialist advisors
80% of these claims were not approved as they were items to be funded through capital costs or FF&E. The successful claims items were generally either for legal, HR or finance advice, additional SIP visits or curriculum consumables for the additional class.

d) Staffing
The majority of staffing claims for an additional FE expansion include the cost of one teacher, one teaching assistant/learning support assistant, a midday supervisor and an additional cleaner. 25% of staffing claims were awarded, the rest were dismissed as the costs should be funded through pupil led funding (AWPU). Where payments were made this was where schools did not claim pupil led funding or lead in costs for a second site. For second site expansion staffing claims have also included additional administrative staff, additional site agent capacity, deputy headteacher/ teaching cover for senior leadership involved in the expansion.
Many of the claims were for the employment of staff from September and not lead in costs. As such these were generally not approved as they would be funded through pupil led funding (AWPU).

Where claims for an additional teacher stated the required grade of a teaching appointment, the range varied as follows:

| Salary grade | Number of claims |
|---|---|
| NQT | 2 |
| M1 | 4 |
| M2 | 1 |
| M3 | 3 |
| M4 | 0 |
| M5 | 2 |
| M6 | 5 |

Claims for additional teaching assistants/learning support assistants ranged from NJC points 10-15. Cleaning staff claims ranged from NJC points 4-6.

e) Recruitment
The main costs claimed for were advertising job vacancies and DBS/CRB checks on successful candidates. Other claims varied with some schools claiming for the time of senior staff during the recruitment process, advice on staffing structures/policies, induction/mentoring costs for successful candidates, reimbursing candidate expenses as well as costs for medical checks and first aid qualifications. All of these were approved by the panel.

Claims were rejected if the cost was excessive for a 1FE expansion (i.e. £6,000). Approved claims for adverts were between £500 and £1,500 per advert.

f) Marketing
Just over half of these claims were approved; for items such as updating school websites to reflect the additional class, accommodation or site, updating prospectuses and producing additional information packs for the additional pupils.
Claims which were dismissed were for school signage (which were not approved as this would be a capital cost) or opening events/ceremonies.

g) Administrative
A number of claims were for IT and telephone equipment or for enhanced catering equipment all of which were rejected as they are a capital cost. Approved costs were generally for stationary, increased administrative work and additional communication with parents regarding the expansion work. Some schools claimed a figure of £40/45 per month for the additional stationery/communication whilst some claimed for additional hours (about 3 or 4 per week) spent on such activities.

h) Governance
All claims in this category were approved. 70% of the claims were for the cost of additional governors meetings (clerk's fees). The number of additional meetings ranged from one per term to one per month.

i) Pupil led funding
The current funding formula is 25xAWPU (age weighted pupil unit) per additional class commissioned by LA, either a one off payment for a bulge class or for a number of years until additional form is established throughout the school. Top up funding has been awarded where an additional class was commissioned but in subsequent years the number of pupils in the class was below 25 (in these instances the amount was paid to cover for the difference between 25 and actual number in the class). For maintained schools 7/12ths of the annual amount is awarded to compensate for the funding lag. For academies the full amount can be awarded for the year of which the LA will claim back an element from the DfE.

**Proposed arrangements**

6. To ensure equity of payments across all schools eligible for growth funding a standardised amount for each category would provide consistent payments from the growth fund. A benefit of this system would be that more accurate forecasting of payments could be conducted and it would streamline the efficiency of the process for both schools and the panel.

7. Should schools spend less on an item than the allotted sum they would be able to retain this amount for other use. Similarly if a school chose to spend more on an item than the amount paid by the growth fund the remaining

balance would be the required from the school's budget. This proposal would provide schools with autonomy for establishing their additional classes and an incentive to achieve value for money.

8. With the Forum's approval the panel will convene to determine the proposed payment amounts according to the type/size of expansion and the amount to be paid to cover a range of items. This would then be presented to the Forum for approval and if agreed this would take effect from 2017/18 financial year.

**How neighbouring local authorities conduct growth fund allocations**

9. Neighbouring local authorities fund additional commissioned classes with AWPU (seven twelfths for maintained schools and twelve months for academies) to assist schools to fund the consequential staff and resource implications of the additional pupils in lieu of the funding lag. Cambridgeshire County Council allocates funds calculated according to the phase of school and size of the additional class FE. This figure includes an allowance (pro-rata) towards the cost of resourcing the new classroom.

10. For new schools, excluding free schools, preopening and post opening costs are allocated according to the local authorities' formula which has been approved by their Schools Forum.

**Conclusion**

11. School Forum to agree to the proposal for the Growth Fund Panel to review and adopt a pre determined uniform package of payments for growth commissioned by the local authority. This would ensure funds are allocated fairly and consistently among schools where additional school places have been commissioned by the local authority. This is in line with FF&E payments which are a fixed amount per pupil.

12. School Forum to receive the proposed pre determined package as agreed by the Panel for determination. Due to the scheduling of the School Forum meetings, this will be undertaken electronically with the Forum.

13. This would bring the Local Authority into line with the current practice of neighbouring local authorities in allocating growth fund payments.

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**Schools Forum Panel Work Programme**

| **2016/17 Municipal Year** | |
|---|---|
| 6 March 2017 | • Growth Fund Growth Fund payments and criteria (VW)<br>• Revised Terms of Reference for the Early Years Block Technical Sub Group (ST)<br>• Draft response to the High Needs Block and School Block consultations (DH)<br>• Dedicated Schools Grant;<br>  ○ To provide an update on the High Needs Block spend in 2016/17 and proposed spend for 2017/18 (HR).<br>• Dates of Future Meetings |
| 12 June 2017 | |
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Unscheduled reports:

- Funding for the Academy of Bedfordshire (ACB) (HR)
- Closing figure for Dedicated School Grant Contingency Budgets (DH)
- Feedback from the consultation carried out with Early Years providers
- on recommended operating model (ST)
- Membership of the Schools Block Technical Sub Group (DH)

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