

Schools Forum
Wednesday, 7 December 2016 at 0800
VENUE: Committee Room 1 - City Hall, Bradford

PLEASE NOTE

All meetings will be held in public; the agenda, decision list and minutes will be publicly available on the Council's website and Committee Secretariat, Room 112, City Hall, Bradford.

The taking of photographs, filming and sound recording of the meeting is allowed except if Councillors vote to exclude the public to discuss confidential matters covered by Schedule 12A of the Local Government Act 1972. Recording activity should be respectful to the conduct of the meeting and behaviour that disrupts the meeting (such as oral commentary) will not be permitted. Anyone attending the meeting who wishes to record or film the meeting's proceedings is advised to liaise with the Forum Clerk Asad Shah - 01274 432280 who will provide guidance and ensure that any necessary arrangements are in place. Those present who are invited to make spoken contributions should be aware that they may be filmed or sound recorded

1. APOLOGIES FOR ABSENCE

The City Solicitor will report the names of alternate Members who are attending the meeting in place of appointed Members.

2. DISCLOSURES OF INTEREST

To receive disclosures of interests from Members on matters to be considered at the meeting. The disclosure must include the nature of the interest.

An interest must also be disclosed in the meeting when it only becomes apparent to the member during the meeting.

3. MINUTES OF 19 OCTOBER 2016 & MATTERS ARISING (minutes) 1 - 14

Recommended –

That the minutes of the meeting held on 19 October 2016 be signed as a correct record.

4. MATTERS RAISED BY SCHOOLS 15 - 18

Members will be asked to consider any issues raised by schools.



5. **THE AUTUMN SPENDING REVIEW AND NATIONAL FUNDING FORMULA** (i)

A report will be given verbally on any further announcements related to the National Funding Formula.

6. **THE LOCAL AUTHORITY'S BUDGET CONSULTATION** (i)

The Strategic Director of Children's Services will present to Forum Members the Council's (Children's Services) budget position and the proposals for 2017-19 that are currently out for consultation across the District.

Recommended –

The Forum is asked to consider the budget proposals and to give feedback.

(Michael Jameson – 01274 431266)

7. **2016/17 DSG SPENDING POSITION AND ONE OFF MONIES** (i) 19 - 24

The Business Advisor (Schools) will present a report, **Document GT**, which updates members on the forecasted spending positions of centrally managed and de-Delegated funds held within the DSG in 2016/17. This document gives members a View of the estimated value of one off monies that will be available to add to the 2017/18 DSG Headroom and a view of the uses of this funding.

Recommended –

Members are asked to consider whether sufficient information has been provided to enable final recommendations to be made on 11 January 2017 on the use of one off monies.

(Andrew Redding – 01274 432678)

8. **2017/18 DSG UPDATE** (i) 25 - 30

The Business Advisor (Schools) will present a report, **Document GU**, which provides a forecast of the anticipated DSG funding position and cost pressures in the 2017/18 financial year. Please note that any further information on the DSG for 2017/18 that may be announced by Government before 7 December will be presented verbally at the meeting.

Recommended –

Members are asked to consider the information presented in the report, in advance of making final recommendations on 11 January 2017.

(Andrew Redding – 01274 432678)



9. **CONSULTATION OUTCOMES - EARLY YEARS SINGLE FUNDING FORMULA (a)** 31 - 42

The Business Advisor (Schools) will present a report, **Document GV**, which asks Members to consider the outcomes of the consultation on the 2017/18 Early Years Single Funding Formula.

Recommended –

- (1) **The Forum is asked to consider the outcomes of the consultation and to make final recommendations on the structure of the Early Years Single Funding Formula for the 2017/18 financial year.**
- (2) **Members are asked to note, at this stage, the Early Years Working Group's recommendation for the use of £500,000 of off monies in support of the protection of the 3 and 4 year old base settings rates in 2017/18. The Schools Forum will be asked to make a final recommendation on this on 11 January.**

(Andrew Redding – 01274 432678)

10. **INDICATIVE BUDGETS 2017/18 PRIMARY AND SECONDARY SCHOOLS AND ACADEMIES (i)** 43 - 50

The Principal Finance Officer (Schools) will present a report, **Document GW**, which provides members with updated indicative modelling of Primary & Secondary delegated budget shares in 2017/18, using the pupil numbers taken from the October 2016 Census. This modelling is tabled only for information at this stage, prior to asking Members to make final recommendations on 11 January 2017.

Recommended –

The Forum is asked to note the Primary and Secondary modelling information. A further update will be provided on 11 January 2017, when Forum Members will be asked to make final recommendations on the values of funding allocated via each formula factor.

Members are asked to consider whether sufficient information has been provided to enable final recommendations to be taken on 11 January 2017 on the matters presented in this report.

(Sarah North – 01274 434173)



11. FUNDING HIGH NEEDS 2017/18 (INCLUDING CONSULTATION OUTCOMES) (a)

51 - 62

The Business Advisor (Schools) will present a report, **Document GX**, which asks Forum Members to consider the outcomes of the consultation on the 2017/18 High Needs Funding Model and the planned number of high needs places to be commissioned by the Authority. Document GX also gives an update on the position of other strategic high needs funding matters. This update is provided in advance of asking Members to make final recommendations on 11 January 2017.

Recommended –

- (1) The Forum is asked to agree the structure of the High Needs Funding Model for the 2017/18 financial year.**
- (2) Members are asked to consider whether sufficient information has been provided to enable final recommendations on the 2017/18 High Needs Block to be taken on 11 January 2017.**

(Andrew Redding – 01274 432678)

12. CENTRAL AND DE-DELEGATED EARLY YEARS & SCHOOLS BLOCK FUNDS 2017/18 (a)

63 - 70

The Business Advisor (Schools) will present a follow up report, **Document GY**, which asks Forum Members to further consider the position of the funding of Schools and Early Years Block central and de-delegated items from the DSG in 2017/18, following the initial discussion in the meeting of 19 October 2016.

Members are asked to take a decision on the position of the funding of the Fischer Family Trust subscription in 2017/18.

Recommended –

- (1) That Members be asked to note the information and to consider whether any further information is needed to enable final recommendations to be taken on 11 January 2017 on the funding of centrally managed and de-delegated Early Years and Schools Block items in 2017/18.**
- (2) That Members be asked to take a decision on the position of the funding of the Fischer Family Trust subscription.**

(Andrew Redding – 01274 432678)



13. STANDING ITEM - DSG GROWTH FUND ALLOCATIONS (a)

There are no new allocations for consideration at this meeting.

14. STANDING ITEM - BRADFORD EDUCATION IMPROVEMENT COMMISSIONING BOARD (i)

An update Bradford Education Improvement Commissioning Board meetings and activities will be presented for information.

(Andrew Redding – 01274 432678)

15. OTHER SCHOOLS FORUM STANDING ITEMS (l)

Updates on the following Forum standing items will be provided verbally where these have not been covered within other agenda items:

- Update on Single Status
- Update from the Schools Financial Performance Group (SFPG)
- Update from the Early Years Working Group (EYWG)
- Update from the Formula Funding Working Group (FFWG)
- Update on Primary School Places
- Update on Academies & Free Schools

Recommended –

That the Forum be asked to note the information provided.

(Andrew Redding – 01274 432678)

16. ANY OTHER BUSINESS / FUTURE AGENDA ITEMS

Members will be asked for any additional items of business, for consideration at a future meeting.

17. DATE OF NEXT MEETING

Please see the published schedule of meetings – Wednesday 11 January 2017.

- (a) *Denotes an item for action*
(b) *Denotes an item for information*



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MINUTES OF THE MEETING OF THE SCHOOLS FORUM HELD ON WEDNESDAY 19 OCTOBER 2016 AT CITY HALL, BRADFORD

Commenced **0805**, Adjourned **1000**
 Reconvened **1020**, Concluded **1055**

PRESENT

SCHOOL MEMBERS

Brent Fitzpatrick, Dianne Rowbotham, Dominic Wall, Dwayne Saxton, Ian Morrel Kevin Holland, Maureen Cairns, Nicky Kilvington, Nigel Cooper, Ray Tate, Sami Harzallah, Sue Haithwaite, Trevor Loft.

NON SCHOOLS MEMBERS & NOMINATED SUB SCHOOL MEMBERS

Ian Murch, Irene Docherty and Alison Kaye

LOCAL AUTHORITY (LA) OFFICERS

Allan Stobbs	- Payroll Service Manager
Andrew Redding	- Business Advisor (Schools)
Angela Spencer-Brooke	- Strategic Manager, SEND and Behaviour
Dawn Haigh	- Principal Finance Officer (Schools)
Jenny Cryer	- Assistant Director Performance, Commissioning and Partnerships
Raj Singh	- Financial Service, Business Advisor
Sarah North	- Principal Finance Officer (Schools)
Tom Caselton	- Finance Manager

OBSERVER

Councillor Ward

APOLOGIES

Members - Bev George, Chris Quinn, Emma Ockerby, Helen Williams and Tahir Jamil;
Executive Portfolio Holder - Councillor Imran Khan (Education, Employment and Skills).
Officers - Judith Kirk (Deputy Director, Education, Employment and Skills), Michael Jameson (Strategic Director, Children's Services) and Stuart Mckinnon-Evans (Director of Finance).
Regular Observer - Lynn Murphy (Business Manager, Feversham College)

DOMINIC WALL IN THE CHAIR

194. DISCLOSURES OF INTEREST

A declaration was received from the Chair and Sue Haithwaite for agenda item 12 "High Needs Block – Funding Matters 2017/18", (minute 204).

During course of the meeting, a declaration was received by Ian Murch for agenda item 13 "DSG Central Items and De-Delegated Funds 2017/18", (minute 205).

ACTION: *City Solicitor*



City of Bradford
 Metropolitan District Council



City of Bradford
 Metropolitan District Council



195. MINUTES OF 21 SEPTEMBER 2016 & MATTERS ARISING

a) The Business Advisor (Schools) reported on progress made on “Action” items as follows:

- **Page 3 – Election of the Chair** – 2 nominations were received for Dominic Wall to continue as Chair. No other nominations were submitted. Therefore, Dominic is confirmed as Chair for the 2016/17 academic year.
- **Page 6 – Early Protection of the DSG 2017/18 and Cost Pressures** – there were 2 action points. The request for further information about cumulative impact of funding reductions is included in Document GO (item 10 of the agenda) presented to this meeting. Regarding the request for further information on the number of assessments / referrals for EHCPs by phase, an analysis was tabled:

Average age when EHCP/Statement issued by need as at Oct 16

Primary Need	Number	Average age when EHCP/Statement issued
Autism	690	6 yrs.
Hearing	99	5 yrs.
Moderate Learning	100	8 yrs.
Multi-Sensory Impairment	7	6 yrs.
Not yet identified	4	9 yrs.
Physical & medical	288	5 yrs.
Profound & Multiple Learning	145	4 yrs.
Social Emotional & Mental Health	482	10 yrs.
Speech, Language & Communication	196	6 yrs.
Severe Learning	548	6 yrs.
Specific Learning	8	9 yrs.
Visual Impairment	70	7 yrs.
Average	2637	6 yrs.

The Chair explained that this information had been presented earlier in the week to the District Achievement Partnership. The Strategic Manager, SEND and Behaviour, confirmed that this data showed the average of all statements calculated at October 2016 and included statements for secondary aged pupils.

- **Page 8 – Early Years Block Funding Matters** – It was reported that our response to the DfE’s consultation had been submitted. This response had also been shared with the Children’s Services Scrutiny Committee. No further announcements have been made by Government on the subject of Early Years Funding reform.
- **Page 12 – Consultation on the Primary & Secondary School Formulae 2017/18** – It was reported that our consultation document was published immediately after



the Schools Forum meeting and that feedback is presented back at this meeting under agenda item 10.

b) Other matters arising

- **1 October academy conversions:** The Business Advisor (Schools) reported that 4 maintained schools converted to academy status on 1 October (1 secondary and 3 primary). None of these schools are expected to close with a deficit budget. This means that 9 schools have converted so far this academic year.
- **Oastler Letter Panel Update:** The Business Advisor (Schools) reported that the Panel met with representatives of Oastler School on 4 October and that this was a challenging and productive meeting. The Panel has asked for further information, from the school and from Local Authority, on the school's future business plans and pupil referrals processes. It is anticipated that a recommendation on this matter will be presented to the Forum at the December meeting. The Chair stated that he has received feedback about the rigorous nature of the scrutiny from the Panel and also the productive way in which dialogue is continuing. The Chair expressed his appreciation for the work of the Panel.
- **Admissions at the October 2016 Census:** The Business Advisor (Schools) reminded Members that, in previous years, we have reported to the Forum the number of children that were 'in the admissions system' but had not been allocated a place in a primary or secondary school before the October Census was taken. On a simple basis, we do not receive DSG funding in the following financial year for the children that are not placed by this time. It was explained that this affects the individual delegated budgets of schools and academies, where children are placed following the Census. It was reported that, at the October 2016 Census, 141 out of 1,594 (8.8%) applications received had not been placed. This represents roughly a £675,000 cost in DSG. In context, the figure for October 2015 was 143 out of 1,499 (10%). Most of the 141 not on roll at October 2016 were in the secondary phase and largely due to the time needed for background pupil data checking and processing. It was clarified that these figures just related to admissions into mainstream primary and secondary schools and did not include admissions to special schools. A Member asked for further information on whether the unplaced admissions in the secondary phase related to admissions into year 7 or other year groups. The Business Advisor stated that this information would be provided (subsequently provided – the majority were for year groups other than year 7).

