

MEETING TITLE AND DATE:

Schools Forum – 13 October 2016

REPORT OF:

Chief Education Officer

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Item: 4c

Subject:

School Funding Arrangements for 2017/18 and Central Services Funded from the Dedicated Schools Grant – Update

1. EXECUTIVE SUMMARY

This report provides an update on:

- the national arrangements for school funding arrangements
- the central services funded from the Dedicated Schools Grant (DSG).

2. RECOMMENDATIONS

Members are asked to note and comment on the report and particularly options outlined in paragraph 5.

3. BACKGROUND & INTRODUCTION

- 3.1 As requested by the Schools Forum at the previous meeting, officers have continued with the review of central services.
- 3.2 This report provides an update on information recently published on the arrangements for funding schools for 2017/18 and also progress on the review of central services.

4. NATIONAL UPDATE

- 4.1 The Government has confirmed that they will not be implementing national funding formula for 2017/18. It will now be implemented from April 2018. The DfE have stated that they will be publishing a second consultation document with their proposals for the national funding formula some time during Autumn 2016.
- 4.2 In the summer term and in preparation for the introduction of the national funding formula, the DfE reviewed and mapped spending, by each local authority, for their Schools and High Needs blocks. For 2017/18, the DfE have confirmed the Schools and High Needs blocks will be adjusted to the spending patterns reported for 2016/17.

The DfE have also confirmed the other funding arrangements for 2017/18 and these are:

- (a) There will be a small uplift for high needs to reflect population changes;
- (b) The factors informing the mainstream funding formula will be amended as follows:
- a national weighting will be used for secondary low attainment figures. This is because the 2016 KS2 assessments were the first to be assessed against the new national curriculum. It was found for the funding arrangements that, at a national level, there was a higher number of the year 7 cohort identified as having low prior attainment. The national weighting has been applied to ensure that Year 7 cohort does not have a disproportionate influence within the overall total funding provided for this factor.

- new bandings will be introduced for the index of deprivation affecting children (IDACI). This is because 2015 IDACI created significant turbulence and resulted in very few pupils attracting funding through IDACI. The new bandings would aim to return each of the new bands to a similar size before the 2015 update;
 - the post 16 funding factor would be removed as an allowable factor. Schools would be protected for this change through the minimum funding guarantee (MFG). Following discussion at the Education Resources Group, officers have model two possible options for allocating this money and these are attached at Appendix A.
 - The minimum funding guarantee of -1.5% will be retained;
- (c) The funding for the Education Services Grant (ESG) retained duties (£15 per pupil) will be transferred into the Schools block. As part of this change, the DfE confirmed that local authorities will be able to retain sufficient funding centrally to cover duties previously funded by the ESG retained rate, in addition to responsibilities already funded from centrally retained DSG;
- (d) The funding for the general element of the ESG will cease from September 2017. Table 1 below details the funding provided for 2015/16 and 2016/17 for the general element and the services funded:

Table 1: ESG General Element - Comparison 2015/16 and 2016/17

Services	2015/16	2016/17
Central support services	333,705	273,288
Education welfare service	529,130	512,060
School improvement	1,035,450	872,328
Asset management - education	227,119	118,832
Statutory/ Regulatory duties - education	2,946,645	1,541,855
	5,072,049	3,318,364

With the cessation of the ESG from September 2017, the DfE have stated that local authorities will be able to retain DSG funding from maintained schools, including pupil referral units (PRUs), for statutory duties previously covered by the ESG;

- (e) The DfE, also, sought information on historical commitments funded from the Schools block and are currently reviewing the information as part of a national review. For 2017/18, they are not expecting to change as result of this exercise, but local authorities are required to continue to manage these services in line with the regulations.
- (f) Services previously de-delegated can continue to be de-delegated.

4.3 The impact of these changes will be part of a separate budget report. The remainder of this report provides an update on the central services funded from the Schools block. There are some services funded from the High Needs block and these will be subject of a separate report.

5 CENTRAL SERVICES FUNDED FROM THE SCHOOLS BLOCK

- 5.1 The work on the review of central services will now need to try to consider and incorporate some of the arrangements detailed in paragraph 4.2 above.
- 5.2 Under the current funding arrangements, school representatives on the Schools Forum have to agree funding for some of the services charged to the DSG. These include:
 - Statutory Commitments
 - De-delegated Services
 - Pooled Services
 - Combined Services

- Historically Commitments.

