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THE SCHOOLS FORUM

Wednesday, 18th January, 2017 at 5.30 pm in the Chace Community School, Churchbury Lane, Enfield, EN1 3HQ

Membership:

Schools Members:

Maintained Schools:

Governors: Ms I Cranfield (Primary), Chair, Mr C Clark (Primary), Ms Ellerby (Primary), Mrs J Leach (Special), Mrs L Sless (Primary), Mr T McGee (Secondary)

Headteachers: Mr H Ballantine (Primary), Mr D Bruton (Secondary), Mr P De Rosa (Special), Ms M Hurst (Pupil Referral Unit), Mr B Goddard (Secondary), Ms H Knightley (Primary), Ms H Thomas (Primary) Ms L Whitaker (Primary), Vacancy (Primary)

Academies: Ms L Dawes, Ms A Nicou, Vacancy

Non-Schools Members:

Overview and Scrutiny Committee	tbc
14-19 Partnership	Mr K Hintz
Teachers' Committee	Mr T Cuffaro
Education Professional	tbc
Head of Behaviour Support	Mr J Carrick
Early Years Provider	Ms C Gopoulos

Observers:

Cabinet Member	Cllr A Orhan
School Business Manager	Ms A Homer
Education Funding Agency	Mr Owen

**MEMBERS ARE INVITED TO ARRIVE AT 17:15PM
WHEN SANDWICHES WILL BE PROVIDED
ENABLING A PROMPT START AT 17:3**

Schools Forum Membership List

Name		Sector	Organisation	Member / Sub Since	End of Term
Ms I Cranfield (Ch)	G	P	Eversley	Summer 2013	Spring 2017
Mr C Clark	G	P	Field Federation	Autumn 2014	Summer 2018
Ms J Ellerby	G	P	Eldon	Autumn 2015	Summer 2019
Mrs J Leach	G	Sp	Waverley	Autumn 2015	Summer 2019
Mrs L Sless	G	P	Galliard	Autumn 2015	Summer 2019
Mr T McGee	G	S	Highlands	Spring 2016	Autumn 2020
Ms H Ballantine	H	P	George Spicer	Autumn 2015	Summer 2019
Mr P De Rosa	H	Sp	Durants	Autumn 2013	Summer 2017
Ms M Hurst	H	PRU	Enfield Sec Tuition Centre	Req'd - July 2014	
Mr B Goddard	H	S	Highlands	Autumn 2015	Summer 2019
Ms H Knightley	H	P	St Johns & St James	Autumn 2015	Summer 2019
Ms H Thomas	H	P	Alma	Autumn 2015	Summer 2019
Ms L Whitaker	H	P	St Matthew's	Summer 2016	Spring 2020
Mr D Bruton	H	S	Chace Community	Summer 2016	Spring 2020
Vacancy	H	P			
Ms L Dawes	H	A	Oasis Hadley	Spring 2016	Autumn 2020
Ms A Nicou	H	P	Enfield Learning Alliance	Autumn 2015	Summer 2019
Vacancy					
Ms C Gopoulos		EY	Bright Stars Nursery	Spring 2016	Autumn 2020
Mr K Hintz		P16	CONEL	Autumn 2015	Summer 2019
Vacancy		All	Chair of Overview & Scrutiny Committee	By Appointment	
Mr T Cuffaro		All	NUT	Autumn 2013	Spring 2017
Mr J Carrick		All	Local Authority	By Appointment	
Vacancy		All	Local Authority	By Appointment	
Cllr Orhan	O	All	Cabinet Member	By Appointment	
Ms A Homer	O	All	Prince of Wales	Summer 2015	Spring 2019
Mr O Jenkins	O	All	EFA	By Appointment	

Key

G – Governor
 H – Headteacher
 O - Observer
 P – Primary
 S – Secondary
 Sp – Special
 A – Academies & Free Schools
 EY – Early Years
 P16 – Post 16

AGENDA

1. MEMBERSHIP AND APOLOGIES FOR ABSENCE (17:30)

Reported nominations for the vacant positions are being pursued.

2. DECLARATION OF INTERESTS

Members are invited to identify any disclosable pecuniary, other pecuniary or non-pecuniary interests relating to items on the agenda.

3. MINUTES AND MATTERS ARISING FROM THE MINUTES (Pages 1 - 8)

- a. Schools Forum meeting held on 8 December 2016 (attached)
- b. Matters arising from these minutes

4. ITEMS FOR DISCUSSION AND DECISION (17:50) (Pages 9 - 28)

- a. Funding arrangements for the Education of 3-16 year olds (2017-18): Results of consultation and proposed changes (attached)
- b. Schools Budget 2017/16 – Update (attached)
- c. Central Services Funded from the Dedicated Schools Grant – Update (attached)
- d. Education Support Grant (to follow)

5. ITEM FOR INFORMATION (Pages 29 - 36)

- a. DfE Consultation Documents: Schools and High Needs National Funding Formula – Summary of Proposals (Attached)

The link to the consultation documents is as follows:

https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/?utm_source=EFA%20e-bulletin&utm_medium=email&utm_campaign=e-bulletin&mxmroi=2305-10816-68330-0

6. WORKPLAN (19:00) (Pages 37 - 38)

7. ANY OTHER BUSINESS

8. FUTURE MEETINGS

- a. Date of Next meeting is Wednesday 1 March 2017 (TBC) at 5.30pm, Chace Community
- b. Proposed dates for future meetings
 - 19 April 2017
 - 5 July 2017

9. CONFIDENTIALITY

To consider which items should be treated as confidential.

MINUTES OF THE SCHOOLS FORUM MEETING**Held on Wednesday Thursday 8 December 2016 at Chace Community School****Schools Members:**

Governors: Ms I Cranfield (Primary) Chair, Mr C Clark (Primary), Mrs J Ellerby (Primary),
Mrs J Leach (Special), *Mrs L Sless (Primary)*, Mr T McGee (Secondary)

Headteachers: Ms H Ballantine (Primary), Mr D Bruton (Secondary), Mr P De Rosa (Special), Ms M
Hurst (Pupil Referral Unit), Mr B Goddard (Secondary), Ms H Knightley (Primary),
Ms H Thomas (Primary), *Ms L Whitaker (Primary)* substituted by Ms S Quartson

Academies: *Ms L Dawes* substituted by Ms T Day (Secondary), *Mr G Stubberfield*, Ms A Nicou

Non-Schools Members:

Early Years Provider	Ms C Gopoulos
16 - 19 Partnership	<i>Mr K Hintz</i>
Teachers' Committee	Mr T Cuffaro
Chair of Overview and Scrutiny Committee	Vacancy
Head of Behaviour Support	Mr J Carrick
Education Professional	Vacancy

Observers:

Cabinet Member	<i>Cllr A Orhan</i>
School Business Manager	Ms A Homer
Education Funding Agency	<i>Mr O Jenkins</i>

Also attending:

Chief Education Officer	Ms J Tosh
Assistant Finance Business Partner	Mrs L McNamara
Head of Budget Challenge	Mr N Goddard
Resources Development Manager	Mrs S Brown
Resources Development Officer	Ms J Bedford

* Italics denote absence

1. MEMBERSHIP AND APOLOGIES FOR ABSENCE**a) Apologies for Absence**

Apologies for absence were received from Mrs Sless, Mrs Dawes, Ms Whitaker, Cllr Orhan, Mr G Stubberfield and Mr Hintz.

Noted Ms Whitaker was represented by Ms Quartson and Mrs Dawes by Ms Day.

The Forum welcomed Ms Quartson and Ms Day to the meeting.

b) Membership

Reported:

- Following the conversion of Bowes Primary School to an academy, Ms Nicou would now be an academy representative on the Forum;
- Mr G Stubberfield had resigned as a governor from Southgate Academy. This meant he was no longer eligible to be an academy representative on the Forum;
- The position on the primary representative vacancy would be reviewed after the data from the January Census had been assessed for pupil changes. Nominations for the other vacant positions were being sought.

2. DECLARATIONS OF INTEREST

Declarations of Interest were received from Mrs Leach, Mr Carrick and Mr Cuffaro for Item 4(b) Central Services Funded from the Dedicated Schools Grant.

3. MINUTES OF THE LAST MEETING

- (a) **Received** and agreed the minutes of the meeting of the Schools Forum held on 13 October 2016, a copy of which is included in the Minute Book.

(b) Matters arising from these minutes

- (i) Item 4(a) Outturn report 2015/16 & Budget Monitoring 2016/17 - Update

Noted the review on the procedure for reporting deficits will be timetabled for carrying out in the New Year.

Action: Mrs McNamara

- (ii) Item 4(c) Schools Budget 2017-18

Reported two briefing papers had been drafted outlining the impact that national policies on funding were having on schools. The first paper was a briefing note/letter to inform parents and carers and the second a template of a letter to use to lobby MPs, Ministers, Councillors and other influencers.