A Non-Schools Member referred to the recent announcement on the opening of 3 new free school provisions in Bradford, 2 of which being post 16 provisions. He expressed concern about the impact that these post 16 provisions will have on the financial viability of existing 6th forms in schools. A request was made for further information on how the Local Authority is managing, and modelling the implications of, the development of new Post 16 free school provision in the Bradford District.

- **Schools Unbilled Payroll:** The Authority's Payroll Service Manager attended in response to the request made by a Schools Member at the last meeting for further information on the position of unbilled school payroll charges. He explained that late in 2015 reconciliation issues relating to payroll charges were identified, where costs back to 2012 had not been charged to 76 schools. He expressed his apologies on behalf of



the payroll service for this issue. He explained that these charges are deemed to be payable and that the Council has contacted all affected schools. He reported that some of the amounts have been paid (3 schools have paid in full) and some schools have disputed the charges (4 schools). Conversations were continuing with these schools. He stressed that flexible options were being offered for re-payment, including re-payment plans. The Council is not expecting schools to repay all sums immediately.

The Chair thanked the Payroll Services Manager for the clarity and frankness of his presentation and the information provided. Members asked the following questions:

- What are the sizes of sums outstanding? It was reported that the smallest was in the hundreds and the largest over £100,000.
- Did the 4 schools that are challenging the sums demonstrate an awareness of the problem when they were contacted? It was reported that these schools did not demonstrate awareness.
- How far back do these outstanding charges go? It was clarified that these go back to 2012.
- Doesn't financial close at year end mean that charges can't be recovered for previous years? The Business Advisor (Schools) explained that the financial year end close does not provide such finality and that often transactions span different financial years.
- If a school has not received an invoice or contact yet, does this mean that they are not affected? It was confirmed that this is correct.
- Has this issue caused any school to go into financial deficit? The Business Advisor (Schools) reported that he has not had any approach from schools, which would suggest this.
- Can School Funding Team support schools in managing this issue? The Business Advisor (Schools) reported that we can support schools and this includes discussing re-payment plans, budget implications and cash flow.
- What is the position of the schools that the Council has not yet heard from? The Payroll Services Manager explained that schools have been given some time to check and to respond but that the Council will be in further contact if nothing is heard.
- What is the total amount outstanding? The Payroll Services Manager explained that this figure is not yet available.
- Has disciplinary action been taken? The Chair responded to advise that this was not a matter for the Schools Forum. The Payroll Services Manager did confirm that systems have been significantly tightened.
- How many schools will have converted to academy before this issue is resolved? A request was made for this information to be provided for the Forum at the next meeting.

Resolved –

- (1) That progress made on “Action” and “Matters Arising” be noted.**
- (2) That the minutes of the meeting held on 21 September 2016 be signed as a correct record.**

ACTION: City Solicitor



196. MATTERS RAISED BY SCHOOLS

No resolution was passed on this item (please see AOB).

197. STANDING ITEM – DSG GROWTH FUND ALLOCATIONS

The Business Advisor (Schools) reported that there are no growth fund allocations to be considered at this meeting.

No resolution was passed on this item.

198. STANDING ITEM – BRADFORD EDUCATION IMPROVEMENT COMMISSIONING BOARD (BEICB)

The Business Advisor (Schools) reported that the minutes of the Bradford Education Improvement Commissioning Board meeting, held on 22 September, will be approved by the BEICB on 24 November and will be presented for information and consideration at the December meeting.

No resolution was passed on this item.

199. EDUCATION PERFORMANCE 2016

The Business Advisor (Schools) presented Document GM, which provides a simple overview of the summer 2016 attainment results for the Bradford District. He explained that the intention behind providing this information, as in previous years, is to ensure that Members have an awareness of what the data says about our areas of improvement and underperformance, so that this can be thought about in taking financial decisions. A good example of this is in our thinking about the impact of the reduction in Early Years Block funding from April 2017 and whether we use a proportion of one off monies to help ameliorate against this next year, recognising how our additional spend over time has delivered improvement in the Early Years Foundation Stage Profile results. Another aspect is the primary to secondary funding ratio. In particular, for 2017/18, where the Forum is currently considering a reduction in the funding rates across the Schools Block in order to manage the DSG's affordability position, the Forum needs to be mindful of the impact that reductions may have in areas where the most improvement is required. It was explained that this summary document is based on a more detailed results analysis that was presented to the Children's Services Scrutiny Committee on 12 October.

In response, a Schools Member stressed that the improvement position is a much more complicated picture than presented in the simple document, for example, in looking about like for like comparisons of achievement of pupils with SEND where the distribution of these pupils (between mainstream and specialist provisions) is different in Bradford than in



other authorities. Another Member also stressed that the data presented must be accurate and that the very recent Key Stage 4 performance information has confirmed figures that are different from what is presented in Document GM.

Resolved –

That the information in Document GM be noted.

200. THE LOCAL AUTHORITY'S FINANCIAL POSITION AND BUDGET PROPOSALS

The Authority's Head of Budgeting, Management Accounting and Projects attended the meeting to give Forum Members an update verbally on the position of the Council's wider budget planning. It was explained that this is provided in advance of the Council's 2017-2019 budget proposals being presented in more detail on 7 December. He reported:

- The Council's forecast budget position is set out in the Medium Term Financial Strategy that was published in July 2016. The Strategy sets out detailed assumptions underpinning the forecast but as with any assumptions there will be some deviation in reality. However, overlaying this there are some major issues on the horizon which will affect the Council's position:
 - Business Rate Retention – three strands:
 - Fair funding review
 - Business Rates Baseline re-setting
 - 100% transfer of business rates
 - Brexit
 - New Homes Bonus Consultation
 - Devolution
 - National Schools Funding Formula consultation
- As a reminder, since the austerity measures commenced, the Council has had to make reduction of over £218m up to 2016/17. The 2016/17 budgetary gap is over £48m when you include reductions to Public Health grant. The budget gap to be closed is £11.6m in 2017/18 in addition to the £24m of savings agreed by Full Council in February 2016. The gap for 2018/19 is currently forecast to be a further £20.5m. We may need to find additional savings to pay for any transitional costs so the targets could increase.
- We are adopting this year an Outcome Based Budgeting Approach by arranging the Council's Budget into the recognised priority Outcomes. i.e. the key things that are important to the Council and Districts. With this exercise we are trying to design what the Council will look like in 2020/21.
- Key risks in managing this approach are:
 - Managing demand in Adult Social Care
 - Managing the rising number of Looked After Children
 - Discussions with West Yorkshire Partners on sub regional initiatives
 - Home to School Transport
 - Inflationary pressures and whether these can be contained within Council Tax rises
 - Business Rate Tax base – still experiencing appeals



- Responses of Partners to the measures the Council might take that lead to additional budgetary pressures on the Council
- Ultimately there are risks associated with delivery and the change effort required.
- The Council has applied for a four year settlement from Government. If this application is successful it will provide some certainty on the rate of descent of our Revenue Support Grant allowing the Council to make some plans around those planned reductions.
- The Council will be publishing the detailed budget proposals on the 28 November for consultation ahead of the Executive meeting on 6 December.
- There will be an Autumn Statement from Government on 23 November but we are under no illusion that austerity measures are and will continue to impact on local government.

In response, Members asked the following questions and made the following comments:

- What exercise is KPMG doing with the Council? The Assistant Director, Performance, Commissioning and Partners responded to explain that KPMG is looking at the Council's early help offer and the options for delivery.
- Does the Council do any 'doomsday' budget planning? Yes it does.
- In recent SEN Reference Group meetings Forum Members has talked about other funding streams that might be available to Bradford, including from the Northern Powerhouse strategy. The Head of Budgeting stated that these streams are on the Council's radar, but offered a view that discussions around the Northern Powerhouse (and announcements related to this) appear to be stalled perhaps due to Brexit considerations.

The Chair thanked the Head of Budgeting, Management Accounting and Projects for his presentation.

Resolved –

That the information presented verbally (and recorded in the minutes) be noted.

201. NATIONAL FUNDING FORMULA ANNOUNCEMENTS AND CONSULTATION

The Business Advisor (Schools) reported that there have been no further announcements from Government about proposals for a National Funding Formula. It is perhaps now reasonable to assume that further information will be announced in and around the Chancellor's Autumn Statement, which is scheduled for 23 November. If this is the case, we would expect to present further information to the Schools Forum at its meeting on 7 December.

The Chair asked Members whether they would support the arrangement of an additional single item agenda Schools Forum meeting in November if a substantial announcement on National Funding Formula (the 2nd stage of consultation) is made well in advance of the 7 December meeting. This was agreed by Members. The Business Advisor (Schools) stated



that the Formula Funding Working Group would also be convened to look at detailed modelling.

Resolved –

Where the Government's 2nd stage of consultation on the National Funding Formula is announced other than in close proximity to the next scheduled meeting on 7 December, that an additional single item agenda Schools Forum meeting be called.

Action: Business Advisor (Schools)

202. CONSULTATION OUTCOMES – PRIMARY AND SECONDARY FORMULAE

The Principal Finance Officer (Schools) presented Document GO. It was explained that Forum Members are asked to consider the outcomes of the consultation, which was agreed at the last meeting, and then to make final recommendations on the structure of the Primary and Secondary funding formulae, and the criteria for the allocation of Schools Block funds, for the 2017/18 financial year. It was also explained that the report provides an update on further modelling related to the values of formula factors and the contribution from the Schools Block to High Needs Block pressures in 2017/18 (the 'worst case scenario' modelling requested at the last meeting).

The Principal Officer took members through the report and the feedback that has been received. The level of engagement that we have had with schools was emphasised, on the issues outlined in the consultation paper, including the illustrative 1.5% reduction in pupil-led formula values and the 'worst case scenario' Minimum Funding Guarantee modelling. The Chair stated that it is helpful for Forum Members to hear about the significant level of communication that has been had with schools as the complexity of some of these issues is testing. The Chair also clarified that the Forum, at this meeting, is not being asked for a decision on a 1.5% reduction. Decisions relate purely to the structure, not the values, of the primary and secondary funding formulae for 2017/18.

The Chair asked officers to clarify for the Forum what the rationale is for showing worst case scenario modelling. It was explained that showing schools at this stage what the greatest extent of a reduction in their main formula funding would be in 2017/18 aids their early budget planning. The Principal Officer stated that the Council has had positive engagement with schools on the information (and the ready reckoner) that has been provided. The Schools Forum at the last meeting asked to see the worst case cumulative position for schools and the modelling attached to Document GO responds to this. It was clarified that this modelling was still based on an estimate of October 2016 pupil numbers and does not include a view of Post 16 funding. The modelling does include the impact of reductions in early years funding based on the DfE's consultation proposals. It was explained that the Forum is being asked to consider a further contribution from the Schools Block to High Needs Block pressures in 2017/18, illustratively from a 1.5% reduction in pupil-led formula values, but that there was also a line of inquiry about whether a greater sum could be transferred from the Schools to the High Needs Block e.g. by reducing funding to the point that all primary and secondary schools and academies are on their



MFG level. This was identify a further approximate sum of £2m. The Business Advisor (Schools) reminded Members that Document GG presented to the Forum on 21 September estimated that there is still a £1.2m funding gap in the 2017/18 DSG after the application of a 1.5% reduction in the Schools Block. The Business Advisor (Schools) added that, where the national funding formula is not favourable to Bradford, something akin to a 1.5% reduction year on year in funding could be the reality for Bradford schools over the next 5 years (depending on the timescale and level of protection decided by Government in its transition to the NFF). Alongside a very rough average of an annual 2.5% increase in costs, this could mean schools in Bradford facing something in the region of an average minimum 4% annual budgetary pressure. We are seeking to make sure that schools are aware of this as early as possible in their budget planning.