Statutory Commitments are those services which are required to be provided under statute. The services by this currently covered are:

- Admissions
- Support to the Schools Forum

De-delegated services are provided to maintained mainstream schools and the funding delegated is handed back for the service to be provided centrally. The services and funding currently covered by de-delegation are:

Budget	Sector	Total Budget	Allocation per pupil / FSM *
		£	£
Licenses & Subs - CLEAPPS	Prim & Sec	6,000	0.12
Free School Meals Eligibility	Prim & Sec	59,909	6.40
Maternity	Prim	273,146	8.54
	Sec	86,162	4.78
Staff Advertising	Prim & Sec	15,003	0.30
Primary Pool	Primary	18,231	0.57
Union Duties	Prim & Sec	143,528	2.87
Public Duties	Prim & Sec	2,000	0.04
Library & Museum Services	Prim	22,389	0.70
Long Service Awards	Prim & Sec	5,501	0.11

Pooled Services are similar to de-delegated services but are based on local agreements. The services currently covered are:

- Behaviour Support
- Appeals

Combined Services are those services, where the service operates to support the educational benefit to pupils. The services by this currently covered are:

- Out of School Activities for Disabled Children
- Parent Support Service
- HEART Service
- Prudential Borrowing and associated transport costs
- Corporate R&M

Historical Commitments are those services initially funded through the Standards Fund grant and then the grant was incorporated into the DSG. The services by this currently covered are:

- School Improvement – Intervention: Core & Support
- School Improvement – Professional Development

Other non-Schools Block expenditure includes areas deemed by the local authority required to support either pupils with SEN, placed in non-maintained institutes or supports the provision of Early Years.

5.3 With the level of change that is expected for 2018/19, it is suggested that the arrangements and funding for central services is considered very carefully. This is because any local changes to funding provided to individual schools are unlikely to continue at the same level with the introduction of a national funding formula and any local changes now may lead to a net loss in funding for Enfield. This is because the indications, following the first DfE consultation are that Enfield, as well as all other London authorities, are likely to see a reduction in funding.

The options available for central services, for consideration, include maintain the current arrangements, provide the service in a different way, agree pooling arrangement, develop a traded service or cease to provide a service. So, in terms of:

- (a) Statutory Commitments: the current regulations enable these commitments to be charged to the Schools block. As statutory services, it is not appropriate to trade or cease these functions until further clarity is provided on the funding arrangements for these services in the future.
- (b) De-delegated and Pooled services: the aim has been to provide an approach that enables the best use of the available resources. These services could be provided on a traded basis, but it should be noted, if not all schools were part of the trading agreement then costs for providing these services may increase or it may not be possible to continue provide these services.
- (c) Combined Services: the services currently supported as combined services through the Schools block either linked to a contractual agreement, provide specialist support for vulnerable pupils in mainstream schools and special schools or support urgent building works. The funding is allocated to fund:

Prudential Borrowing and associated transport costs are part of a contractual agreement and therefore it would be difficult to make changes to this.

Out of School activities supports short breaks for children and young people with SEN & Disabilities (SEND). The continual increase in demand for this service is adding further pressure on the reduced funding provided this year. The Service has had to introduce one level of short break funding to support the management of budgetary pressures. If there were further budget reductions, this could potentially lead to family breakdowns and resulting in placing more children and young people in more expensive day or residential care with education. Added to this, the recent SEND Ofsted/CQC inspection highlighted the numbers of children with SEND being excluded, thus going forward a priority for the service will be to work with schools through the provision of family support services including the out of school activities.

Parenting Support Service has had to manage to continue to provide the same service with less staff. The service has continued to support those children and young people and their families below the threshold for social services intervention. The Service is, in many instances, the first point of contact for these vulnerable children and young people.

The service has worked with schools and families on the process for completing and submitting the Early Help forms, providing clinical supervision programmes to staff and parenting programmes to parents and carers, as well as facilitating the parenting contracts between the parents and the school following the Behaviour Panels to support improvement in behaviour and attendance.