The Chair suggested that some schools would appreciate it if the letter to parents and carers were to be sent by the Authority, as the schools themselves were not responsible for the reductions in funding or for the decisions relating to them individually by the Authority. However, it was suggested that the lobbying letters should be sent individually and not as a group or forum. The statistics that would form the driver for change were based on the recorded number of letters received and not the number of signatures on a petition.

Noted schools had begun to write to parents and carers, informing Parent Forums, PTAs, Governing Bodies and 'Our Voice', a parent-led organisation working with parents and carers in the borough. The web link for Our Voice is as follows:
<https://www.ourvoiceenfield.org.uk/>.

Resolved to send a reminder of the briefing note/letter and lobbying template through the Governor Hub, Schools Portal and the termly Governor pack.

Action: Mrs Brown

- (iii) Item 4(b) School balances

Reported a map of the borough showing schools and the pupil premium rates is included in the papers for information only.

- (c) **Received** a copy of the minutes of the Education Resources Group meeting held on 16 November 2016, a copy of which is included in the Minute Book.

Noted Item 4 Schools Budgets: 2017/18 should read:

Item 4: Schools Budget: 2017/18: Update

'... Local information from the October Census had been delayed because data had not been received from all academies.... '

Resolved, to avoid confusion when despatching late papers, the later distribution would include a complete set of papers for the meetings.

Action: Mrs Brown

4. ITEM FOR DISCUSSION & INFORMATION

a) Schools Budget 2017/18 - Update

Received a report detailing the current projected outturn for the Schools Budget for 2016-17 and the draft budget and forecast for 2017-18, a copy of which is included in the Minute Book.

Reported the budget projections included within the reports were based on local data from the October Pupil Census. The projections did not reflect the final position. The final position would be calculated when the pupil data was received from the DfE in late December.

The Schools Forum was being asked to note the draft position for 2017/18 as set out in Appendix B and comment on the options as set out in the consultation document to bridge the budget gap.

The Schools Forum and sector representatives respectively were being asked to confirm:

- a) The contingency of £0.984m be allowed for the growth fund.
- b) For the de-delegation services to continue to be provided.

The following points arose from a discussion of the report.

Noted:

- i) The DSG carry forward from 2015/16 was £1.049m, which included £800k for the Autism development and a contingency of £1,037m for High Needs pressures; this had given total resources available of £2,086m. The High Needs funding for out-of-borough placements and in-borough development had created a pressure on the budget and the net projected position for the DSG for 2016/17 was an overspend of £1.357m. The Forum was being asked to consider and agree that this pressure was the first call on next year's budget.

A member asked if 'pressure' meant 'overspend', and when it was stated that this was the case, it was requested and agreed that the term 'overspend' be used henceforth.

- ii) The current unit rates had been used to model the school budget information, but the information had been updated for the changes advised by the DfE for IDACI and prior attainment.

In advance of the outcome of the local consultation, the modelling also included the allocation of the sixth form funding to secondary schools.

Resolved the modelling of the re-allocation of the sixth form funding would be attached to the minutes.

Action: Mrs McNamara

- iii) The pupil number data was showing an increase of 420 for primary aged pupils and 264 for secondary aged pupils. The growth reflected the in-year increase of 154 pupils at Heron Hall and ARK Jon Keats academies. The net position was an overall increase of 623.
- iv) The free school meals (FSM) data for October 2016 was compared with October 2015 data and this indicated a reduction of 0.76% in the number of pupils' eligible.

It was questioned whether the drop was due to the impact of the welfare benefit reforms and if completing the application form for checking eligibility was a factor that prevented families from applying.

Resolved to clarify if the process for checking eligibility could be simplified and whether there was a correlation between the welfare benefit reforms and FSM.

Action: Mrs Brown

- v) The 2017/18 budget projections as delivered at the October meeting included a reduction of £504k in rates based on the five schools that had converted to academies in 2016/17. The Business Rates Team had said that a revaluation exercise would be carried out and this may result in negating the savings identified.
- vi) The list of De-delegated Services had been prepared on the same basis as in previous years and the options were set out in the report. The meeting was informed that the de-delegated Maternity, Public Duties and Long Service Awards were no longer viable for the Authority to maintain and, from 2017/18; these services would not be provided as de-delegated services.

Following a discussion on the impact of the removal of the maternity service as a de-delegated service, it was requested further information be provided on all de-delegated services, including those identified for cessation.

Resolved further information on the de-delegated services would be provided.

Action: Mrs Brown

- vii) The Growth Fund contingency included provision for schools either expanding permanently or admitting an additional class in one year group and new schools.
- viii) The minimum funding guarantee would be applied to all schools; the Authority would be seeking an exemption for the primary pupil rate applied to the primary aged pupils in all-through schools and not the secondary pupil rate.

b) Dedicated Schools Grant (DSG) and Central Services: Update

Received a report providing information on the Dedicated Schools Grant (DSG) and Central Services: Update, a copy of which is included in the Minute Book.

Reported the appendix attached to the report provided a breakdown of the DSG allocations for 2016/17, and also included information on the funding delegated to schools. The breakdown had been presented to the Joint Local Authority and Headteachers Conference held on 29 November 2016.

Since the Conference, the DfE had published the outcomes from their review of historical commitments and had provided regulatory guidance. The guidance confirmed, for 2017/18, there were no national changes to the arrangements for managing these commitments.

Noted:

- (i) The statutory and contractual commitments sought the Forum's approval of the amount being held centrally and for any others the Forum was being asked for their continuation.
- (ii) The report was seeking the Schools Forum's and school representatives' agreement to continuing with the statutory, combined, historical and de-delegated services.
- (iii) The Forum was asked to consider this item with the next item on the agenda.

c) Strategies for Supporting the Budget

Received a report providing information on the Strategies for Supporting the Budget, a copy of which is included in the Minute Book.

Reported the paper included options for addressing the forecast budget deficit for 2017/18. As well as reducing funding provided for some central services, the options included changes to the funding arrangements for pupils with high levels of SEND in mainstream schools, a reduction in the per pupil amount for mainstream schools and changes to the threshold for retaining balances.

The following points arose from a discussion of the report.

Noted:

- i) The national guidance required schools to fund the first £6k of the cost of provision for a pupil with a high level of need and the balance should be provided as a top-up by the Authority. The DfE had recognised that in a minority of schools, there was likely to be an exceptionally large number of pupils with high levels of need and for these schools there was a need to provide further funding above the top-up amount.

With the increased scrutiny by the DfE of local arrangements and the imminent introduction of the national funding formula for schools and high needs blocks, it was necessary to review and change the local arrangements. The option identified in the paper, as an interim measure, was to reduce the £6k currently provided to £3k for

2017/18. This option would then allow time to consider and introduce an appropriate methodology.

A member sought clarification as to whether the funding released had been factored into supporting the deficit and what would be the effect of this change for schools. He felt this change would have a significant impact on schools' ability to maintain these pupils in school.

There was also a concern about the effect this change would have on other pupils.

It was stated that the arrangement in Enfield was unique and all other authorities had arrangements in place, which provided the first £6k to a minority of schools either based on a criterion or did not fund the first £6k at all. In Enfield, there were some schools where there were a large number of pupils with high levels of SEND, but in some other schools it was difficult to place pupils with high levels of SEND.

It was commented any changes to the arrangements needed to be fair and recognise the number of pupils with high levels of SEND at each school.

Clerk's note: Ms Quartson left at this point.

- ii) Headteachers from each of the sectors had met to review the central services currently funded from the DSG and the following feedback was provided from each sector:

Secondary: The Headteachers were concerned that this would be the first financial year when the full effects of the rise in pensions, National Insurance and salaries would be felt and the impact this would have on individual school budgets. The view of the secondary Headteachers was that:

- there should not be a reduction in AWPU
- all central services should be cut back to statutory activities, and a more effective and efficient way to deliver these services be explored

Primary: The Headteachers were of the view that:

- the AWPU should be protected;
- the proposed savings for non-statutory central services should be accepted, with the exception of Behaviour Support, where the saving should be from September 2017, and School Improvement, where the saving should be limited to £50k as identified by the service.
- the threshold for balances should not be changed.

Special: The Headteachers had no view on the AWPU, and sought more information on statutory services, with a further reduction for the Parent Support Service. The funding for the SEN Peripatetic Service should be provided to special schools and not held centrally. Special schools felt the current funding arrangements were unfair and there was a need to review it and make the schools in the borough more attractive, thereby stopping pupils from going out of borough.

- iii) The Forum was informed that:

- the outreach work to support behaviour by the Behaviour Support Service was a small element of the work the service carried out. The service worked with disruptive children and young people or those with complex needs, who could not be placed in schools. This was because schools, whether in- or out-borough, could not or would not have these children or young people and the PRU was unable to meet their needs. If the arrangements for this service were changed, then these children and young people would need to be placed in local schools and this would create further challenges for schools or expensive out-borough or independent provision;
- the transport costs associated with SEND placements were met by the Council;
- work was continuing to review and develop strategies to reduce the number of children and young people placed in out-borough provision.