In response, Members asked the following questions and made the following comments:

- At the last meeting a question was asked about whether funding changes would place schools cumulatively into deficit. Can this information be provided? The Business Advisor (Schools) explained that this request has not been forgotten but that it is difficult to give a useful view for a number of reasons, including because looking at current surplus balances positions and a value of possible funding reduction does not give insight into the action that the school can and will take to balance its budget. A better picture will emerge from our discussions with individual schools on their budgets. The Authority also does not have sight of academy balances.
- A 1.5% reduction does not represent a significant cash loss for some school but for others the value is much more significant. This needs to be watched.
- The information around the 1.5% and the Schools Block consultation has been presented to BPIP. One of the areas of feedback is how complicated these considerations are. The Chair stated that the Forum must tread carefully and must recognise that there is likely to be some difference in the level of understanding that the Schools Forum Members have about these issues and the understanding of the wider schools community. Decisions about a Schools Block contribution in 2017/18 may be one of the most difficult decisions the Forum has yet taken.
- Members asked for clarification of who sits on the Formula Funding Working Group. This was provided. It was also clarified that the role of the FFWG will be to do the more detailed analysis of formula funding impact but that this isn't a decision-making group.
- That, until the Government publishes its 2nd stage of national funding formula proposals we can only speculate on the longer term impact for Bradford and we have no sight of the future position of our High Needs Block. We will need to develop our High Needs Block strategy in the context of the Government's reform.
- The Authority is requested to provide further information on the strategic case for the movement of Schools Block monies to the High Needs Block and to set out how the cost effectiveness of the allocation of the current High Needs Block is being secured.

Resolved –

- (1) That the additional modelling presented in Document GO be noted.**



- (2) That the structure of the formulae for the calculation of individual primary and secondary school and academy budget shares for the 2017/18 financial year, as set out in Document GO Appendix 1, be agreed. Agreed by consensus (without requiring a vote).
- (3) That the criteria for the allocation of the DSG's Schools Block Growth Fund, and other Schools Block centrally managed funds, as proposed in the consultation document, be agreed.

Action: *Business Advisor (Schools)*

203. CONSULTATION ON EARLY YEARS BLOCK FUNDING MATTERS 2017/18

The Business Advisor (Schools) presented Document GP, which provides a further update on Early Years DSG funding matters asks the Forum to agree to the publication of the consultation document setting out our proposals for Bradford. Early Years Single Funding Formula for the 2017/18 financial year. A summary of the report, the principles behind our proposals, the consultation document and the feedback from the Early Years Working Group was provided. Our estimates of the trajectory of rates to April 2019 under the Government's national funding reform were explained.

Forum Members agreed to the publication of the consultation without making any comments or asking any questions.

Resolved –

That the consultation paper set out in Document GP Appendix 1 be published.

Action: *Business Advisor (Schools)*

204. CONSULTATION ON HIGH NEEDS BLOCK FUNDING MATTERS 2017/18

The Business Advisor (Schools) presented a report, Document GQ, which asked Members to agree the publication of the proposed consultation document on the High Needs Block funding model for 2017/18. This included first sight of the estimated minimum number of places the Authority expects to commission and the arrangements for paying top up (Plus Element) funding.

The key proposals were outlined, including the proposed lifting of the cash budget protection factor from 1.5% to 3.0% and the introduction of a temporary small setting factor for resourced provisions. A Member asked for clarification on whether the small setting factor applied to all resourced provisions. It was confirmed that this did on a sliding scale. So, for example, a setting with 12 places would receive half the £48,000 deminimis figure.

The Chair added that the review of SEND teaching support services needs to be brought



into the Forum's considerations and that the Forum has not received a recent update on the position of this review. He requested that an update be provided to the next meeting.

Resolved –

- (1) That the consultation paper set out in Document GQ Appendix 1 be published.**
- (2) That the planned report to the Schools Forum to be presented on 7 December includes further information on the work taking place to ensure the efficient allocation of the High Needs Block and provides an update on the review of High Needs Block funded services and the development of sector-led delivery.**

**Action: Business Advisor (Schools)
SEN and Behaviour Strategic Manager**

205. DSG CENTRAL ITEMS AND DE-DELEGATED FUNDS 2017/18

The Business Advisor (Schools) presented a report, **Document GR**, which asked the Forum to consider the position of the funding of Schools and Early Years Block central items and de-delegated items from the DSG in 2017/18. Members were reminded that decisions on the retention of funds, including de-delegated funds, will need to be taken by the Forum on 11 January. Members were asked to consider what additional information would help in these decisions.

In presenting the report, the Business Advisor (Schools) focused on the implications of academy conversions, in particular in the secondary sector, on the position of some of the de-delegated funds, especially the maternity and paternity insurance scheme. He also set out the Authority's expectations with regard to central funds in 2017/18.

In response Forum members asked the following questions and made the following comments:

- The Vice Chair stated that she will collect further feedback from BPIP on the views of primary headteachers on de-delegation.
- A Member asked for further information on the position of funds with respect to the Authority's delivery position in the future. The Chair added that it would be useful for Members to understand where there are / aren't commercial alternatives for schools for the purchasing of services.
- A Member representing the Teaching Trade Unions (having declared an interest), in line with the Authority's expectation, stated that the Unions would wish for the current collective arrangement for the delivery of Trade Union facilities Time to continue for 2017/18. The Chair stated that there appears to be censuses from Forum members for this to continue in 2017/18.

Resolved –



- (1) That the planned report to the Schools Forum to be presented on 7 December includes further information on the future availability of buy back into de-delegated funds, to inform the Forum's decisions making for 2017/18.
- (2) That feedback on de-delegated funds is collected from the Bradford Primary Improvement Partnership, to inform the Forum's decision making for 2017/18.

Action: *Business Advisor (Schools)*

206. SCHOOLS FORUM STANDING ITEMS

No further updates were presented on the Forum's standing items.

No resolution was passed on this item.

207. ANY OTHER BUSINESS (AOB) / FUTURE AGENDA ITEMS

- (1) That further information on the charging of payroll costs, as requested as recorded in the minutes, is provided.
- (2) That further information is provided in response to a Member's request for consideration of how the Local Authority is managing, and modelling the implications of, the development of new Post 16 free school provision in the Bradford District.

208. EXCLUSION OF THE PUBLIC

The Schools Forum was asked to consider if the item relating to "Not For Publication Minutes of 18 May 2016 (Contract Settlement, Agenda Item *18)" should be considered in the absence of the public with the approval of the following recommendation:

Resolved –

That the public be excluded from the meeting during the discussion of the following item (item *18) on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if they were present exempt information within Paragraph 3 (Financial or Business Affairs) of Schedule 12A of the Local Government Act 1972 (as amended) would be disclosed and it is considered that, in all the circumstances, the public interest in allowing the public to remain is outweighed by the public interest in excluding public access to the relevant part of the proceedings for the following reason: "commercial confidentiality".



209. NOT FOR PUBLICATION MINUTES OF 18 MAY 2016 "CONTRACT SETTLEMENT"

Resolved –

That the NOT FOR PUBLICATION minutes of the meeting held on 18 May 2016 be signed as a correct record.

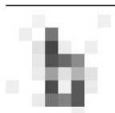
210. DATE OF NEXT MEETING

The next meeting of the Schools Forum is Wednesday 7 December 2016.

Note: These minutes are subject to approval as a correct record at the next meeting of the Schools Forum.

committeesecretariat\minutes\SF\19Oct

THESE MINUTES HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER



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Schools Forum – Matters Arising From 19 October 2016

“That further information is provided in response to a Member’s request for consideration of how the Local Authority is managing, and modelling the implications of, the development of new Post 16 free school provision in the Bradford District”

The role of Bradford Council in developing new post-16 free schools is clearly defined in the Education Act 2008 and associated statutory and free school application guidance. Local Authorities are expected to provide strategic leadership in planning, influencing and commissioning local provision 16-19 including for young people with SEND and young offenders. Local Authorities are expected to continue to have a statutory responsibility to secure high quality 16-19 education and training in their areas which ‘champions the needs of young people’ and the local economy.

In regard to the three new planned post-16 free schools, Bradford Council considered these applications in the wider context of the new post-16 approach that has been developed and adopted jointly by secondary schools, colleges, businesses, the University of Bradford and the Council. At the heart of this approach is our common purpose to work together to make sure that we can develop post-16 education in the Bradford District that can deliver the highest standards for our young people and community.

Bradford Council clearly expressed its view on both the need for the reform in the pattern of post-16 provision and how we will work to achieve a high quality and sustainable post-16 offer for our young people in the published ‘Post-16 Education and Training and Bradford and the Need for Change’. This document is the Council’s response to the review of the future of post-16 in Bradford that forensically examined education, economic, financial and demographic pressures and established the new collaborative post-16 approach.

As set out in this document, understanding that there is some excellent local post-16 education practice, the Council agrees with and supports the conclusions of the review that outcomes need to rapidly improve for all young people in all settings, that young people need to be better supported when choosing what to do, that the current choice for students is limited, and that the current offer is not financially sustainable.

Given these considerations, Bradford Council has clearly stated that it welcomes the free school applications that have been approved for development from Dixons Academy Trust and New College Pontefract. These new larger sixth form colleges will establish a wider range of high quality academic pathways and extra-curricular learning opportunities in areas of identified demographic demand. These two developments are in the main a consolidation of existing smaller sixth form provision that will increase student choice and the greater availability of high quality places. Whilst the Council is keen to work in partnership with all potential post-16 partners, it is the partners themselves that set their own strategic goals and manage their own provision.

The reality is that the Department for Education makes the final decision on the award of new free schools; the Council has a more limited advisory role. The Council recognises in our current environment that we need to truly collaborate with and influence local and national stakeholders to deliver the post-16 provision that our young people deserve.

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Matters Arising 20 July 2016: Social Impact Bond (Update)

- (1) That the Schools Forum gives its support, in principle, to the Council's application to enter into a Social Impact Bond, where a proportion of the contribution to the successful outcomes payments for the proposed service will be met from the High Needs Block as indicatively set out in the PowerPoint presentation.**
- (2) That the School Forum's final agreement on the detail of the Social Impact Bond (and funding from the High Needs Block) is subject to consideration of the confirmed Social Impact Bond contract.**

BACKGROUND

- The Council is developing an innovative programme utilising a Social Impact Bond (SIB) funding model. The target group is children and teenagers (10–15 years) with complex Learning Difficulties and Disabilities (LDD) and/or behaviour that challenges who are struggling to be supported within the family unit.
 - Social Finance Ltd was commissioned to investigate the feasibility of a new service, financed through a SIB, which would target this group of young people and provide a method of funding that does not exacerbate existing budget pressures. This work has included engagement across the Council and with Clinical Commissioning Groups (CCGs), the Schools Forum and parents in order to secure support from Care, Health and Education budget holders as co-commissioners within the SIB model.
 - A multi-agency steering group was established to oversee the SIB project work and identify a service model that would best meet the needs of the District. 'Positive Behaviour Support' (PBS) was identified as a service that has successfully helped a similar cohort of young people in Bristol and Ealing. (Across these two services, 35 out of 42 high risk children referred to the PBS service avoided full time residential care and/or education entry.)
-
- The Council and partners are currently working with Social Finance to develop the proposed new service with a view to service delivery beginning in, or shortly after, April 2017.
 - The new service is based on the PBS model and involves a small team of highly trained Key Workers with skills in psychology and behavioural therapy who provide intensive, hands-on support to children and families, as well as co-ordinating existing support services.
 - The Council was notified of its successful application to the Big Lottery's 'Commissioning Better Outcomes Fund' (CBO) in October 2016. This has resulted in the In Principle award of up to £255,000. This grant will be released in arrears to provide contributions to commissioner payments for any successful outcomes delivered by the new service. It is expected that the grant will contribute 14% of outcome payments made to social investors over the full 9-10 years of the SIB. (The total outcome payments from local commissioners are expected to be up to a maximum of c £1.56m. The base business case indicates the distribution of contributions to outcomes payments across co-commissioners is likely to be: Social Care (CBMDC) 61%; Education 10%; Health 15%; CBO 14%)
 - Under the SIB model, social investors pay the delivery costs of the service upfront and receive payments from commissioners for each young person the new service successfully helps. These success payments are spread over several years. The primary success measure for which payments would be made is that a child avoids full-time residential entry.
 - Financial modelling indicates that commissioners will be saving more money than they are paying out each year that the SIB operates. The SIB business case estimates that over the lifetime of the service, it will generate net savings (after outcome payments) of c £1.9m.
 - Over the next six years we envisage the new service working intensively with a total cohort of around 14 young people at high risk of residential education and/or care entry. We believe that with the support of a PBS service 9 or 10 of these young people should avoid entry into care.
 - The proposed new service has the potential to contribute to reduced costs for Adult Social Care budgets. Enabling young people to remain supported within their local communities avoids the transfer of often highly expensive out-of-area care packages to Adult Services when the young person reaches 18 years old.
 - The proposed new service also aligns with national policy initiatives. People with needs arising from Learning Disabilities and/or autism are currently the focus of a National Transforming Care Plan. This includes a national service model for commissioners across health and care, led by NHS England, which aims to provide more care in the community, with personalised support delivered by multi-disciplinary health and care teams.
 - The links between Bradford's SIB project and the Transforming Care agenda has generated interest from the Department of Health, with the potential for further support being offered to CBMDC to develop the new service under the SIB model.
 - It is recommended that a joint commissioning approach is adopted with the Council acting as Lead Commissioner. Commissioners and parents will co-produce the service specification and work together on the tender process.
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SCHOOLS FORUM AGENDA ITEM

For Action

For Information



Brief Description of Item (including the purpose / reason for presenting this for consideration by the Forum)

To provide members with an update on the forecasted spending positions of centrally managed and de-delegated funds held within the DSG in 2016/17. This document gives members a view of the estimated value of one off monies that will be available to add to the 2017/18 DSG Headroom and provides a view of the uses of this funding.