HEART Service support looked after children and the funding from the Schools block has enabled the Service to engage and work with a clinical psychologist to support the child / young person to remain at school. This support is vital in ensuring the child / young person is able to remain and continue to attend their school.

Corporate Repairs and Maintenance has supported a wide range of projects which without this funding may have led to some schools not able to open or having to re-organise the school premises for the delivery of the curriculum until funding was available for the urgent works required.

- (d) Historical Commitments: This is funding which was initially provided through the Standard Funds grant and then was absorbed into the DSG for some of the activities carried out by the School Improvement Service to support schools. Members will note that this year, as well as reduction in funding from the DSG, this Service has also seen a cut in funding from the ESG.

With these cuts in funding, the Service has been considering options to provide the service in a different way. Currently, the Service is in discussion with the Council about setting up a separate organisation to deliver the school improvement and other central

functions. It is envisaged that the process of setting up an organisation will extend into next financial year and then the new organisation will need at least three months to manage the start-up and market their new delivery model. It is therefore suggested that the funding for 2017/18 is maintained.

- 5.4 It is unclear how the Government is likely to proceed as they are aware that these services employ staff to support vulnerable pupils, who would otherwise be at risk of requiring specialist provision. Any change that may be introduced will have a direct impact on provision.

The appendix attached to the main report provides information on the planned areas of spend for the DSG. The spreadsheet is coded to reflect the different elements to support the planned spend. The services highlighted in:

- yellow are the combined and historical services (£1.5m)
- blue are the de-delegated and pooled services (0.6m)

There is a requirement to seek the Schools Forum approval for the amount funded from the Schools block for these services. Based on the current pupil numbers, it is calculated if this funding were to be delegated then every £100k in resources equates to £2 per pupil

- 5.5 The Authorities view is that the services highlighted in paragraphs 5.3 (c) & (d) currently support:

- pupils with high level of SEND,
- LAC to access specialist support
- pupils and families not eligible for social work support and in need of provision to aid improvements in behaviour and attendance.

These services provide wraparound support to enable pupils and their parents and carers to be able to continue to stay at home or placement and also to remain at school, and thereby remove some of the barriers to attainment and outcomes.

All the services provide unique support to pupils and schools across the borough. The services work with schools and partners to access the right provision and ensure, where necessary, improvement but more importantly, stability in the placement at their school. Without this support, these vulnerable pupils may face family breakdown and require more expensive specialist provision. Information and feedback gathered from schools and users on these services has been positive and the trends are showing an increase in demand for these services.

As part of the requirement to carry out a review of central services, detailed below is the work being carried out with two services.

- Headteachers and officers are working on how to reform the Foundation Stage and Pre-School Support services. This group is considering with the changes required, how best to reform future provision to meet the needs of the most vulnerable children within the funding available. This work started at the start of term and is proving, so far, to be a positive collaborative way of working. The outcome from the review will be reported to the Forum.
- The Headteacher of Virtual School for LAC Enfield and HEART is developing networks and information to support schools with LAC and more generally to ensure schools have right processes in place to meet the new requirements of the Ofsted framework.

With the increasing number of children and young people with high needs, there is a need to consider how the current provision could be improved to prevent and, where possible, reduce the number of children and young people in out-borough provision. For this reason, it is proposed the model of joint working described above is replicated for the other services. , being pursued for the services described above, is replicated. This would ensure that

resources were used to provide the most appropriate and trained workforce to meet the needs of all children and young people within the borough by. If this proposal is accepted, then the Forum's views are sought on the best of setting up the working groups.

- 5.6 If the Forum's views is that there be a reduction in funding for central services, without doing some joint work, then the Authority would like to stress the level of change expected nationally, and more importantly, the effect the withdrawal of these services will have on the most vulnerable pupils & their families, schools and staff that a full impact analysis is carried out and agreed by the Forum.

The impact analysis would need to consider the period over which the withdrawal should be implemented to cause the least disruptions for children, young people, parents, carers, staff working for the Authority and schools.

Attached appendix B is a schedule providing a breakdown of the items funded from the DSG with information on the funding provided across the three blocks and how the savings were applied last year.