- (iv) A member commented that the views of the Headteacher were a little simplistic, there was a need to consider the knock-on effect of any change, and any proposals to manage the deficit should be considered carefully.

Members expressed the view that the schools had considered the financial situation and many schools had had to make cuts to cope with the financial pressures. The returns provided to the Authority masked the true financial position.

The key function of the schools to teach needed to be safeguarded.

- (v) It was commented that the Foundation Stage Service had experienced a 14% cut for this year and, because of this, had to review the service. Over the past six months, officers had been working with Headteachers and the Early Years representative to find a different way of delivering the service. The results of this work were detailed in the next item, but the outcome had led to a number of redundancies. This change had been possible because of the time allowed for planning and implementation.
- (vi) There was a concern that the cuts in the central services would have an immediate and longer-term impact on the local communities, as well as small PVI settings unable to purchase the service. Some members acknowledged that children, young people and families would suffer, but felt there was a need to protect school funding.
- (vii) In answer to the question whether a deficit budget could be set, it was stated that the Authority would not support the setting of a deficit budget.

Resolved:

- (i) Proposal to cuts to non-statutory services:

The Forum voted as follows: Yes – 15, No – 1, Abstention – 1

The primary representatives clarified that their vote also aimed to retain the School Improvement Service and only reduce the funding by the amount identified by the Service of £50k.

- (ii) Provide further information on the statutes governing services reported as being statutory.
- (iii) The items listed in the white section of the spreadsheet showing the breakdown of the DSG:

The Forum voted as follows: Yes – 16, Abstention – 1

- (iv) De-delegation:

Further information would be provided on each item for the schools' representatives to consider.

Action: Mrs Brown

d) Schools Funding Arrangements 2017/18

Received a report providing an update on Schools Funding Arrangements 2017/18, a copy of which is in the Minute Book.

Reported the document circulated was an extract from a longer document and detailed proposals for changes to the local funding arrangements. The document included a number of proposals, including the local arrangements for introducing the national funding formula for the nursery education of three- and four-year-olds and changes to the Scheme for Financing.

Noted:

- (i) The sixth form formula was no longer allowed; there were four possible options for redistribution and the consultation document detailed the effect of each option for individual schools.

- (ii) The government had confirmed its intention to extend the free nursery entitlement from 15 to 30 hours a week for working parents. The aim in doing this was to assist in reducing the cost of childcare and enable parents to return to work or increase their hours of work.
- (iii) The reason for removing the annual advance was the work created by one school that converted to an academy and did not pay back the full amount of the outstanding delegated budget to the Authority to transfer to the Education Funding Agency.

5. ITEM FOR DISCUSSION & INFORMATION

a) Strategy and Approach to Delivering Pupil Places

Received and noted the Strategy and Approach to Delivering Pupil Places report, a copy of which is in the Minute Book.

Reported the report was for information only.

b) School Condition & Fire Safety Programme 2016/17 to 2017/18

Received and noted the School Condition & Fire Safety Programme 2016/17 to 2017/18 report, a copy of which is in the Minute Book.

Reported the report was for information only.

c) School Balances 2015/16

Received and noted the Schools Balances 2015/16 report, a copy of which is in the Minute Book.

Reported the report was for information only.

6. WORKPLAN

Any additional items arising from the meeting would be added to the workplan.

ACTION: Mrs Brown

7. ANY OTHER BUSINESS

Reported information had been received from the Enfield Over 50's Forum regarding a cross-political party petition on the claimed unfairness for Enfield of the floor damping formula, for the attention of the Secretary of State, Department of Communities and Local Government and the Chancellor of the Exchequer.

The following link provided further information and copy of the petition:

<http://www.enfieldover50sforum.org.uk/>

8. FUTURE MEETINGS

- (a) The date of the next meeting is Thursday 18 January 2017 at 5.30pm at Chace Community School.
- (b) Proposed dates for future meetings
 - 01 March 2017
 - 19 April 2017
 - 05 July 2017

9. CONFIDENTIALITY

No items were considered confidential. The meeting closed at 8.00pm.

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MUNICIPAL YEAR 2016/2017 REPORT NO. 22**MEETING TITLE AND DATE:****Schools Forum 18 January 17****REPORT OF:**Director of Schools & Children's Services
Chief Education Officer

Contact officer: name and email:

Sangeeta Brown

E-mail: sangeeta.brown@enfield.gov.uk

Item: 4a

Subject:**Funding Arrangements for the Education of 3 – 16 year olds (2017–18): Results of Consultation & Proposed Changes****1. EXECUTIVE SUMMARY**

A review of the current school funding arrangements was undertaken to assess whether the local arrangements were in line with statutory, national and local regulation and priorities. The review identified some areas where changes were required to be in line with the regulatory framework.

The proposed changes were outlined in a local consultation documents and circulated to key stakeholders. This report summarises the responses received to the proposals in the consultation document and makes recommendations on options to be pursued for 2017/18.

2. RECOMMENDATIONS

To note and agree the recommendations contained in this report.

3. BACKGROUND

- 3.1 As part of an annual budget setting cycle, the current funding arrangements have been reviewed to ensure they meet statutory, national and local regulatory framework.
- 3.2 During this financial year, the DfE have been consulting on various aspect of education funding and in some areas have published their requirements for 2017/18. These requirements include:
 - The introduction of a national funding formula to allocate funding to early years providers;
 - The removal of some of the allowable factors from the funding formula for mainstream schools;
 - Clarification on the funding parameters for pupils with exceptional high needs in mainstream settings.
- 3.3 The Scheme for Financing Maintained Schools was also assessed to ensure that the local arrangements would meet the support required by schools facing financial difficulties. It was found that revisions were required to protect both maintained schools and the Authority.
- 3.4 The options and proposals for change were published and circulated to all maintained schools, academies and private, voluntary and independent providers. Unfortunately, due to the late notification and publication of information from the DfE, there was a very short time available for schools to respond resulting in a low response.

The total numbers of responses received were as follows:

Primary	4
Secondary	2
Special	-
PVI	2
TOTAL	8

- 3.5 The remainder of this report details the responses to the individual proposals contained in the

consultation documents and makes recommendations for 2017/18.

4. Schools Block - Sixth Form Funding Factor

- 4.1 The current local funding formula included a sixth form factor which has supported secondary schools since the sixth form national funding formula was introduced. For 2017/18, the DfE have confirmed that they have amended the regulations and this factor will not be allowed to be used.

- 4.2 The consultation document included options for redistributing the money released from the removal of this factor. These were as follows:

Option A: No action is taken and the funding is added to the available DSG. The Authority's view is that secondary schools will experience an adverse financial impact, especially if they have a drop in the number of pupils on roll in the sixth form.

Option B: The funding is redistributed across all mainstream schools. As option A, there is the issue of moving funding away from the secondary sector to primary, and smaller secondary schools will experience a proportionately larger reduction in funding.

Option C: Allocate the funding across secondary schools based on number of pupils in key stage 3 and 4. The Authority's view is those schools with larger key stage 3 cohorts would receive proportionately greater funding.

Option D: Allocate the funding across secondary schools based on key stage 4 pupils. The Authority's view is that secondary schools experiencing financial difficulties will be supported.

In the consultation document, the Authority recommended option D and the responses to the recommendation are as follows:

	Agree	Disagree	No Response
Primary	3		
Secondary	2		
Special			
Academies			
PVI			3
TOTAL	5		3

There were no additional comments included with these responses.

4.3 Recommendation

As the proposals are in line with regulatory framework, it is recommended that Option D is implemented from 2017/18.

5. High Needs Block - Funding for Pupils with High Level of SEND in Mainstream Settings

- 5.1 The current funding arrangements for pupils with a high level of SEND were set up in 2013/14, when the Government introduced the three funding blocks within the DSG. The pupils that trigger funding from the High Needs block must require support costing more than £6,000 pa. The DfE guidance stated that each school must meet the first £6,000 of any costs for pupils with a high level of SEND. However, following consultation in 2012, and again in 2014, the view was that full funding should be provided for pupils with a high level of SEND. Accordingly, subject to a future review, the local arrangements put in place were as follows:

Using the average, the Lump Sum provided to each school through the local funding formula was increased to include £12,000; the aim being to meet the first £6,000 of support for two pupils with a high level of SEND. The balance of the funding stated on the EHCP would be provided from the HNB as a further top-up for each pupil.

This meant if a school had three or more pupils with a high level of SEND, the school would receive the total cost stated on the EHC Plan including the first £6,000.

- 5.2 The latest guidance published by the DfE states this type of targeted support should only be provided to a minority of mainstream schools within the Authority. In order to comply with the guidance, information on practices in other local authorities was gathered, four options were outlined in the consultation document.