Date (s) of any Previous Discussion at the Forum

The 2016/17 funds were agreed by the Schools Forum as part of the recommendations on the allocation of the DSG in the meetings of January 2016. An interim update of the spending position in this year was provided in July, where the Forum was notified of an expected £1.6m of available 'uncommitted' one off monies resulting from the reconciliation of the 2015/16 closedown position. The Forum asked that the Early Years Working Group further discuss the position of the £1.2m under spending in the DSG's resources originally earmarked for the building of places capacity for the delivery of the 2 year old free entitlement.

Background / Context

It is usual for underspends to be created within the DSG allocation process. This is because certain expenditure is estimated at the start of the year and the Forum has always taken a prudent approach to managing cost pressures. A normal part of the DSG allocation process then in previous years has been a reconciliation of planned vs. actual spending. Any balance from the net position of over / under spends has been added to the DSG headroom, to be spent on a one off basis in the following year. This funding is available on a one off basis only. When previously considering such funds, the Forum has sought to avoid allocating this to meet ongoing expenditure. This paper now provides an updated view on the value of balances available by individual expenditure line.

Details of the Item for Consideration

2016/17 DSG Activities Spending Positions

Appendix 1 shows spend to date and forecasted further spend and estimated position at the end of the 2016/17 financial year of DSG centrally managed funds. Further explanation of some of the key lines will be given verbally at the meeting. We estimate that at 31 March 2017 the DSG will have underspent in total by £5.874m. Please note that the £5.874m figure is estimated at this stage. The reconciliation of funds, as part of the year end closedown process in April / May 2017, will confirm the value of balances and this will be reported to the Forum. For reference, we estimated in December 2015 that a sum of £9.94m would remain at 31 March 2016. As reported in July 2016, the confirmed balance was £11.54m (a difference of £1.6m of which £1.2m relates to the 2 Year Old DSG resource).

As shown at the bottom of Appendix 1 and then listed in Appendix 2, against this £5.874m balance:

- £0.076m of estimated under spending has occurred in funds, where the balances should be recycled back to the DSG (Growth Fund) or should be retained for the same purpose in 2017/18 (de-delegated funds). This sum is not available for re-allocation more generally within the DSG. The removal of this £0.076m produces the final figure of £5.798m shown at the bottom of Appendix 1 and at the top of Appendix 2.
- £2.262m relates to commitments that have been made previously by the Forum for spending from 1 April 2017. Please see these items listed in paragraph 1 of Appendix 2. This includes provision for the remaining agreed sum for post-opening support for Bradford Forster Academy (£0.324m) and a sum of £1.938m for the cost of growth fund financial support for Belle Vue Boys (now Beckfoot Upper Heaton Academy). 2 out of a total of 7 years payments have now been made using the agreed model (£1.06m). The £1.938m includes a further £0.35m of provision on the expected retained balance at March 2017. The cost of this support will continue to be monitored.
- £0.294m is the current estimated value of the un-committed balance within the Joint Improvement Investment Fund to be held at the end of this financial year from the original £1.25m budget. This budget is being managed by the Bradford Education Improvement Commissioning Board. We expect the Schools Forum to retain any unspent sums at the end of this financial year for use from April 2017 for the purposes for which this Fund was originally established. The Forum received a detailed report in July 2016.
- £0.338m is the remaining balance of the previously set aside one off monies for behaviour support. The primary phase element of this (£0.85m) is being spent across 2016/17 and 2017/18 in providing budget protection for the primary behaviour centres. The secondary phase element (£0.60m) is being spent across 2016/17 and 2017/18 in providing additional fixed-term places at District PRU and Ellar Carr. As such, it is expected that the Schools Forum will retain any balances to be used for these agreed purposes.

Details of the Item for Consideration

- £0.650m has been previously set aside by the Schools Forum to support the cost of the deficit of a secondary school at the point it converts to academy status. This school has not yet converted. The Authority anticipates a more detailed conversation with the Schools Forum about financial provision at the point this school converts. The £0.650m is expected to be retained at this stage.
- Please note that a sum of £0.750m was retained by the Schools Forum at January 2016 in support of the continued development of places capacity for the delivery of the 2 year old free entitlement. In Appendix 1 this is shown as fully spent this year. It is expected that any balance from under spending in this fund will be retained at the end of the current financial year to support work to further develop places capacity and to support a growth in the take up of the 2 year old offer in 2017/18.

A total of £3.544m of the total £5.798m DSG balance is specifically committed. On this basis, a sum of £2.254m remains.

This includes the £1.2m balance in the earmarked 2 year old free entitlement resources that the Schools Forum referred to the Early Years Working Group (EYWG) for further discussion. As set out in more detail in the separate Document GV, the EYWG recommends that £0.50m of this is fully allocated into 2017/18 to protect the 3 and 4 year old setting base rates. This is done on the understanding that no further one off monies will be available to be allocated in 2018/19 i.e. this approach provides for a more significant value of protection only next year, rather than providing for a smaller value of protection across 2 years (which is what would happen if 50% of the available £500,000 was allocated in each of the next 2 financial years).

At this stage, no further allocation of the £0.70m remaining from the £1.2m 2 year old balance is proposed. The £0.7m is contained within the £1.754m total DSG reserve figure shown at the bottom of Appendix 2. In thinking about this, it is important that Members are reminded that an additional £2.5m of one off monies within the DSG has been previously allocated to capital funding for the development of 2 year old places capacity i.e. if the £0.70m is brought back to the DSG reserve we will still have spent £1.8m more on the development of 2 year old places capacity than allocated by the DfE within the DSG.

If the EYWG's specific recommendation on the allocation of £0.50m in 2017/18 is accepted by the Schools Forum, a sum of £1.754m is estimated to remain. The Authority recommends that the Forum holds this balance in full as the DSG's 'Resilience Reserve', which will be available to meet unexpected / unplanned for costs as well as to finance items that are currently under negotiation. £1.754m represents 0.34% of the expected 2017/18 DSG.

Implications for the Dedicated Schools Grant (DSG) (if any)

These balances represent unallocated resources, which must be spent on DSG functions and in accordance with the Regulations.

Recommendations

The Forum is asked to consider & to note the information provided, Members are also asked to consider whether sufficient information has been provided to enable final recommendations to be made on 11 January 2017 on the use of one off monies.

List of Supporting Appendices / Papers (where applicable)

Appendix 1 – Update on DSG Funds 2016/17
Appendix 2 – Statement of Estimated One-Off Monies and Possible / Proposed Uses

Contact Officer (name, telephone number and email address)

Andrew Redding, Business Advisor (Schools)
01274 432678
andrew.redding@bradford.gov.uk

FUND NAME	2016/17 DSG Value (including any one off sums)	Spend to Date (to end October 2016)	Further Committed Spend before 31 March 2017	Further Forecasted Spend to 31 March 2017 Not Yet Committed	Adjustment for in Year Changes to Academy Recoupment	Total Forecasted Spend up to 31 March 2017	Forecasted Balance at 31 March 2017	Comments
Centrally Managed Funds								
Schools Forum Costs	10,000	5,000	0	5,000		10,000	0	May have a small underspend, subject to cost of meetings December - March
Admissions	577,600		577,600			577,600	0	Fully spent (agreed Schools Forum DSG spend on admissions capacity)
DSG Matched Contribution to School Improvement	1,318,631		1,318,631			1,318,631	0	Fully spent (agreed Schools Forum DSG contribution to Council capacity)
Maintained De-Delegated Funds (excluding income from buy in)								
Surplus Balance of De-delegated Funds held from 2015/16	220,616					0	220,616	Balance held across 2015/16 financial year end close - allocated to the balances of the de-delegated fund lines below
ESBD School Support Team (Primary)	426,361	248,711	177,650	0	-19,958	446,319	-19,958	Balance to be held into 2017/18 (separate decisions on 2017/18 funds in January)
Minority Ethnic School Support Team (New to English Support)	94,350	94,350	0	0	-9,430	103,780	-9,430	Service ceased at the end of April 2016
FSM Eligibility Assessment	119,068	69,456	49,612	0	-12,936	132,004	-12,936	Balance to be held into 2017/18 (separate decisions on 2017/18 funds in January)
Fischer Family Trust Licences	33,560	33,560	0	0	-3,354	36,914	-3,354	Actual cost from FFT (invoice paid)
School Maternity / Paternity 'insurance' fund	1,565,400	1,037,216	728,184	0	-130,278	1,895,678	-330,278	Balance to be held into 2017/18 (separate decisions on 2017/18 funds in January)
Trade Union Facilities Time (excluding income from buy in)	306,032	178,519	127,513	0	-28,863	334,895	-28,863	Final balance including income to be held into 2017/18 (separate decisions on 2017/18 funds in January)
Trade Union Health & Safety Representative Time (excluding income from buy in)	46,765	27,279	19,485	0	-4,411	51,175	-4,411	Final balance including income to be held into 2017/18 (separate decisions on 2017/18 funds in January)
School Staff Public Duties and Suspensions Fund	62,921	10,500	0	52,421	-5,934	68,855	-5,934	Balance to be held into 2017/18 (separate decisions on 2017/18 funds in January)
Other Schools and Early Years Blocks Centrally Managed Funds								
Growth Fund - existing permanent expansions	831,542	831,542	0	0		831,542	0	Expenditure was known in January 2016
Growth Fund - in year permanent expansions	550,000	281,535	0	0		281,535	268,465	Underspend is returned to the ISB in 2017/18
Growth Fund - New Secondary Academy Post Opening Support (Bradford Forster Academy)	427,598	427,598	0	0		427,598	0	Expenditure was known in January 2016
Growth Fund - Existing bulge classes	349,281	349,281	0	0		349,281	0	Expenditure was known in January 2016
Growth Fund - Financial Support for Beckfoot Upper Heaton Academy	2,105,265	517,416	0	0		517,416	1,587,849	2016/17 is the second year of support as agreed with the Schools Forum; the unspent balance is committed to future years
Exceptional Unforeseen Costs "Exceptional Circumstances" & Schools in Financial Difficulty	175,000	160,699	0	0	-13,302	174,001	999	Balance to be held into 2017/18 (separate decisions on 2017/18 funds in January)
Additional Costs Associated with New, Re-Org & Closing Schools - Safeguarded Salaries	81,863	76,393	0	0	-4,663	81,056	807	Balance to be held into 2017/18 (separate decisions on 2017/18 funds in January)
Net saving in the ISB as a result of academy conversions (business rates savings)	0	-227,048	0	0		-227,048	227,048	Cost of business rates in academies is roughly 20% that of community and VC schools. Conversions up to 1 October included in this figure.
Existing provision for the deficit of closing school (converting Academy)	650,000	0	0	0		0	650,000	The school has not yet converted to academy status. This sum is still to be retained.
Early Years Single Funding Formula Adjustments	193,700	0	0	0		0	193,700	Allocated to EYSFF cost.
Position of the Business Rates Account 2016/17 (estimates of cost were used in S251 budgets)	204,727	0	0	204,727		204,727	0	Position to be confirmed following year end reconciliation. This contingency provision is expected to be needed
High Needs Block Variable Funds								
Place Plus - Special Schools (including the 120 interim places from January 2017)	17,743,335		18,595,257			18,595,257	-851,921	Final 2016/17 Cost TBC - estimate is based on profile up to November 2016 plus 120 places Jan - Mar 2017 at £20k per place
Place-Plus - PRUs	5,984,597		6,262,966			6,262,966	-278,369	Final 2016/17 Cost TBC - estimate is based on profile up to November 2016. Includes recovery of additional places cost from the BACs
Place-Plus - Primary Behaviour Centres	892,078		751,130			751,130	140,948	Final 2016/17 Cost TBC - estimate is based on profile up to November 2016
Place-Plus - DSPs	2,776,072		2,597,404			2,597,404	178,667	Final 2016/17 Cost TBC - estimate is based on profile up to November 2016
Place-Plus - Further Education (Post 16)	2,500,000		2,647,074			2,647,074	-147,074	Final 2016/17 Cost TBC - estimate is based on profile up to November 2016
Place-Plus - Early Years Childrens Centre Plus	1,114,312		1,114,312			1,114,312	0	Final 2016/17 Cost TBC - estimate is based on profile up to November 2016
Place-Plus - Mainstream Schools & Academies	3,184,317		3,926,969			3,926,969	-742,651	Final 2016/17 Cost TBC - estimate is based on profile up to November 2016
Place-Plus - Hearing / Visually Impaired Services (ARCs and Central)	4,026,764		4,024,155			4,024,155	2,609	Final 2016/17 Cost TBC - estimate is based on profile up to November 2016
Place-Plus - Education in Hospital, Tracks and Home Tuition	1,228,368		1,507,263			1,507,263	-278,895	Final 2016/17 Cost TBC - estimate is based on profile up to November 2016
Discrete HNB Contingency Provision	848,198	0	0	0		0	848,198	Allocated to HNB Place-Plus costs above.
Secondary funds for additional PRU Places (one off monies)	600,000	347,000	0	0		347,000	253,000	Released for spending across 2016/17 and 2017/18 as agreed (with 2016/17 spending shown above)
Primary one off funds for behaviour centre spending - cash protection (one off monies)	85,000	0	0	0		0	85,000	Released for spending across 2016/17 and 2017/18 - cash budget protection (with 2016/17 spending shown above)
Specialist Equipment	137,500		137,500			137,500	0	Expect full spend
Early Years Inclusion (EYIP for Early Years SEND)	400,000		250,000			250,000	150,000	Expect £250,000 spending based on current profile & forecast
Speech & Language Therapy Services	115,000		140,000			140,000	-25,000	Expect increased cost due to expansion of DSP places
Cost of OLA, Independent & Non Maintained Placements	5,150,000		5,680,000			5,680,000	-530,000	Final 2016/17 Cost TBC - estimate is based on profile up to November 2016 (this is a volatile budget)
Other Funds / Costs / Savings								
2 Year Old Capacity Building Funds Balance (one off monies) from 2015/16 year end	1,948,924	0	0	750,000		750,000	1,198,924	Reported to the Forum in July. Please see EYWG recommendations
Joint Improvement Investment Fund (one off monies) BEICB	1,165,900	872,015	0	0		872,015	293,885	Expect full spend across 2016/17 and 2017/18. Balance at the end of 2016/17 to be retained.
DSG 2016/17 Allocation Adjustment (incorporating 2015/16 Early Years Block DSG confirmation)			2,635,904			2,635,904	-2,635,904	July 2016 confirmed value (with EY estimates for January 2017); reductions for drop in Early Years numbers and EYPP (see net underspends below)
Cost of EYSFF 3/4 Year Olds	29,283,267		28,715,561			28,715,561	567,706	Estimated cost of the EYSFF allocations; still based on a forecast of actual cost in spring 2017
Cost of EYSFF 2 Year Olds	9,911,160		8,950,400			8,950,400	960,760	Estimated cost of the EYSFF allocations; still based on a forecast of actual cost in spring 2017
Cost of Early Years Pupil Premium	1,220,112	153,000	0	647,112		800,112	420,000	A reduction in both cost and DSG allocation. No net material impact.
Support for Outdoor Education Centres (revenue budgets) (one off monies)	228,000	228,000	0	0		228,000	0	2016/17 is the 3rd and final year of financial support agreed by the Schools Forum
DSG Resilience Reserve	3,119,158	0	0	0		0	3,119,158	Originally established by the Forum January 2013 from one off funds; retained at January 2016.
Building Schools For the Future (DSG Affordability Gap)	6,384,271	6,384,271	0	0		6,384,271	0	Final cost may vary slightly from this (RPIX reconciliation)
Total of Funds 2016/17							5,463,362	
VALUE OF BALANCES TO BE RECYCLED INTO DELEGATED BUDGETS / DE-DELEGATED FUNDS IN 2017/18							75,724	
ADDITIONAL UNALLOCATED BALANCE AVAILABLE FROM 31 MARCH 2016 RECONCILIATION REPORT TO THE SCHOOLS FORUM JULY 2016							410,204	
ESTIMATED TOTAL DSG UNDERSPEND "AVAILABLE" AT THE END OF THE 2016/17 FINANCIAL YEAR							5,797,842	