In the consultation document, the Authority recommended option 2a and the responses to the recommendation are as follows:

	Agree	Disagree	No Response
Primary	3	1	
Secondary	2		
Special			
Academies			
PVI			2
TOTAL	5	1	2

A late comment was received and this will be assessed and reported to the Forum at the meeting. See Appendix A

5.3 Recommendation

As the proposals are in line with regulatory framework, it is recommended that Option 2a is implemented from 2017/18.

6. Early Years Block – National Funding Formula

- 6.1 The Childcare Act 2006 placed a duty on local authorities to secure early years provision through the Early Years Foundation Stage (EYFS) rather than nursery education. This required Local Authorities to ensure that all children were able to access 15 hours of free nursery education per week over 38 weeks a year from the term after their third birthday until they reach statutory school age.

This entitlement has been delivered by schools, private, voluntary or independent early years providers (PVI) or childminders. The individual settings have been funded for delivering the free nursery entitlement using a local funding formula.

From September 2017, the Government has committed to extending the free nursery entitlement from 15 to 30 hours a week for working parents. The aim being to reduce the cost of childcare for working families and break down barriers to work and enable parents to return to work or work more hours.

To enable the delivery of the extended free nursery entitlement and ensure consistency nationally for funding early years, in August 2016, the Government published a consultation document with proposals on introducing a national funding formula. The outcomes from the consultation, together with the final arrangements, were published on 1 December 2016.

- 6.2 To support the budget setting process, the proposals and information contained in the final arrangements have been used to develop proposals for the local arrangements for 2017/18.

In the consultation document, the Authority recommended the following arrangements for the local funding formula to deliver both the 15 and 30 hours of free nursery education:

Factors	2017/18 Rate per hour	%	2018/19 Rate per hour	%
Basic hourly rate per child	£4.59	93.5%	£4.99	93.5%
Deprivation Based on FSM or IDACI scores??	£0.20	4.0%	£0.21	4.0%
Inclusion Fund based on an agreed criteria for allocation	£0.12	2.5%	£0.13	2.5%

The responses to this proposal are as follows:

<u>15 Hours</u>	Agree	Disagree	No Response	<u>30 Hours</u>	Agree	Disagree	No Response
Primary	3	1		Primary	2	2	
Secondary	2			Secondary	1	1	
Special Academies				Special Academies			
PVI	1		1	PVI	1		1
TOTAL	6	1	1	TOTAL	4	3	1

Comments and response

(a) Payments

- Personally I prefer to have the funding as it is, so I can allocate my costs for the term
- Monthly returns would prove additional workload to schools

In line with DfE guidance, the consultation document also included some information on the Authority's plan to work with providers on the possibility of moving from termly to monthly payments.

The comment received has been noted and will be reviewed when work begins on this initiative.

(b) Formula for 30 hours

- If 15 hours providers are forced to provide 30 hours the cost implications is enormous - staffing, resources (e.g. nappies, food, sleeping and resources). Lunchtimes would be a problem regarding space & facilities

A late comment was received and this will be assessed and reported to the Forum at the meeting. See Appendix A

6.2 Recommendation

It is recommended that the proposals are implemented for 2017/18. The Working Group will:

- Consider further the comments regarding the formula for the 30 hours provision in conjunction with the latest guidance published by the DfE and whether the local arrangements need to be amended.
- work to develop the criteria for allocating the Inclusion Fund and this will be reported back to the Forum.

7. Scheme for Financing Maintained Schools

7.1 Advances of Delegated Budgets to Maintained Schools

It was proposed to remove the general option of offering an annual allocation of the budget share,

unless a separate funding agreement was in place with a school. The reasons for this were as follows:

- the use of a monthly advance will provide an immediate overview of whether a school is operating with an in-year deficit;
- with the possibility of more schools converting to an academy, the monthly advance will not need to recover any overpayment of advance. Any remaining delegated funding required to be transferred to the Education Funding Agency to pay to the newly converted school could be done without any additional burden on the converting school or the Authority.

A late comment was received and this will be assessed and reported to the Forum at the meeting. See Appendix A

The responses to this proposal are as follows:

	Agree	Disagree	No Response
Primary	2	2	
Secondary	1	1	
Special			
Academies			
PVI			2
TOTAL	3	3	2

It is recommended that the proposal is implemented from 2017/18.

7.2 **Borrowing by Schools**

In order to support schools in deficits due to financial difficulties, it was proposed to amend the Scheme to include the following clause:

4.11 Obligation to carry forward deficit balances

Where expenditure in any financial year exceeds the budget share, as adjusted for any surplus or deficit carried forward from a previous financial year, the deficit will be carried forward and deducted from the following year's budget share or from any Accumulating Fund credit balance. Where a school has a deficit, the Chief Education Officer, in consultation with the Director of Finance, Resources and Customer Services may agree the timescale for eliminating that deficit.

4.11.1 Planning for deficit budgets

Schools are not permitted to plan for a deficit, other than in exceptional circumstances. The exceptional circumstances where deficits are permitted will be agreed by the Chief Education Officer in consultation with the Director of Finance, Resources and Customer Services but may include a temporary reduction in pupil numbers or a situation in which the Governing Body's duty to provide the curriculum would be affected. In such exceptional circumstances, schools will be required to recover the deficit within an agreed period. Planned deficits will require the specific approval of the Chief Education Officer and Director of Finance, Resources and Customer Services.

4.11.2 Charging of interest on deficit balances

Where a school is in deficit against its budget share, interest will be charged according to the current Accumulating Fund interest rate plus 2%.

The responses to this proposal are as follows:

	Agree	Disagree	No Response
Primary	3	1	
Secondary	1	1	
Special Academies			
PVI			2
TOTAL	4	2	2

A late comment was received and this will be assessed and reported to the Forum at the meeting.
See Appendix A

It is recommended that the proposal is implemented from 2017/18.

7.3 **Procurement Threshold**

It was recommended to amend the Scheme to reflect the latest EU thresholds as follows:.

- Services £164,176
- Supplies £164,176
- Works £4,104,394

MUNICIPAL YEAR 2016/17 REPORT NO. 23

MEETING TITLE AND DATE:

Education Resources Group 10th Jan
2016 & Schools Forum 18th Jan 2016

REPORT of:

Director of Finance, Resources &
Customer Services

Contact officer and telephone number:

Louise McNamara 0208 379 4720

E-mail: Louise.McNamara@enfield.gov.uk

Agenda – Part: 1

Item: 4b

**Subject: Schools Budget - Monitoring
Position 2016-17 and Budget
Update 2017-18**

1. EXECUTIVE SUMMARY

This report sets out details of the initial 2017/18 Dedicated Schools Grant (DSG) allocation which was announced on 20th December 2016, together with the October 2016 dataset to be used to calculate formula budget shares for primary and secondary schools.

Information on the proposed formula factors and associated unit values as detailed in the report will be submitted to the DfE on 20th January 2017 for approval.

The report provides updated information on the proposed budget for 2017/18 including budget pressures to be funded within the resources available from the 2017/18 DSG.

The report seeks the approval of Schools Forum to finalise the unit values for the primary and secondary funding formula

2. RECOMMENDATIONS

The Schools Forum is asked to note and agree

- The unit values for the primary and secondary funding formula as set out in Appendix C
- Whether certain services should continue to be de-delegated in 2017/18 as set out in paragraph 6.1

The Schools Forum is asked to note

- The 2016-17 DSG monitoring position set out in Appendix A
- The 2017-18 DSG settlement and draft budget set out in Appendix B
- The formula allocations to schools based on the proposed formula factors set out in Appendix D

3. Schools Budget – Monitoring Position 2016/17

Appendix A details the DSG budget monitoring position as at the end of December 2016. This shows the total funding available from bought forward DSG balances and in year high needs contingency to offset the net overspend that has been identified. A summary of the position is shown in **Table 1** below and indicates a projected overspend of £1,457k, an increase of £100k from the previous update.

Table 1: Summary Monitoring Position 2016/17

	‘£000
DSG b/f Balance	1,049
1617 High Needs Contingency	1,037
TOTAL FUNDING AVAILABLE	2,086
General Areas – net underspends	-817
High Needs Overspends	4,360
TOTAL NET OVERSPEND 16/17	3,543
NET MONITORING POSITION 16/17	1,457

The key areas of overspend relate to the placement of high needs pupils as follows

- Out of borough placements in day and residential settings
- Out of borough placements in other LA special schools
- High needs support for post 16 pupils in FE provision
- Provision of additional places at Waverley and Durants
- Increase in exceptional needs provision in mainstream schools

These pressures have been partially offset by some underspends in the early years and schools blocks including

- Lower no. of placements for 2YO and 3&4 YO
- Reduction in rates costs due to backdated revaluations and application of mandatory relief for schools converting to academy status

The monitoring position will continue to be closely monitored for the remainder of the financial year and updates will be present to the Forum at future meetings.

4. Dedicated Schools Grant (DSG) Settlement 2017/18

The current DSG methodology introduced in 2013/4 has been continued in 2016/17, set out in 3 spending blocks for each authority: an early years block and schools block and a high needs block. The underlying schools budget will be kept at flat cash rate per pupil for 2017/18. The Minimum Finding Guarantee (MFG) will be continued, meaning that no school or academy will experience a reduction compared to their 2016/17 budget of more than 1.5% per pupil (excluding sixth form and pupil premium funding).

Enfield's initial 2017/18 DSG settlement was announced on 20th December 2016 at £319.087m (including £0.169m Early Years Pupil Premium funding). In addition to the DSG, £1.556m will also be provided by the Education Funding Agency to fund post 16

places in special schools which brings the total resources available for 2017/18 to £320.643 as set out in Appendix B.

At the December meeting, we had forecast expected resources of £312.562m for 2017/18. The increase of £8.080m has resulted from the following adjustments

- Schools Block: +£0.320m - due to higher number of pupils on Oct 16 Census than estimated
- High Needs Block: +£1.190m - based on £0.680m population based uplift and £0.510m population growth uplift
- Early Years Block: +£6.570m – see detail below

The significant increase to the Early Years Block is mainly due the implementation of the new Early Years National Funding Formula including the increase to 30 hours. The increase can be analysed as follows

- Increase to 30 hours for 3/4 year olds - £2.880m
- Increase due to Early Years NFF for 3/4 year olds - £3.380m
- Increase in 2 year old funding reflecting change in pupil numbers - £0.320m

The Early Years Block allocations for 2 and 3/4 year olds will be updated during 2017/18 to reflect January 2017 census data. We have not included any estimate of this adjustment at this stage as are awaiting confirmation of the January 2017 census data. Updates on any changes to the Early Years Block allocation will be provided when this information is available.

5. Draft Budget and Formula Factors 2017/18

5.1 Draft Budget

A draft budget has been produced based on the DSG settlement data and revised estimates of pressures and other budget changes. This is shown in Appendix B. A balanced budget position has been achieved by applying the central budget savings identified and agreed at the last Forum meeting in December 2016 and the implementation of changes to the funding arrangements for exceptional needs pupils as detailed in the Consultation Report.

5.2 Dataset 2017/18

At the last meeting, estimated Census data was presented in relation to pupil numbers and free school meals. The DfE dataset information, for October 2016, confirms that there has been an increase in pupil numbers in both sectors and a decrease in eligibility for free school meals. The main changes between estimated and actual October data relate to academies as data was not available for all academies at the estimates stage.

Table 2: Pupil Number Data

Sector	GROSS Census Nos	LESS ARP Places	NET Census Nos	ADD Academy Growth	NET Funded Pupil Nos
PRIMARY					
October 2015	31,862	-90	31,772	210	31,982
Est October 2016	32,282	-90	32,192	153	32,345
October 2016	32,333	-74	32,259	184	32,443
Variance	471	0	420	-26	461
SECONDARY					
October 2015	17,896	-28	17,868	158	18,026
Est October 2016	18,160	-28	18,132	154	18,286
October 2016	18,160	-28	18,132	175	18,307
Variance	264	0	264	-4	281

Table3: FSM Data

	FSM Nos	Pupil Nos	% Eligibility
October 2015	9,361	50,008	18.72%
Est October 2016	9,092	50,631	17.96%
October 2016	8,579	50,750	16.90%
Variance	-782	742	-1.82%

5.3 Proposed Formula Factors and Unit Rates 2017/18

Formula factors for 2017/18 and associated unit values are set out in Appendix C. The proposed factors have not changed from 2016/17 and at this stage the unit rates are unchanged apart from

- An increase to the KS4 AWPU rate to reflect funding previously allocated through the 6th Form Factor – this will be confirmed subject to outcome of consultation exercise
- a minor adjustment to the de-delegated AWPU rate to reflect the change regarding maternity de-delegation

It is also proposed that as part of the change in funding arrangements for exceptional needs pupils the £12k included in the £162k Lump Sum allocation is moved from the schools block to the High Needs Block in order to protect this element of school funding when the National Funding Formula is implemented. This will have a net nil effect on school's total funding allocations. We are just checking the possible implications of this change before implementation.

Recommendation: Schools Forum is asked to note and agree:

- the formula factors and unit rates detailed in Appendix C which will be submitted to the DfE by their prescribed deadline of 20th January 2017

- to note and agree the transfer of the £12k exceptional needs funding from the school funding formula to the High Needs Block

5.4 Rates

The 2017/18 budget projections currently assume a pressure of £500k due to the expected increase in costs due to April 2017 revaluations. These increases will be partially offset by the reduced rates liability for the 5 schools who converted to academy status in 2016/17. We are still awaiting this information from the Business Rates Team and will update this information for the Schools Forum meeting.

5.5 6th Form Funding

The funding previously allocated through the 6th Form AWPU factor has been allocated through the KS4 AWPU factor at this stage. This may change following the outcome of the consultation exercise with schools.

5.6 Schools Formula Budget Shares

The application of the formula factors in Appendix C and the revised data set issued by the DfE in December produce the schools formula budget shares as set out in Appendix D. These budgets include MFG allocations, where applicable, and the impact of the funding cap for schools who gain more than 3%. It should be noted that these figures exclude any allocations from the Early Years or High Needs Blocks. This information is not available for ERG on 10/1 but should be available for the Forum meeting on 18/1

5.7 MFG Disapplication

In response to our application the EFA has confirmed that we can disapply the MFG for secondary schools who are becoming all through schools. This is to prevent the primary element of the school funding being protected at the secondary funding level. The adjustment will be based on an EFA calculation template which ensures that consistent methodology is applied between authorities.

5.8 Overall Budget Position

Appendix B now indicates a balanced budget position. This is due to the funding received through the 171/8 DSG Settlement, application of the October 2016 dataset to the school's formula allocations and implementation of identified central budget savings and revised exceptional needs funding arrangements.

6.0 Services provided by the Local Authority from de-delegated budgets and pooled budgets

6.1 De-Delegated Services

Table 4 details the services that are being offered for de-delegation in 2017/18. This approval for de-delegation is required on an annual basis. It should be noted that academies are not required to agree to this process, but may buy back services from the Local Authority from their allocated budget share.

The funding previously de-delegated for the maternity reimbursement scheme, public duties and long service awards will continue to be delegated to schools and will remain within their budget provision.

Following feedback from primary schools regarding central services savings, an additional de-delegation item for the School Improvement Service for this sector has been included as shown in the table below.

Table 4: De-delegated Services 2017-18

Budget	Sector	Total Budget	Allocation per pupil / FSM *
		£	£
Licenses & Subs - CLEAPPS	Prim & Sec	6,090	0.12
Staff Advertising	Prim & Sec	15,230	0.30
Primary Pool	Primary	18,490	0.57
Union Duties	Prim & Sec	145,650	2.87
Free School Meals Eligibility	Prim & Sec	54,910	6.40
School Improvement	Primary	387,462	11.94

Recommendation: Schools Forum is asked to note and agree:

- The services that will be de-delegated for 2017-18

7. High Needs Block

7.1 DSG Allocation

The DSG allocation for 2017/18 for the High Needs Block included an uplift of £0.680m for general population changes and an uplift of £0.510m for population growth. This increase of £1.190m is a welcome contribution to partially offset the significant increases we are experiencing in high needs expenditure.

7.2 Funding for Special Schools and ARPs

There will be no changes to the funding arrangements for Special Schools and ARPs in 2017/18. Where special schools have increased the number of places being offered this will be reflected in their budget allocation.

7.3 High Needs Pressures

The budget projections for 2017/18 include all 2017/18 pressures identified at this stage. These include the full year effect of new developments introduced in 2017.18 and the ongoing impact of pressures identified in 2016/17 monitoring.

The main pressures are as follows

- Out of borough placements in day and residential settings
- Out of borough placements in other LA special schools
- High needs support for post 16 pupils in FE provision
- Full year effect of additional places Enfield special schools
- Increase in exceptional needs provision in mainstream schools
- Increased cost of Home and Hospital Service

7. Early Years Block

We are awaiting the outcome of our LA consultation exercise in respect of the new Early Years National Funding Formula. At this stage it has been assumed that the additional funding received for early years, in particular the funding in respect of the 30 hours provision and implementation of the EYNFF for 3/4 year olds, will all be used to fund the additional requirements in this area.

9. Other Schools Funding

9.1 Pupil Premium

The DfE have not made any announcements regarding the 2017/18 funding for pupil premium but we assume that funding will be provided at the same unit rates as 2016/17. It is expected that the overall level of funding will decrease, reflecting the year on year decrease in the percentage of pupils eligible for FSM.