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Total Estimated Value of Available Underspend in the DSG at 31 March 2017 (excluding recycled funds)

£5,797,842

1) Schools Forum has previously committed to spending on these items after April 2017

Growth Fund - Financial Support for Beckfoot Upper Heaton Academy
 Growth Fund - Post Opening Diseconomies of Scale Funding - Bradford Forster Academy (2017/18 & 2018/19)

Value	Phase
£1,937,849	Secondary
£324,385	Secondary

Comments
 Original Agreement January 2015.
 Original Agreement January 2015.

Total of Existing Commitments

£2,262,234

2) Schools Forum Committed / Earmarked to spend on these items in this current year, with full spend having not yet taken place

Joint Improvement Investment Fund Balance (BEICB activities)
 Full release of Primary & Secondary Behaviour monies into the 2017/18 HNB model (including retrospective reimbursement for 2016/17 costs)
 Deficit of a Secondary School converting to Academy Status (to be used at the point the school converts)

Value	Phase
£293,885	All Phases
£338,000	Primary & Secondary
£650,000	Secondary

Comments
 Agreed to be retained by the Schools Forum 7 January 2016
 Agreed to be retained by the Schools Forum 7 January 2016
 Agreed by the Schools Forum 7 January 2016 (continuing the previous agreement)

Total of Earmarked Funding not yet spent

£1,281,885

Total Value of One-Off Monies Already Committed by the Schools Forum

£3,544,119

Total Value of Uncommitted One-Off Monies available for re-allocation or for retention in reserve

£2,253,723

If the TOTAL value of uncommitted One-Off Monies above was allocated on a phase specific basis, the breakdown would be:

based on pupil numbers with a weighting in recognition of the total Primary:Secondary ratio (as per previous Schools Forum reports)

Early Years (weighting 1.02)
 Primary (weighting 3.25)
 Secondary (weighting 1.00)
 High Needs (weighting 4.50)
Total

£124,029
£1,683,626
£292,432
£153,635
£2,253,723

Proposed New Allocation of The Uncommitted One-Off Monies in 2017/18

The EYWG's Recommendation to allocate a proportion of the 2 Year Old capacity building balance in support of retaining EYSFF rates in 2017/18

Value	Phase
£500,000	Early Years & Primary

Comments

Total of Proposed New Allocation of Uncommitted One-Off Monies in 2017/18

£500,000

VALUE UNALLOCATED - TO BE HELD AS A DSG RESILIENCE RESERVE, INCLUDING TO FINANCE ITEMS UNDER NEGOTIATION

£1,753,723

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SCHOOLS FORUM AGENDA ITEM

For Action



For Information



Brief Description of Item (including the purpose / reason for presenting this for consideration by the Forum)

To provide the Schools Forum with an update on the 2017/18 DSG, in advance of the formal announcement by the Government expected later in December and the Forum being asked to make final recommendations on its allocation on 11 January 2017.

Date (s) of any Previous Discussion at the Forum

The Forum has been made aware of cost pressures on the DSG in 2017/18 within recent meetings (especially 21 September 2016 Document GG) and on the implications of Early Years Funding Reform.

Background / Context

As in 2016/17, our DSG allocation in 2017/18 will be split into 3 'notional' blocks:

- Schools Block – Primary & Secondary school and academy budgets and School Block de-delegated items, central items and contingencies.
- Early Years Block – the Early Years Single Funding Formula and centrally managed items and contingencies relating to early years provision (the 2, 3 and 4 year old entitlements).
- High Needs Block – funding provision for children with needs valued at greater than £10,000 per annum, including Special schools, PRUs and Post 16 students in Further Education Colleges.

The 2017/18 DSG has not yet been confirmed. We expect this later in December. Members will be aware however, that the Government has announced that 2017/18 will be largely 'stand still' for the Schools and High Needs Blocks, with some technical changes:

- The DSG Block baselines have been revised, following the exercise completed in March, so that the 2017/18 DSG allocation will be based on our stated spending in each of the 3 blocks in 2016/17. No Local Authority will see a reduction in 2017/18 against their 2016/17 funding levels adjusted for the new spending 'baselines'.
- The Education Services Grant (ESG Centrally Retained Duties - £1.43m) allocation will be transferred into the DSG Schools Block at April 2017.
- Additional High Needs Block funding will be allocated to local authorities. We received an additional £1.09m in 2016/17. We have no indication yet of the value of additional funding for 2017/18.
- The Minimum Funding Guarantee is set again at minus 1.5% for primary, secondary and special schools.
- The proposal to 'ring-fence' the Schools Block, meaning that this Block could not be 'top-sliced' to provide additional High Needs budget, is not introduced at April 2017. This is currently expected to be introduced at April 2018.

As previously reported, under the DfE's Early Years Funding Reform proposals, 2017/18 is not expected to be stand still for the Early Years Block, with our Early Years Block set to reduce, in total by a net £2.4m (- £3m 3 & 4 year olds; + £0.6m 2 year olds), before the allocation of a new Nursery School Supplement and before the addition of funding for the 30 hours entitlement, with this reduction beginning at April 2017. Confirmation of this is expected in the DfE's December DSG announcement.

In the allocation of the DSG in this current financial year, Forum members will recall that the total of planned expenditure on high needs exceeded the notional High Needs Block allocation from the DfE by £5.6m. This 'overspend' was afforded by contributions from the Early Years Block (£0.3m) and, primarily, from the Schools Block (£5.3m). The issue of DSG affordability related to High Needs Block pressures has been a prominent feature of the Forum's deliberations. Across autumn 2015, the Forum discussed the necessity of taking an affordability contribution, by reducing the values of formulae variables across all 3 Blocks, in order to balance the DSG. In January 2016, the Forum settled on a blanket 0.42% reduction for the 2016/17 financial year, which was lower than initially expected due to late notification of an unexpected additional £1.09m of High Needs Block DSG allocated from Government.

The presentation to the Forum by the Deputy Director, Education, Employment and Skills to the Forum in May outlined the anticipated need for the creation of 360 more places in specialist provisions by September 2018, with 120 places needed each year from September 2016 simply to meet increased demand from demographic growth. The Schools Forum agreed the funding of the 1st tranche of 120 places on 21 September 2016. In Document GG, which was presented to the Schools Forum on 21 September, it was stated that we broadly estimate that we need a minimum of an additional £16-£19m in DSG (not including capital costs) over the

Background / Context

2018-2023 period i.e. after the 2017/18 budget is determined, to re-shape and grow our provisions for demand, to meet the revenue costs of additional places, and to respond to specific current pressures, including the growing gap between the funding and cost of Education Health and Care Plan in the mainstream sector (driven in particular by the increase in on-costs on staffing salaries) and the cost of resourced provisions attached to mainstream settings. More work is currently being done on these cost numbers.

Members are reminded of the analysis previously presented outlining the expectation that under a National Funding Formula (NFF) the value of our Schools Block will reduce and the value of our High Needs Block will increase simply because of the way we currently allocate funding, which is related to the higher proportion of children with additional needs that are educated in mainstream settings than in other authorities. We raised with the Forum in September and October an option for the movement of Schools Block funding to the High Needs Block earlier, and perhaps at a faster pace, than may be proposed by the DfE.

Document GG, presented on 21 September, identified an initial funding gap within the 2017/18 DSG of around £5.26m, based on a series of estimates, which would be reduced to £1.22m by the application of a 1.5% reduction in pupil-led formulae factor variables in the Schools Block and central High Needs Block funds. Our consultation on the primary and secondary funding formulae for 2017/18 presented to schools what a 1.5% reduction in pupil-led formulae factors looks like for their delegated budgets next year. As we reported on 19 October, the Authority has had a lot of conversations with schools on this matter since the publication of the consultation document. In reports presented in September and October, it has been suggested that a reduction of at least 1.5% will be required, and we have also asked that the Forum considers the pros and cons of a reduction in the Schools Block greater than 1.5% in 2017/18, putting all primary and secondary schools onto their Minimum Funding Guarantee levels, so that the maximum value of funding is secured to meet High Needs Block cost pressures before the NFF Schools Block ring-fencing restriction comes into force at April 2018. A worst case scenario funding ready reckoner has been made available on Bradford Schools Online, which enables primary and secondary schools and academies to input their own estimate of October 2016 Census numbers on roll, to more accurately assess the possible impact of reductions for their school in 2017/18. The Forum was presented with illustrative 'worst case scenario' modelling on 19 October. This is updated in the separate Document GW presented to this meeting.

Reports presented to the Schools Forum in September and October have outlined the implications of the Government's reform on Early Years Funding on the funding that will be available from April 2017 for delivery of the free entitlements in Bradford, including for the extended 30 hours entitlement from September 2017. We have indicated that the Forum should consider the allocation of one off monies in 2017/18 to help ameliorate the impact of our reduction in Early Years Block funding. The recommendation of the Early Years Working Group on this is presented in the separate Document GV.

The minutes of the 19 October meeting record the Forum's discussions on all these matters, but also on the necessity of securing maximum efficiency in the allocation of the existing High Needs Block. Further information on this is presented in the separate Document GX.

Details of the Item for Consideration

The 3 Notional DSG Blocks

The current 2016/17 financial year re-baselined DSG allocations (prior to academy recoupment) are as follows:

• Schools Block	£408.67m
• Early Years Block	£38.99m
• High Needs Block	£56.93m
Total	£504.59m

Our current re-baselined value of per FTE pupil funding for the Schools Block, prior to the transfer of the ESG Retained Duties Grant, is £4,809 and we expect this will remain at the same value in 2017/18. We receive this for every child recorded in the October 2016 Census in Primary & Secondary schools and academies. We anticipate being funded for an additional 845 pupils in 2017/18, subject to confirmation, from the growth in numbers in this academic year. We estimate then that we will receive at least an additional £4.06m in Schools Block funding in 2017/18. The first call on this funding increase will be meeting the additional cost of delegated budgets for schools and academies with increased numbers. We do not anticipate much available headroom.

The DfE has not yet confirmed the rates of funding for the Early Years Block. Assuming that these are as set out in the earlier consultation, we estimate that our rate of funding for the 2 year old free entitlement will increase from £4.85 to £5.20 per hour and our rate of funding for the 3 and 4 year old free entitlement will decrease from £5.08 to £4.83 with the allocation of an additional Nursery Schools Supplement, estimated to be worth £1.167m. We will receive Early Years Block funding for every child that is recorded in the January

Details of the Item for Consideration

2017 Census (5/12ths) and every child that will be recorded in the January 2018 Census (7/12ths). As such, the value of Early Years Block funding is estimated at this stage. The January 2018 Census will drive our initial funding payment relating to the extended 30 hours free entitlement offer for eligible 3 and 4 year olds, which begins at September 2017. There is an initial one off cost pressure that needs to be met from the DSG in the first financial year of operation of the 30 hours entitlement, as the Authority will fund settings for 26 weeks of provision between September 2017 and April 2018 (26 divided into 38) but the DfE will only fund the DSG 7/12ths over the same period (7 divided into 12).

We are not yet certain of the value of our High Needs Block allocation in 2017/18. We expect to receive additional funding in real terms, in addition to the technical movement of money relating to places in Further Education settings. However, the DfE has provided no indication yet of how the additional resource promised nationally will be allocated between authorities.

Cost Pressures & Considerations for 2017/18

In summary, our INDICATIVE forecast currently identifies a funding gap of around £2.28m in the 2017/18 DSG after the application of a 1.5% reduction in formulae factor variables in the Schools Block and High Needs Block (both delegated and central) funds. However, there is much that still needs to be confirmed. Our indicative model currently shows the following changes in overall spending pressures vs. the re-baselined notional allocation position by Block (negative = underspend; positive = overspend):

DSG Block	2017/18	2016/17	Diff
Schools Block	- £4.58m	£0.00m	- £4.58m
High Needs Block	+ £6.86m	£0.00m	+ £6.86m
Early Years Block	£0.00m	£0.00m	£0.00m
Total	+ £2.28m	£0.00m	+ £2.28m

The DfE's announcement of our DSG allocation, plus the re-calculation of delegated budgets using the full October 2016 confirmed dataset, both of which will be available later in December, will allow us to finalise this position. This will be presented to the Forum on 11 January and it is on this basis that members will be asked to make final recommendations on the 2017/18 Schools Budget.

If the final estimated position is as estimated above, the Authority with the Forum will need to take steps, at the very least, to reduce total spending in the DSG by £2.28m in order for the 2017/18 Schools Budget to balance. £2.28m is small in % terms (0.4%) but is a sizeable cash number.

The following gives an overview of the main additional costs and changes in income within the DSG in 2017/18 that make up the numbers in the table above.

Early Years Block

- The expected / estimated loss of funding for the 3 and 4 year old free entitlement (£1.48m)
- The expected / estimated value of the new Nursery School Supplement (- £1.17m)
- The estimated cost of delivery of the extended 30 hours entitlement, net of the estimated additional funding from the DfE for the period September 2017 to March 2018 (£0.66m).
- The contribution of the Early Years Block to the High Needs Block EYIP Budget (£0.30m).
- The reduction to the cost of the Early Years Single Funding Formula in order to balance the Early Years Block (- £1.27m), following the 'ring-fencing' of the Early Years Block.

Schools Block

- Inflation on the DSG's Building Schools for the Future affordability gap contribution (£0.17m).
- Increase in split site formula costs (£0.04m).
- Estimated increased cost of the central copyright licences charge (£0.04m).
- Additional DSG from the increase in numbers recorded in the October 2016 Census (-£4.07m).
- Additional formula cost from increased numbers in the October 2016 Census and other (£3.39m).
- Estimated reduction in the total cost of Growth Funding (-£0.16m).
- Difference in value vs. 2016/17 in the recycling of one off monies (-£0.03m).
- Reduction in cost from the 1.5% reduction in pupil-led formulae factors and a 0% ceiling (-£3.96m).

High Needs Block (figures quoted are differences from the 2016/17 planned High Needs Block budget)

- Estimated additional DSG High Needs Block funding (£1.09m)
- Saving from the 1.5% reduction in High Needs Block centrally managed budgets (-£0.12m). *
- The contribution of the Early Years Block to the High Needs Block EYIP Budget (-£0.30m).

Details of the Item for Consideration

- Adjustment of one off monies relating to the behaviour support balances (-£0.09m)
- Estimated growth in cost of allocated special school places (£0.74m)
- Estimated growth in cost of allocated PRU places (£0.53m)
- Estimated growth in cost of Independent / NMSS / OLA placements (£1.43m)
- Estimated growth in cost of DSP & ARC provision, including small setting factor (£0.49m)
- Estimated growth in cost of mainstream EHCPs and SEN Floor (£1.40m)
- Estimated growth in cost of places in Further Education settings (£0.20m)
- Estimated growth in cost of Tracks & Education in Hospital placements (£0.11m)
- Estimated growth in cost of Medical Home Tuition (£0.35m)
- Sum of smaller individual adjustment (-£0.23m)
- Increased provision for currently unallocated places (£3.44m):
 - 120 SEND places April 2017 – August 2017 (the 1st tranche, agreed by the Schools Forum 21 September 2016)
 - 240 SEND places September 2017 – March 2018
 - In the range of 20 SEMH places April 2017 – August 2017
 - In the range of 40 SEMH places September 2017- March 2018

* Document GX outlines that the notional saving from a 1.5% reduction in top up rates for specialist settings is £0.299m. GX Appendix 2 provides analysis of this. This saving is included here in the other delegated figures stated for the HNB.

Starting Position for Modelling / Guiding Principles DSG 2017/18

The Forum's DSG discussions on 11 January will likely focus on 3 main areas:

- The impact of the expected reduction in Early Years Block resulting from the DfE's Early Years Funding Reform, including the allocation of the Nursery Schools Supplement and one off monies that may be able to provide some enhanced protection for provider funding rates in 2017/18.
- The size of the contribution that the Schools and Early Years Blocks should make to meet the cost of the growth in planned spending in the High Needs Block.
- The growth in planned spending in the High Needs Block.

Set out below are the suggested starting positions for the DSG modelling to be presented on 11 January and some principles to consider that may help guide the Forum's discussions and decision making at this meeting:

- At the very least, the Authority, with the Schools Forum, must set a balanced DSG allocation for the 2017/18 financial year, where on-going costs are not substantially supported by one off monies / reserves unless it is clear now how these on-going commitments can be financed in the future.
- The value of the Education Services Grant – Statutory Retained Duties – that is transferred into the DSG (estimated at £1.442m) will continue to be allocated to the Council to deliver statutory functions and will not be available for other purposes.
- The Early Years Block will be self contained (effectively ring-fenced), neither over nor under spending against the DfE's allocation, except for meeting the cost of the Early Years Inclusion Panel (EYIP) resource within the High Needs Block (currently set at £300,000). It is assumed that the Forum will not be minded to reduce rates of funding in the Early Years Block any further than what is needed in response to the reduction in this Block from the DfE's Funding Reform proposals and to pay for the EYIP budget. As such, the Early Years Block would be excluded from any additional 'affordability' top slice relating to the High Needs Block. We would apply the existing principle that any over or under spend against the estimated cost of the EYSFF, resulting from termly adjustments and from the re-calculation of the DSG for January 2017 & January 2018 pupil numbers, will be written off from, or added back to, the Early Years Block in 2018/19.
- Where an affordability / High Needs Block contribution reduction to the primary and secondary schools funding formulae is applied e.g. at 1.5%, the same % reduction will be applied to both the delegated and centrally managed High Needs Block budgets, where the Regulations allow. For example, this means that the same % reduction would be applied to the rates of top up funding within our Ranges Model. However, we are not permitted to reduce the value of place-element funding as this is set by the Regulations at £10,000 for SEND and £8,000 for Alternative Provision. This follows the approach we took in 2016/17, where we applied a blanket 0.42% reduction. Please note however, that we cannot reduce the rates of top up funding in our Ranges Model by more than 1.5% without triggering the Minimum Funding Guarantee for special schools. As such, we would view 1.5% as the maximum reduction in top up rates.

Specifically regarding the Schools Block (primary and secondary):

- The Schools Block will meet its own pressures and will then be expected to make a contribution to the High Needs Block.

Details of the Item for Consideration

- The reduction in contribution from delegated budgets within the Schools Block as a result of the cessation of the DSG's Matched Contribution to School Improvement at September 2017 will be added to the base funding per pupil (primary £11.56 and secondary £5.04 on a per pupil phase basis) before any further adjustments are made. This newly delegated funding will be excluded from the calculation of the Minimum Funding Guarantee.
- As applied in previous years, significant additional cost pressures in Schools Block Additional Educational Need formulae funding that come from changes in data recorded in the October 2016 Census will be contained within that formula area (by phase). For example, an increase in secondary phase FSM% will be contained within the secondary phase FSM deprivation funding formulae by reducing the value of the FSM formula variable. Any savings from data change as a result e.g. of a reduction in FSM will normally be taken to be added to the DSG headroom for consideration by the Forum on how to re-allocate. Information on the costs and savings resulting from data change in the October 2016 Census will be presented to the Forum on 11 January.
- A simple 1.5% reduction will be applied to the pupil-led factors within the primary and secondary funding formulae, as shown in previous versions of modelling presented to the Schools Forum. The first iteration of this will be a 1.5% blanket reduction across all pupil-led factors. However, some adjustments may be made where rates of funding have already been adjusted to take account of data changes (as explained in the paragraph above). The impact of this blanket reduction will be proportionately higher for the secondary sector where the rates of pupil-led funding are higher than in the primary sector e.g. in base AWPU funding (secondary £60.70 £app; primary £37.74 £app). The 'worst case scenario' for all schools and academies will also be included in the modelling. A draft of what this modelling will look like is shown in Document GW Appendix 1.

Implications for the Dedicated Schools Grant (DSG) (if any)

As outlined in this paper.

Recommendations

Members are asked to consider the information presented in the report, in advance of making final recommendations on 11 January 2017.

List of Supporting Appendices / Papers (where applicable)

None

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SCHOOLS FORUM AGENDA ITEM

For Action



For Information



Brief Description of Item (including the purpose / reason for presenting this for consideration by the Forum)

The Schools Forum is asked to consider the outcomes of the consultation and make final recommendations on the structure of the Early Years Single Funding Formula for the 2017/18 financial year.

Date (s) of any Previous Discussion at the Forum

A report on the DfE's consultation on Early Years Funding reform was presented to the School Forum on 21 September 2016. The Schools Forum agreed to the publication for consultation of our proposals for our Early Years Single Funding Formula for the 2017/18 financial year at the last meeting on 19 October.

Background / Context

At the Schools Forum meeting 20 July 2016 it was reported that a further £1.2m of unspent resource is available from the DSG's earmarked funding previously allocated for the development of the 2 Year Old Offer. The Forum asked that the options for the use of this £1.2m be referred to the Early Years Working Group for consideration. It was reported to the Forum on 19 October that the EYWG recommends that the £1.2m is earmarked for 2 purposes:

- To help in the response to ensure that sufficient funding is available to support early years providers with the cost of meeting the needs of children with SEND going forward.
- To provide short-term protection to ameliorate against the full impact of the reduction in setting base rates for the 3 and 4 year old offer in 2017/18 that comes from the reduction in the Early Years Block allocated by DfE.

The Government's new 30 hours free entitlement for 3 and 4 years olds of working parents is to be implemented from September 2017. Bradford is an 'early innovator' authority. A project board is overseeing our development work, including the development of pilot delivery from September 2016. Funding will begin in and from the DSG for this additional offer from September 2017 (7/12ths in 2017/18). The DfE estimates an additional 2,398 PTE to be funded in Bradford, with DSG funding of £6.25m on a full year on-going basis.

Details of the Item for Consideration

Document GP Appendix 1, presented to the Forum on 19 October 2016, set out our understanding of the implications of the DfE's reform of Early Years Funding (a new National Funding Formula) on Bradford's early years funding levels, our immediate proposed response for the 2017/18 financial year to the DfE's changes and how we propose to move to new funding arrangements, which the DfE proposes to be in place from 1 April 2019 at the latest. The Technical Statement and Timetable in Document GP Appendix 1 explained in detail how funding for the early years free entitlements is proposed to be calculated and delegated for individual early years providers. The consultation focused on proposals for the structure of our Early Years Single Funding Formula for the 2017/18 financial year; how we calculate and allocate funding for the free entitlements. As with the Primary and Secondary formulae consultation, we stressed that the Schools Forum will continue to discuss the rates of funding before making final recommendations on these, in the round, on 11 January 2017.