9.2 Sixth Form Funding

Funding Rate

The national funding rate for 16-17 year olds engaged on full time study programmes has been maintained at £4000 for academic year 2017/18. Funding for 18 year olds is also maintained at £3300 for full time students. All part time funding rates remain unaltered.

Formula Protection Funding

Formula Protection Funding (FPF) will continue to be phased out but as no school in Enfield is currently supported by this funding, it is not expected to have any financial impact.

Maths and English

All post 16 students who have not attained a GCSE grade A* - C are expected to continue studying for these qualifications or an eligible alternative qualification. This remains as a condition of funding. A 5% tolerance applied in 2016/17 will continue to be applied for 2017/18 allocations. Where schools have non compliance above the 5% tolerance threshold, funding will be removed per student above the tolerance level at 50% of the funding rate.

Lagged Funding

2017/18 allocations will be based on lagged numbers entered for the academic year 2016/17 as part of the October Census and verified by DfE in January 2017.

Allocations Timeline

Most schools will be informed of their 2017/18 allocation by the end of February 2017 and all will be informed by the end of March 2017. Allocation statements will be issued through the EFA Secure Access Document Exchange (for individual access, contact Andy Johnson andy.johnson@enfield.gov.uk)

Business cases will be considered by the EFA where there has been a major error in the data submitted by the institution via the school census. Where funding is available, other cases including exceptional in year growth (2016/17) will be reviewed on an individual basis. In all cases minimum thresholds will apply – 5% of students or a minimum of 50 students whichever is lower.

10. Risks and Uncertainties

The latest budget projections for 2017/18 are based on the information available at this time which includes data from the October dataset and our DSG allocation for 2017/18. Factors that may impact of the final 2017/18 position include

- Final 2016/17 outturn position
- Any changes resulting from final checks of the school formula allocations
- Outcome of EYNFF consultation exercise

- Impact of April 2017 rates revaluations
- Confirmation of arrangements regarding the discontinuation of the general element of the ESG with effect from September 2017

Updates on these issues will be included in future reports to the Forum as soon as information becomes available.

DSG Budget Monitoring Position 2016/17 (for Jan 2017 Schools Forum)

Funding Available 2016/17	£000
Total 2015/16 DSG Carry Forward	1,204
Less 2YO Trajectory Funding	- 155
Total Bal Available (incl £800k Autisn Fund and £105k Schl Fin Diff Contingency)	1,049
High Needs Contingency 2016/17 Budget	1,037
Total Contingency Available 2016/17	2,086

2016/17 Pressures	£000
General Pressures/Underspends	
Early Years - placements for 2YO and 3/4YO lower than estimated	-236
Rates - saving due to academy conversions & in year revaluations	-530
Asset Management - securiry staff costs that cannot be capitalised	75
Unplaced Pupils - higher learner nos and increased college costs	58
Pres School Support - lower premises costs/staff vacancy	-50
Children with Learning Disabilities - staff vacancies	-47
Miscellaneous Underspends	-87
TOTAL GENERAL PRESSURES/UNDERSPENDS	-817
High Needs Pressures	
Outborough Provision	
Independent Day Placements	770
Independent Residential Placemenst	302
Other LA Special Schools	621
Other LA Mainstream Support	162
Post 16 High Needs	828
In Borough Provision	
Additional Allocatiion - St Marys ARP	149
Home & Hospital Service Overspend 2015/16	80
Home & Hospital Service Overspend 2016/17	80
ASA Service - Balance of Funding	60
Durants - Contrib to building work - addit 5 places Sept 16	170
Waverley - Revenue Costs for Early Years Provision - addit 16 places wef Sept 16	305
Exceptional Needs Support (incl est for Spr terms)	770
Other	
Cost of education for CAMHS in patients	64
TOTAL HIGH NEEDS PRESSURES	4,360

TOTAL OVERSPEND 16/17 - as at December 2016	3,543
Funding Available 2016/17	2,086
Latest DSG Monitoring Position 2016/17	1,457

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Draft DSG and Budget 2017/18	Dec Forum	Jan Forum	Variance
	£000	£000	£000
2016/17 DSG			
Original DSG Estimate 2016/17	310,207	310,207	
EY Adj to reflect Jan16 Census	- 1,911	- 1,911	
Final DSG Allocation 2016/17	308,296	308,296	
Early Years Pupil Premium	169	169	
TOTAL DSG Funding 2016/17	308,465	308,465	
2017/18 Estimated DSG			
Early Years (3&4 YO) Jan 16 Census	13,476	16,847	3,371
Early Years (3&4 YO) 30 Hours	-	2,881	2,881
Early Years (2 YO) - Jan 16 Census	4,444	4,765	321
Schools (5-15 Year Olds) est Oct 16 Census	254,154	254,467	313
High Needs Block (indicative 17/18)	40,320	41,515	1,194
Estimated DSG 2017/18	312,394	320,474	8,081
Early Years Pupil Premium	169	169	0
TOTAL Estimated DSG Funding 2017/18	312,562	320,643	8,081
Estimated variation in DSG	4,098	12,178	8,081
(ESG trf 838, HN College trf 102, pupil nos 3,158)			
Known Pressures/Savings			
Early Years			
Early Years 3&4 YO Provision - tbc	-	3,371	3,371
Early Years 3&4 YO Provision - 30 hours	-	2,881	2,881
Early Years 2 YO Provision - tbc	-	321	321
	-	6,573	6,573
School Pressures			
Demographic (est Oct 16 census)	3,492	2,678	- 813
Schl Amalgamations - Block Funding	-227	-227	-
New Academy - Block Funding		162	162
Reduced MFG	-1,640	-932	708
Retained Duties element of DSG	838	838	-
Rates - awaiting revaluation data	0	500	500
Growth Fund	-179	-179	-
	2,284	2,841	557
High Needs Pressures			
Special School Places	822	882	60
Exceptional Needs - see below	900	0	- 900
Outborough SEN Placements	2,200	2,500	300
High Needs College Placements	500	500	-
Home & Hospital Service	150	150	-
	4,572	4,032	-540
Formula Changes & Central Budgets			
Application of new exceptional needs formula		-1,000	- 1,000
Identified Central Budget Savings		-1,800	- 1,800
		-2,800	-2,800
Total Net Pressures	6,856	10,645	3,789
TOTAL Projected Position 17/18	-2,758	1,533	4,291
Projected c/f Balance 16/17	-1,357	-1,457	- 100

TOTAL Projected Budget Position 2017/18	-4,115	76	4,191
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Proposed 17/18 Unit Rates						Proposed 17/18 Unit Rates					
PRIMARY						SECONDARY					
FACTOR		16/17	Adj	Unit Rates 17/18		FACTOR		16/17	Adj	Unit Rates 17/18	
AWPU	R-Yr 6	3,421.71	11.94		3,433.65	AWPU	KS3	4,345.37	0.00		4,347.47
		0.00			0.00		KS4	4,773.34	139.78		4,913.12
		0.00			0.00		6th Form	248.31	-248.31		0.00
FSM		1,514.27			1,514.27	FSM		1,971.00			1,971.00
IDACI	1	0.00			0.00	IDACI	1	0.00			0.00
	2	0.00			0.00		2	0.00			0.00
	3	0.00			0.00		3	0.00			0.00
	4	0.00			0.00		4	50.35			50.35
	5	115.10			115.10		5	65.46			65.46
	6	116.04			116.04		6	100.70			100.70
LAC		1,208.40			1,208.40	LAC		1,208.40			1,208.40
AEN/SEN		704.90			704.90	AEN/SEN		996.48			996.48
EAL		395.75			395.75	EAL		1,202.19			1,202.19
Mobility		553.36			553.36	Mobility		1,107.70			1,107.70
Lump Sum	tbc	162,000.00			162,000.00	Lump Sum	tbc	162,000.00			162,000.00
Split Site		55,000.00			55,000.00	Split Site		164,086.00			164,086.00
Rates					ACTUAL	Rates					ACTUAL
PFI					ACTUAL	PFI					ACTUAL

There may be changes to the AWPU rates in respect of the de-delegated budgets depending on outcome of Schools Forum meeting 18 01 2016

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MUNICIPAL YEAR 2016/2017 REPORT NO. 25

MEETING TITLE AND DATE:
Schools Forum 18 January 17

REPORT OF:
Director of Schools & Children's Services
Chief Education Officer

Contact officer: name and email:
Sangeeta Brown
E-mail: sangeeta.brown@enfield.gov.uk

	Item: 5a
Subject: Schools and High Needs National Funding Formula	

1 Recommendation

The paper is a working document. It begins by summarising the DfE's proposals for the introduction of a National Funding Formula (NFF) for the Schools and High Needs funding from the Dedicated Schools Grant (DSG). It will then assess the impact for Enfield and use this to respond to the questions in the consultation document. For this reason, this is being circulated as a working document.