The introduction and summary section of the consultation paper (a repeat of what was presented on 19 October) is attached at Appendix 1 for the Forum's reference. This outlines the proposals for 2017/18.

There have not been any further formal announcements from Government about its planned reform since the publication of its original consultation document in August. We currently await confirmation of our 2017/18 Early Years Block funding value. As we reported to the last Forum meeting, there are 2 aspects of the DfE's proposals, where it is unclear whether these are to be implemented at April 2017 or April 2019:

- The restrictions around the type of formula supplements, meaning that our current supplement for nursery schools would not be permitted. We assume in our proposals for 2017/18 that we can continue this

Details of the Item for Consideration (continued)

supplement as this appears to follow the spirit of the DfE's proposals, which aim for stability for nursery schools over the 2017-2019 transition period. From a meeting that nursery headteachers had with the DfE recently, it appears that the DfE's general expectation is that nursery schools will continue to be funded as they are now in 2017/18. The DfE also expressed its view that it is expected that local authorities will spend the full value of the Nursery School Supplement on nursery schools across 2017-2019.

- The capping of total spending on supplements, including deprivation, to 10% of budget. We propose to move our deprivation spending to 10% of budget at April 2017 so that we are not 'caught out' where this restriction comes into place at April 2017 and is announced after the Schools Forum has made its recommendations on the 2017/18 DSG in January 2017. It is also the case that this movement of budget helps mitigate against the reduction in the 3 and 4 year old setting base rates, brought about by the DfE's reduction of our value of Early Years Block, especially in the PVI sector (it transfer £1m of budget from deprivation to base rate spending).

Responses to Our Consultation

The consultation document was posted on Bradford Schools Online. An email notification through BSO was sent to all PVI providers and to the Primary Business Managers' Forum. A separate meeting was held with the headteachers and business managers of the nursery schools. One of the general points that has been made is how complicated these changes are. We have received 6 formal written responses to our consultation on Bradford's Early Years Single Funding Formula for the 2017/18 financial year. These responses have been submitted by providers from the PVI sector (5) and a nursery school (1). A simple analysis of the responses is given below. Not all responses answered all questions.

Question 1 – Do you agree with the guiding principles?

- 6 strongly agreed or agreed on balance

Question 2 – Do you agree with proposed timetable for implementing early years formula funding change in Bradford across 2017-2019?

- 3 agreed; 2 disagreed expressing concerns about the short period of notice given for providers to respond to what are significant changes and funding reductions.

Question 3 – Do you agree with the proposal to continue the existing technical, administrative, payment and counting arrangements in 2017/18, and to extend these arrangements to the funding of the extended 30 hours entitlement for 3 and 4 years olds?

- 6 strongly agreed or agreed on balance

Question 4 – Do you agree with the proposed approach to funding the 2 year old free entitlement in 2017/18?

- 6 strongly agreed or agreed on balance

Question 5 – Do you agree with the proposed approach to funding the 3 and 4 year old free entitlement in 2017/18?

- 5 strongly agreed or agreed on balance with all but one of the elements. 3 disagreed with the trajectory of the NFF rates reduction.

Question 6 – Are there any changes that you would like to see made to the Early Years Single Funding Formula in 2017/18 that have not been proposed?

Question 7 – Do you have any comments on these estimated rates of funding?

Question 8 – Do you have any other comments that you have not made elsewhere in your response?

Comments in response to questions 6, 7 and 8 focused on the scale of the expected reduction in the funding of the 3 and 4 year old entitlement, in itself and in the context of rising costs, such as the national living wage and also the implementation of the 30 hours offer. Comments set out views about the seriousness of the impact that such is likely to have on the financial sustainability of providers, the quality of provision, the retention of highly qualified staff and the delivery of the 30 hours entitlement within the PVI sector.

The longer term implications of the DfE's proposed reduction in Bradford's Early Years Block will need to be considered in detail. We have set out a timetable for further formula review work and for a consultation in Bradford towards the end of the summer term 2017 to establish our funding approach from April 2018. At this stage, the DfE has not confirmed its final plans for early years funding reform. Our consultation and the information we have presented on funding rates in 2017/18 and in future years are based purely on the assumption that the DfE's proposals are implemented. There is nothing in the received responses to our consultation that fundamentally disagrees with how we propose to respond in 2017/18 should these reductions begin at April 2017. On this basis, we recommend that the Schools Forum recommends to the Council's Executive that the EYSFF as set out in the consultation paper (Document GP Appendix 1) is adopted for the 2017/18 financial year. We also recommend that the Forum more closely considers the use of one off monies in 2017/18 to help mitigate against impact.

Details of the Item for Consideration (continued)

Allocation of £500,000 of One Off Monies into the 2017/18 EYSFF

As reported to the last Schools Forum meeting, a recommendation of the EYWG is to use a proportion of the £1.2m balance in the DSG's 2 year old places capacity building resources to provide short-term protection to ameliorate against the full impact of the reduction in setting base rates for the 3 and 4 year old offer in 2017/18 that comes from the reduction in the Early Years Block allocated by DfE.

A proposal to allocate £500,000 on a one off basis in the 2017/18 3 and 4 year old EYSFF was presented to the EYWG at its meeting on 21 November. This proposal is now recommended by the EYWG to the Schools Forum and the Forum will be asked to make its final recommendation on 11 January. The allocation of £500,000 fully into 2017/18, alongside the movement to 10% maximum deprivation spend, significantly protects the 3 and 4 year old setting base rate, especially for PVI providers. This is done on the understanding that no further one off monies will be available to be allocated in 2018/19 i.e. this approach provides for a more significant value of protection only next year, rather than providing for a smaller value of protection across 2 years (which is what would happen, for example, if 50% of the available £500,000 was allocated in each of the next 2 financial years).

The allocation of the £500,000 (and the impact that this has on funding rates) is set out in the indicative rates table below. Holistically, £500,000 raises the 3 and 4 year old funding rates by £0.08. However, this is distributed differently across the 3 types of providers (nursery schools, nursery classes and PVI providers).

At this stage, no further allocation of the £0.70m remaining from the £1.2m 2 year old balance is proposed. The £0.7m is contained within the £1.75m total DSG reserve figure shown in Document GT Appendix 2. In thinking about this, it is important that Members are reminded that an additional £2.5m of one off monies within the DSG has been previously allocated to capital funding for the development of 2 year old places capacity i.e. if the £0.70m is brought back to the DSG reserve we will still have spent £1.8m more on the development of 2 year old places capacity than allocated by the DfE within the DSG.

The EYWG has made the recommendation, reported to the Schools Forum on 19 October, that the £0.7m or a proportion of this should be used to help ensure that sufficient funding is available to support early years providers with the cost of meeting the needs of children with SEND going forward. This is an area of review that is being taken forward by the Local Authority. Whether one off monies are used to support this work will need to be considered by the Schools Forum, and the Local Authority, in the round and in the context of the other cost pressures facing the DSG. We generally would not expect one off monies to be allocated to resolve on-going funding issues. A proposal was set out in the consultation document for the Early Years Block to finance the Early Years Inclusion Panel budget in 2017/18 (currently estimated at £0.30m). The value of this budget, how it is funded and allocated, will be influenced particularly by the Government's National Funding Formula proposals for the High Needs Block and this will need to be considered in our response to this.

Indicative 2017/18 3 and 4 Year Old Funding Rates (for information only at this stage)

The table below sets out, as these currently stand, the estimated total rates of funding within the 3 and 4 year old EYSFF for the 2017/18 financial year. A significant health warning is attached to this information; these rates are calculated using estimated numbers (including take up of the 30 hours) and estimated DSG funding. The latter will be confirmed by the DfE mid December.

The intention in presenting this information is to give a simple view of how our key proposals for 2017/18 affect each type of provider in Bradford in the context of the reduction in Early Years Block funding. The key proposals are set out in Appendix 1, but the information below focuses on 2 in particular:

- Responding to the DfE's proposed restriction that means that we must reduce our % of spend in the 3 and 4 year old EYSFF on deprivation from 13.2% to 10% (a reduction of £1m on 2016/17 numbers).
- To allocate an additional £500,000 into the 3 and 4 year old EYSFF on a one off basis in 2017/18, using the expected NFF trajectory as a guide. As set out in our consultation document, in assessing what we do for 2017/18, the trajectory and final expected position of the Early Years Block at April 2019 must be followed to avoid making a change in 2017/18, for example, that is then reversed in 2018/19 or in 2019/20 because the Government's funding reform is going in the opposite direction.

Table 1	2016/17 Actual Total Rate	A: 2017/18 B4 £500k; B4 13.2% > 10%	B: 2017/18 B4 £500k; With 13.2% > 10%	C: 2017/18 With £500k; With 31.2% > 10%
Nursery Schools *	£7.56	£7.05	£7.27	£7.45
Nursery Classes	£4.89	£4.82	£4.65	£4.68
PVI	£5.13	£4.61	£4.83	£4.98
Total All	£5.16	£4.89	£4.89	£4.97

* Please note that this does not include the balance of the Nursery School Supplement (please see below)

Details of the Item for Consideration (continued)

A: The position prior to adjusting our deprivation spending to 10% and without the allocation of £500,000 of one off monies. This is simply showing the impact of the first stage of reduction in the Early Years Block brought by the Government's NFF reform proposals at April 2017.

B: The position including the adjustment of deprivation spending from 13.2% to 10% but without the allocation of the £500,000 of one off monies. This is showing the impact of the reduction in the proportion of the EYSFF allocated towards deprivation. Compare B vs. A.

C: The position including both the adjustment of deprivation spending to 10% and the allocation of £500,000 one off money. This is showing how the one off money is allocated to protect funding rates. This is the model that follows our current proposals. Compare C vs. B and then C vs. 2016/17 actual.

The table below shows more clearly the differences by type of provider between 2016/17 actual total rates of funding and rates as these currently stand based on proposals for 2017/18.

Table 2	2016/17 Actual Total Rate	C: 2017/18 With £500k; With 31.2% > 10%	£ Difference	% Difference	Cash Reduction
Nursery Schools *	£7.56	£7.45	- £0.11	- 1.5%	- £46,200
Nursery Classes	£4.89	£4.68	- £0.21	- 4.3%	- £754,000
PVI	£5.13	£4.98	- £0.15	- 3.1%	- £383,000
Total All	£5.16	£4.97	- £0.19	- 3.7%	- £1,183,200

The table below shows the forecasted % of 3 and 4 year old hours delivered in each type of setting and the % of the cash reduction shown in the table above:

Table 3	% of Hours Delivered	% of Cash Reduction	Median Average Reduction	Maximum Reduction	Minimum Reduction
Nursery Schools	6%	3.9%	n/a	n/a	n/a
Nursery Classes	56%	63.7%	- £5,205	- £16,005	- £790
PVI	38%	32.4%	- £250	- £9,987	+ £177

The figures in the tables above demonstrate that the allocation of the one off £500,000 has a clear impact in protecting the funding position of the PVI sector in 2017/18. The reduction in the deprivation % to 10% is also significant in protecting this sector (as this re-distributes £1m of funding through the setting base rates). Correspondingly, the reduction to 10% is the most significant factor behind the reduction in the funding rate for nursery classes. Our estimate of the NFF trajectory is for a universal setting base rate of £4.11 at April 2018 and April 2019. At £4.13 in 2016/17 and 2017/18, the setting base funding rate for nursery classes is already very close to this. Although some of the £500,000 one off money could be re-directed to nursery classes by increasing their base rate above £4.13 in 2017/18, this would be a temporary measure only that will be out of step with what we predict for the NFF trajectory, which will be a reduction to £4.11. We could choose not to adjust our deprivation spending, to keep this at 13.2%. This would be risky. In moving to 10% we have assumed that the DfE's proposal will be established and from April 2017. This is one of the areas of uncertainty that we have highlighted earlier in this report. We propose to move our deprivation spending to 10% of budget at April 2017 so that we are not 'caught out' where this restriction comes into place at April 2017 and is announced after the Schools Forum has made its recommendations on the 11 January 2017. It is also the case that this movement of budget helps mitigate against the reduction in the 3 and 4 year old setting base rates.

Estimating the NFF trajectory, we calculate that the PVI sector will see a more substantial final reduction in its funding rates at the point that the full proposed reduction in our Early Years Block 3 and 4 year old funding is implemented, as the table below shows:

Table 4	2016/17 Actual Total Rate	Estimated Rate at April 2019	% Reduction
Nursery Schools – With NSS same value	£7.56	£7.28	- 3.8%
Nursery Schools – Without NSS	£7.56	£4.78	- 36.9%
Nursery Classes	£4.89	£4.63	- 5.3%
PVI	£5.13	£4.47	- 13.0%

It is in this context that the proposals for 2017/18 are put forward. The table above also demonstrates the scale of uncertainty around the impact of the Government's NFF reform on nursery schools, in particular the position of the Nursery School Supplement (NSS).

Details of the Item for Consideration (continued)

The Nursery Schools Supplement (NSS)

Within the DfE's consultation modelling an indicative sum of £1.167m is added back into our Early Years Block identified as a 'Nursery Schools Supplement'. This sum is still indicative and is expected to be confirmed for 2017/18 by the DfE mid December. It is assumed that this Nursery Schools Supplement will be available in each of the next 2 financial years.