Members are asked to comments and provide views on the DfE proposals to inform Enfield's response.

2 Introduction

As part of the Government's commitment to continue to work towards introducing a National NFF for all schools, the DfE have published a couple of consultation documents that outline the next stage. These consultation documents detail how the funding for the Schools and High Needs Blocks will be calculated and to some extent distributed from 2018/19.

This paper provides a summary of the proposals with details of the changes, rationale and based on the information available, some examples illustrating showing the impact the changes may have on a few Enfield schools.

Both documents and supporting papers are available on the DfE website and the link to the website is as follows: https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/?utm_source=EFA%20e-bulletin&utm_medium=email&utm_campaign=e-bulletin&mxmroi=2305-10816-68330-0.

3 Background

Last year, the DfE published their proposals for the first stage and these included the principles and factors for informing the funding reforms. The latest consultation documents confirm the factors proposed in the previous consultation will be used to inform the NFF and consider for each factor the unit value and relative weightings, as well as the arrangements for moving from a 'soft' formula in 2018/19 to a 'hard' formula in 2019/20.

4 Schools Block

(a) For the Schools Block, the DfE proposals are:

- (i) For the NFF as a whole:
 - To maintain the ratio in funding between primary and secondary phases at the current national average of 1:1.29;
 - maximise the amount of funding allocated to pupil-led factors
- (ii) The Pupil led funding to include:
 - Majority of the funding to be allocated on a basic per pupil amount;

- Additional needs factors to include funding for supporting pupils from a deprived background, low prior attainment, English as an additional language and mobility.

(iii) The school led funding to include:

- A lump sum amount to be allocated to all schools across the country;
- Additional funding for small schools in remote areas;
- Allocations for rates, PFI, split sites and exceptional circumstances to be based on historical spend. However, the PFI factor would be automatically uprated in line with inflation.
- For 2018/19, the growth fund to be based on historical basis.

(iv) Area Cost Adjustments:

- to reflect the higher salary costs in areas like London, the adjustment will be based on the hybrid methodology.

(v) Transitional Arrangements:

- Any gains and losses will be capped at 3% in 2018/19 and then 2.5% in 2019/20;

(b) Proportioning funding

The tables below detail how the funding is:

- Table 1: proportioned nationally across each of the factors and how the relative weighting compares with local arrangements;
- Table 2: the proposed unit values to be used nationally and those currently applied locally.

Factors			National - Proposals		Local - Current	
			Weighting	Total Spend	Weightings	Total Spend
			%	£	%	£
Basic per-pupil funding		Pupil	72.5%	£23.255b	73.9%	£190.851m
Deprivation	Ever6 FSM	Pupil	9.3%	£1,746m	6.1%	£15.743m
	Current FSM					
	IDACI A			£2,985m	0.1%	+ £0.341m = Total £16.084m
	IDACI B					
	IDACI C					
	IDACI D					
	IDACI E					
	IDACI F					
Low prior attainment		Pupil	7.5%	£2,394m	3.3%	£8,557m
English as an additional language		Pupil	1.2%	£388m	1.9%	£4,831m
Mobility (allocated on historic spend)		Pupil	0.1%	£23m	0.1%	£0.354m
Lump Sum		School	7.1%	£2,263m	5.5%	£14.094m
Sparsity		School	0.08%	£27m		-
Premises	Rates	Historic	1.85	£569m	1.6%	£4.029m
	PFI				0.5%	£1.327m
	Split Sites				0.3%	£0.821m
	Exceptional Circumstance				0.1%	£0.227m
Area Cost Adjustment				£792m	Total - 2.5%	£6.404m
Growth Fund		Historic / lagged	0.5%	£167m	0.4%	£1.163m
Total				£32.071b		£258.422m

Factors		National - Proposed Unit Rates				Local - Current Unit Rates			
		Primary		Secondary		Primary		Secondary	
		£		£		£		£	
Basic per-pupil funding (AWPU)		KS1	£2,712	KS3	£3,797	KS1	£3,423	KS3	£4,347
		KS2		KS4	£4,312	KS2		KS4	£4,775
Deprivation	Ever6 FSM	£540		£785					
	Current FSM	£980		£1,225		£1,514		£1,971	
	IDACI A	£575		£810					
	IDACI B	£420		£600					
	IDACI C	£360		£515					
	IDACI D	£360		£515				£50	
	IDACI E	£240		£390		£115		£65	
	IDACI F	£200		£290		£116		£101	
Low prior attainment		£1,050		£1,550		£705		£996	
English as an additional language		£515		£1,385		£396		£1,202	
Mobility		N/A				£553		£1,108	
Lump Sum		£110k		£110k		£162k		£162k	
Sparsity		£0-£25k		£0-£25k		-		-	
Premises	Rates	N/A				Actual		Actual	
	PFI					Actual		Actual	
	Split Sites					£55k		£164k	
	Exceptional Circumstance					-		-	
Area Cost Adjustment		A multiplier is applied to all pupil led pupil led factors, sparsity and lump sum and included in the total spend through each factor.							
Growth Fund		N/A							

(c) Impact of Proposed NNF

The DfE have assessed the impact of the formula at a regional level and the table below provides:

- a summary of their assessment
- the change for Enfield schools using the DfE's model for illustrating the proposed NFF.

Impact of the proposed national funding formula					
Region	% change in pupil funding - only NFF	Schools for which funding would INCREASE		Schools for which funding would REDUCE	
		Number	%	Number	%
Change for Enfield Schools	1.9%	43	49%	44	51%
Outer London	1.0%	611	45%	737	55%
Inner London	-2.4%	29	3%	802	97%
East of England	1.5%	1,485	63%	875	37%
East Midlands	2.5%	1,208	63%	705	37%
North East	1.0%	622	60%	422	40%
North West	0.1%	1,187	41%	1,695	59%
South East	2.3%	1,853	61%	1,195	39%
South West	2.2%	1,600	73%	591	27%
West Midlands	0.3%	1,010	46%	1,163	54%
Yorkshire & Humber	1.5%	1,135	55%	943	45%
Total	0.9%	10,740	54%	9,128	46%

Further analysis has been done on the proposed NFF and the impact this would have for individual Enfield schools.

From the illustrative model, the range of change for Enfield schools is as follows -1.5 to 2.9%.

ANALYSIS required to be carried out – to follow

(d) Questions

The DfE questions are listed at the end of this paper and members' views are sought on these proposals.

It should be noted that the proposals do not include any funding for Children Looked After. It is assumed that the DfE's view is that support for these children is covered by the pupil premium.

Does this Group consider this is an area which needs addressing?

5 High Needs Block

The Government have confirmed they will be developing a NFF for high needs. Unlike the Schools block, the majority of high needs funding will be distributed from central government to local authorities rather than directly to schools and other institutions. This would align with local authorities statutory responsibilities for children and young people (CYP) with SEND.

- (a) The Government are proposing to allocate high needs funding to local authorities using a NFF based on proxy measures of need. These are as follows:

Factors	Local concerns	Government's response	How will this applied in 2018/19?	Application & % Weighting	
Historical Spend	Concern the historical spend would not reflect the current need and the level of overspend not included in the baseline.	Noted and confirmed proportion of each authority's planned spending on high needs in 2016-17 will be used with a review in four years	Cash sum at 50% according to existing spending patterns	Basic formula with no area cost adjustments	
Basic pupil/student entitlement	Concerns this proxy would not include all pupils including those in independent settings. Rate to be applied	Noted and accepted local concerns and all pupils including those in independent settings will be part of the count.	£4,000 per pupil from January Census & last Individualised Learner Record (IRL) return for 2016/17 academic year	Basic formula	
Population aged 2-18	The SEND reforms require CYP to be supported up to the age of 25.	The population data would count all CYP between the ages of 19-25 years of age and not necessarily proportionate to the number with high needs requiring educational support from the local authority.	Latest available ONS projections	Basic formula	50%
Low attainment at Key Stage 2 and Key Stage 4	There are concerns about the consistency and reliability.	Concerns were noted and the key stage test results over the previous 5 years will be used to smooth any differential impact of previous assessment changes.	Number of pupils not achieving at: – Key stage 2 - level 3 or above – Key stage 4 - 5 or more A* to G GCSE grades	Basic formula	7.5%
Children in bad health	There are concerns about whether this would provide an up to date and reliable data source.	Concerns noted, but will continue to use this proxy as proposed.	2011 Census data	Basic formula	7.5%
Disability living allowance (DLA)	Concerns that this proxy would not cover post 16 pupils.	Concerns noted, but will continue to use this proxy as proposed.	Latest DLA claims data: most likely to be November 2017.	Basic formula	7.5%
Free school	Concerns the impact the	Concerns noted, but will	January 2017	Basic	10%

Factors	Local concerns	Government's response	How will this applied in 2018/19?	Application & % Weighting	
meal (FSM) eligibility	Welfare Benefit reforms are having on FSM.	continue to use this proxy as proposed.	Census	formula	
Income deprivation affecting children index (IDACI)	Concerns about how and frequency in which this dataset is updated and turbulence that is created.	Concerns noted, but will continue to use this proxy as proposed.	The updated IDACI bandings from September 2015	Basic formula	10%
Area cost adjustment	Concern whether there should be a differential between inner and outer London.	The Government has decided to use the hybrid methodology, adjusted for special school staffing ratios, recognising that for high needs, a greater proportion of the resource goes on non-teaching staff, so a greater weighting to the general labour market. This will be applied to all the factors above.		Weighting as detailed above	
Alternative provision factors	Concerns about the limited number of factors applied.	To use this proxy as proposed pending a future review.	Pupil, population and deprivation factor as described above.		
Import/ export adjustments	These adjustments are supported.	To use this proxy as proposed, but at £6,000 to reflect proposed changes to place funding.	January Census and IRL		
Hospital	This is a unique provision.	To use this proxy as proposed.	Historic spend		

The illustrative distribution for Enfield using the proposed formula would be as follows

Formula	Total Funding
<u>(A) Basic entitlement factor (6%)</u>	£2,680,936
<u>(B) Historic spend factor (44%)</u>	£19,004,680
<u>(C) Population factor (22%)</u>	£9,632,783
<u>(D) FSM factor (6%)</u>	£2,470,348
<u>(E) IDACI factor (8%)</u>	£3,617,710
<u>(F) Bad health factor (4%)</u>	£1,786,385
<u>(G) Disability factor (2%)</u>	£1,016,111
<u>(H) KS2 low attainment factor (3%)</u>	£1,471,624
<u>(I) KS4 low attainment factor (3%)</u>	£1,252,746
<u>(J) Funding floor factor (0%)</u>	£0
<u>(K) Hospital education funding (1%)</u>	£308,850
<u>NFF allocation before import/export adjustment (100%)</u>	£43,242,174
<u>(L) Import/export adjustment (-3%)</u>	(£1,206,000)
<u>Illustrative high needs NFF final allocation</u>	£42,036,174
<u>Illustrative high needs NFF year 1 allocation</u>	£40,933,427

(b) Special Schools

For pupils at a special school or special post-16 institution, the formula will include £4,000 per pupil/student. The balance of £6,000 plus any top up to be funded from the High Needs block. The pupils on roll will be calculated using the January Census.

(c) Additionally Resourced Provision (ARPs) and other Special Units

From 2018-19, schools with ARPs will not receive £10k per place from the Local Authority. Instead, the school's individual budget share will be determined based on the total number of pupils on roll of the school, including those in the ARPs or special unit. This will ensure the school receives the basic funding (£4,000) as part of the delegated budget and the balance of funding for this kind of special provision will come as high needs place funding (at £6,000 per place), plus any top up from the Local Authority.

(d) Transitional Arrangements

- Any gains and losses will be capped at 3% in 2018/19 and 2019/20;
- The proposals are as follows:
- formula allocations should include a proportion of each authority's planned spending on high needs in 2016-17
 - minimum funding guarantee (MFG) that would mean local authorities' high needs funding would not reduce by more than a specified percentage each year.

These will be based on historical spend as at 2016/17.

(e) Impact of Proposed NNF

The DfE have assessed the impact of the formula at a regional level and the table below provides a summary of their assessment.

LA grouping		High needs formula		
	No. of LAs	Number (%) of LAs gaining	Largest % gain*	Total gains
Inner London	13	5 (38%)	4.7%	£3m
Outer London	19	5 (26%)	19.7%	£10m
East Midlands	9	3 (33%)	22.9%	£17m
South East	19	5 (26%)	19.3%	£16m
Yorkshire and the Humber	15	13 (87%)	20.0%	£49m
North West	23	13 (57%)	17.6%	£26m
South West	15	4 (27%)	11.3%	£5m
East of England	11	6 (55%)	12.7%	£20m
West Midlands	14	11 (79%)	12.4%	£36m
North East	12	7 (58%)	19.0%	£8m

* Above gains baseline

For Enfield the change will mean a 5.6% increase from the funding provided in 2016/17. The formula allocations are described below:

ANALYSIS required to be carried out – to follow

6 Central School Services Block (CSS block)

(a) Statutory Duties

The CSS block is new block created within the DSG. It will incorporate two different government-funding streams:

- the schools block funding that is currently held centrally by local authorities
- the retained duties element of the Education Services Grant (ESG)

Funding will be allocated on a formulaic basis for this block that will be calculated on a per pupil and an element for deprivation using the October Census. The calculation will then be adjusted for area cost adjustment. The indicative rates are as follows:

- per pupil rate is £28.64. This is based on 90% of the total funding for the CSS block being allocated according to pupil numbers after the application of the area cost adjustments;
- deprivation at £11.62 per pupil using the Ever6 FSM measure;
- Area cost adjustments will use the general labour market (GLM) methodology.

(b) Historical Commitments

In line with the previous consultation, the DfE sought information on historical commitments entered into prior to April 2013 with the expectation that they would review these and enable these to inform and fund from the CSS block.

For 2017/18, it is required that only eligible commitments are funded and reported accordingly on the Section 251 Statement. Any funding released would support the other blocks within the DSG.

(c) The table below provides a summary of the services covered by the CSS block.

Allocation route	Previously funded from centrally retained DSG	Previously funded from ESG
Central school services block per pupil rate	<ul style="list-style-type: none"> • School admissions • Servicing of Schools Forum • Fees to independent schools for pupils without SEN 	Education welfare services Asset management Statutory and regulatory duties
Central school services block historic commitments funding	<ul style="list-style-type: none"> • Contribution to combined budgets: costs of providing combined education and children's services • Termination of employment costs: premature retirement or dismissal costs for maintained school staff • Equal pay - back pay: costs of meeting equal pay commitments in schools • Capital expenditure from revenue (CERA): where the authority uses revenue funding to meet capital costs • Prudential borrowing costs: for repayment of some authority loans • Exceptions agreed by the Secretary of State: centrally retained schools budget expenditure that has been approved by application to the Secretary of State 	

Arrangements for school improvement are part of a separate announcement.

(d) Transitional Arrangements

- Any losses will be capped at 2.5% in 2018/19 and 2019/20 to ensure no Local Authority lose more than 5% per pupil in this Parliament.
- Any gains will be capped at 2.4% in 2018/19. The level of gains in future years will be set annually.

(e) Impact of Proposed NNF

The DfE have assessed the impact of the formula at a regional level and have indicated 84 local authority areas will see an increase in funding.

ANALYSIS required to be carried out – to follow

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MUNICIPAL YEAR 2016/2017 – REPORT NO. 26**MEETING TITLE AND DATE:**

Schools Forum – 18 January 2017

REPORT OF:

Director of Children's Services & Chief Education Officer

Contact officer: Sangeeta Brown

E-mail: sangeeta.brown@enfield.gov.uk**Agenda – Part: 1****6****Subject:****Schools Forum: Workplan****Wards: All****Recommendation**

To note the workplan.

<u>Meetings</u>		<u>Officer</u>
April 2016	DfE Consultation – National Funding Formula Post 16 High Needs - Briefing	SB AJ
July 2016	School Funding Review (2016/17) School Funding Arrangements (2017/18) Central Services Budgets: Review School Places – Update	SB SB JT JT
October 2016	Schools Budget – Update (2016/17) Schools Budget: 2017/18: Update Outturn Report 2015/16 Schools Balances 2015/16 Central Services Budgets: Decision Schools in Financial Difficulties - Update	LM LM LM SB JT
December 2016	Schools Budget: 2017/18: Update, Inc. De-delegation School Funding Arrangements (2017/18) Central Budgets: Update Pupil Place Planning	LM SB JT JT
January 2017	Schools Budget: 2017/18: Update School Funding Arrangements Central Services funding from DSG Schools & High Needs National Funding Formula	JF SB SB SB
March 2017	School Budget 2017/18: Update SEND & High Needs – Update Enfield Traded Services to Schools Scheme for Financing	LM JC SB SB
April / May 2016		
July 2017	Schools Budget – Update (2017/18) School Funding Review (2017/18) Funding Arrangements (2018/19)	LM SB SB

Dates of Meetings

Date	Time	Venue	Comment
13 October 2016	5:30 - 7:30 PM	Chace Community School	
08 December 2016	5:30 - 7:30 PM	Chace Community School	
18 January 2017	5:30 - 7:30 PM	Chace Community School	
01 March 2017	5:30 - 7:30 PM	Chace Community School	Meeting needs to be re-arranged
19 April 2017	5:30 - 7:30 PM	TBC	Meeting needs to be re-arranged
05 July 2017	5:30 - 7:30 PM	Chace Community School	

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