The DfE's consultation document does not state specifically that this sum is ring-fenced. However, from a recent meeting, the DfE has a clear expectation that this sum will be spent supporting nursery schools during the period 2017-2019; to enable local authorities to afford to maintain current funding methodologies but also to support this sector in its financial sustainability (and investing for change). The DfE says that it will be consulting further on the position and funding of the nursery school sector shortly.

The scale of the uncertainty currently is massive, as the table above indicates. If the NSS stops at April 2019, nursery schools in Bradford are estimated to see a 37% reduction in funding, based on maintaining current pupil numbers. If the NSS (or some form of funding differentiation and enhancement) continues, the nursery schools will definitely need to respond to ensure sustainability but the height of the 'cliff face' may be much lower. At best, the DfE's August consultation document gives a very uncertain view about the future funding position of nursery schools from April 2019. At worst, in this document can be read the expression of a direction of travel away from enabling the differentiation of funding to support nursery schools' costs. This is certainly how a number of authorities and other bodies have interpreted what the DfE has said.

As set out in paragraph 2.1 of our consultation document, we propose in Bradford to establish the principle that the DfE's Nursery School Supplement should be spent on our 7 nursery schools, not diverted to any other purpose, so long as this funding continues. Bradford's EYSFF, as previously agreed, allocates an enhanced level of funding to our 7 nursery schools in the following 3 ways (quoting indicative 2017/18 values):

- A higher setting base rate, at an indicative cost of £482,500
- A sliding-scale lump sum factor, at an indicative cost of £382,700
- A smaller lump sum for the cost of catering provision, at a cost of £25,300

The indicative value of spending in these 3 elements in 2017/18 is £890,500. Against the DfE's indicative NSS allocation, this leaves a balance of £276,500. Please note that this balance figure is estimated and will be affected if the figure confirmed by the DfE mid December is substantially different from the indicative £1.167m.

Forum Members will be aware that the position of nursery schools in Bradford is intrinsically linked to key District strategies, including children's centres and SEND provision. Following discussions with both the EYWG, and the nursery school headteachers, it is proposed at this stage to retain the balance of the NSS (indicatively £276,500) with a view to this being used to support nursery schools in an agreed way once the DfE has set out its longer term proposals for funding and once the 'height of the cliff-face' from April 2019 is clear. Further consultation, lead by the DfE, is expected. We would expect to report planned spending of this balance to the Schools Forum before any commitments are made.

A Note on Uncertainties and Next Steps

Within this report we have explained that there are key elements of the Government's NFF proposals, where the status and timing of change is still currently uncertain:

- The position of the Nursery Schools Supplement from April 2019
- The restrictions around the types of formula supplement at April 2017
- The capping of total spending on supplements, including deprivation, to 10% of budget, at April 2017

We expect confirmation of changes to be published by the DfE shortly. We are planning to address formula funding changes in the longer term within our review work next year and we anticipate publishing our own consultation document on funding arrangements in Bradford from April 2018 towards the end of the summer term 2017. In this document we anticipate that we will be able to set out a more accurate view of the NFF trajectory and future year rates of funding for types of providers.

If the DfE confirms anything after the Schools Forum meeting on 11 January that materially affects our EYSFF for 2017/18, in so far as we will not be non compliant with the Regulations if we do not make alteration, we will work with the EYWG and would expect to present something to the Schools Forum in the March meeting. We have taken steps within our proposals e.g. in moving our deprivation spend to 10% that should avoid this being necessary unless the DfE alters its proposals as set out in August.

Finally, we would also like to stress that, within the 2017/18 financial year DSG construct, we are estimating the take up of the 30 hours free entitlement for eligible 3 and 4 year olds. We will need to reconcile estimates with actuals and may need to adjust the 2018/19 DSG allocation for any differences (positive or negative).

Implications for the Dedicated Schools Grant (DSG) (if any)

Direct implications as set out in the consultation paper (Document GP Appendix 1) and in the tables above.

Recommendations

The Forum is asked to consider the outcomes of the consultation and to make final recommendations on the structure of the Early Years Single Funding Formula for the 2017/18 financial year.

Members are asked to note at this stage the Early Years Working Group's recommendation for the use of £500,000 of off monies in support of the protection of the 3 and 4 year old base settings rates in 2017/18. The Schools Forum will be asked to make a final recommendation on this on 11 January.

List of Supporting Appendices / Papers (where applicable)

Appendix 1 – Consultation Introduction and Summary.

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Document GV Appendix 1

Consultation - Bradford District Early Years Single Funding Formula 2017/18

(repeats Document GP Appendix 1 presented on 10 October)

1) Introduction

1.1 Attached with this introduction is the full Technical Statement, which sets out the proposed methodology and timetable for the calculation of funding allocations for individual providers delivering the 2, 3 and 4 year old free entitlements in 2017/18. This Statement includes direction on the funding of the extended 30 hours free entitlement for eligible 3 and 4 years olds from September 2017.

1.2 Our proposals also incorporate our immediate response to the changes set out by Government in its consultation on national funding formula and early years funding reform, which can be accessed [here](#). These reforms will have significant implications for the funding of early years provisions in Bradford. There are some aspects of the Government's reforms where it is currently unclear when change is required to be implemented from, April 2017 or April 2019, especially in changes to the funding of nursery schools. In pulling our proposals together, we have assumed that we can continue in 2017/18 to fund nursery schools as we currently do now. If it is confirmed by Government that this is not possible, we will need to revisit some of our proposals.

1.3 Please note that the values of funding rates quoted in this consultation document, including the Setting Base Rates, are indicative only at this stage and should be viewed with caution. These indicative rates are highlighted in yellow. It is expected that rates of funding for 2017/18 will be set following the Schools Forum meeting on 11 January 2017. The rates presented in this document do however, incorporate our initial estimate of the impact of the reduction in Bradford's Early Years Block funding at April 2017 that is set out in the Government's funding reform consultation document. Therefore, these do give providers some sight of the scale of reduction in the funding that they will receive from the Local Authority in 2017/18. Further reductions will take place in 2018/19, as set out in the impact assessment paragraph below.

1.4 We have briefed previously on our expectation that, because we currently fund our early years provision within the Dedicated Schools Grant (DSG) at a rate that is significantly higher than the national average, and in most other authorities, we are likely to lose from national formula funding arrangements. For reference (as a starting point for understanding and for comparison):

Bradford's 2016/17 DSG Early Years Block currently is £39.18m. This is 7.8% of the total DSG. It is made up of the following elements:

- 3 and 4 Year Old Offer £29.91m (76%)
- 2 Year Old Offer £8.93m (23%)
- Early Years Pupil Premium £0.34m (1%)

Our current 2016/17 Early Years Single Funding Formula allocates funding to providers as follows:

- A 2 Year Old Offer universal setting rate £4.83 per hour
- 3 and 4 Year Old setting base rates x3:
 - Nursery schools £5.70 per hour
 - PVI providers £4.62 per hour
 - Nursery classes £4.13 per hour
- An additional individual setting 3 and 4 year old deprivation rate, calculated using a 3 year rolling IDACI average. 13.2% of the total 3 and 4 year old budget is allocated via this factor. The mean average rate is £0.68 per hour.
- An additional sustainability lump sum, incorporating catering costs, for nursery schools; total allocation of £0.38m.

- An additional allocation, £333 per term, for Looked After Children in all settings.
- The Early Years Pupil Premium to the formula and conditions set by the DfE (£0.53 per hour for eligible children).

The distribution between settings of children taking up the free entitlement offers (based on 2016/17 indicative numbers) is as follows:

- 2 Year Old: 11% nursery schools; 18% nursery classes; 71% PVI providers
- 3 and 4 Year Old: 7% nursery schools; 37% PVI providers; 57% nursery classes

1.5 A detailed report was presented to the Schools Forum on 21 September 2016 on the Government's planned early years funding reform and the implications for the Bradford District. To summarise our initial view of the impact of the Government's plans:

- A quite substantial (7%) increase in funding for the 2 year old offer from April 2017 (a £0.6m gain to Bradford on January 2016 numbers), with the rate of funding per hour for providers possibly increasing from £4.83 to £5.20.
- A substantial (10%) reduction in funding for the 3 and 4 year old offer, of £3.01m in the DSG on January 2016 numbers, meaning funding rates for 3 and 4 year old free entitlement provision will need to reduce, especially for nursery schools and PVI providers, starting from April 2017. This is funding lost from the District; it is not retained to be recycled into another part of the Dedicated Schools Grant.
- Nationally, 112 authorities are gaining from the Government's proposals; 38 are losing (a number of London authorities are particularly negatively affected; Bradford's position is the worst of Yorkshire regional authorities).
- A significant alteration in the distribution of funding between providers within Bradford. A flattening of this distribution as a result of the proposal for a universal base rate.
- Very significant implications for the levels of DSG funding to nursery schools. The DfE indicates that there will be further consultation on this, with transitional protection in place "for at least" 2 years.
- A weakening of the proportion of funding allocated to deprivation (so a further flattening of the distribution on top of that from the universal base rate).
- Transitional protections in place 2017-19 meaning the full value of loss is not felt immediately, but substantial losses will still need to be managed in these transitional years (especially in 2018/19).
- Some lack of clarity on whether various restrictions come into place at April 2017 or April 2019.

1.6 A summary of the Government's structural proposals behind these points, as these affect provider-level allocations (*with Bradford's context shown in italics*):

- The calculation of allocations to early years providers will remain under the management of local authorities but under tight national statutory restrictions.
- 2 year old funding and the Early Years Pupil Premium, on their existing formulae, will continue.
- Authorities must have established a single universal base rate of funding for all providers by April 2019 at the latest (with encouragement for earlier implementation). *We currently have 3 different Setting Base Rates for different types of providers.*
- The amount by which the Early Years Block can be 'topliced' for centrally managed funds is restricted to 5% of the total budget. *We currently topslice 1%.*
- Authorities must have a deprivation factor and can continue to set their own method for allocating this to providers, but the total of spending on all supplements is limited to 10% of the budget. *We currently spend 13.2% on deprivation.*
- The types of supplements authorities can use will be restricted to: deprivation (mandatory), rurality (optional), key policy objectives e.g. flexibility (optional). *We have not previously employed any of these supplements. However, this means that our current lump sum funding (to nursery schools) and sustainability mechanisms would not be permitted. Unclear whether this restriction applies from April 2017 or April 2019.*
- Authorities are encouraged to introduce (if not in place already) funds for inclusion for SEND children. These can be funded from the Early Years Block. *We have these funds in place already.*
- The Minimum Funding Guarantee will no longer be applied in the Early Years Block. *Currently, this MFG restricts the value of reduction in the setting base rate to a maximum of 1.5% on the rate in the previous financial year.*

- A new grant stream within the DSG, which will allocate funding on an annual basis for children in receipt of Disability Living Allowance (DLA).

2) Bradford's Early Years Single Funding Formula – Proposals for 2017/18 in Response to Government Funding Reform

2.1 Our proposals for amendment to Bradford's Early Years Single Funding Formula (EYSFF) for the 2017/18 financial year, in response to the Government's announcement, are based on the following guiding principles:

- The Early Years Block (EYB) must be self contained and must not require contributions from the other 2 DSG Blocks in 2017/18 and in the future.
- The DfE's Nursery School Supplement should be spent on Nursery Schools, not diverted to any other purpose, so long as this funding continues. There are options for how this supplement (or an element of this supplement can be used).
- The EYB should continue to contribute to High Needs Block (HNB) pressures, especially HNB funds that directly support early years activities. However, the value of this contribution must be controlled and assessed in the context of the reduction in EYB funding that will need to be managed 2017-19.
- The values of funding rates for the 3 and 4 year old entitlement for settings will reduce in 2017/18 because the Early Years Block is reducing. It will also be helpful to start to make change towards a new required funding approach in 2017/18. However, it is unrealistic, in the time we have before the 2017/18 DSG allocation is set at the beginning of January 2017, for the Authority with the Schools Forum, to develop, test, properly consult on and communicate significant formula change, such as the introduction of a universal base rate, in time for providers to react and amend their business models for April 2017. It is also the case that we may not know the final outcomes of the DfE's consultation until late in the autumn term or early in the new year, giving even less time to react to establish arrangements for 2017/18 on a certain basis.
- In assessing what we do for 2017/18, the trajectory and final expected position of the EYB at April 2019 must be followed to avoid making a change in 2017/18, for example, that is then reversed in 2018/19 or in 2019/20 because the Government's funding reform is going in the opposite direction.

Question 1 – Do you agree with the guiding principles? If not, please can you explain why not.

2.2 The Government has outlined its expectation that local authorities will be 'on formula' according to reformed arrangements by April 2019 at the latest, with encouragement to implement earlier if possible. Our proposal for the outline timetable for the amendment of Bradford's EYSFF in response the Government's funding reform, across the 2017-2019 period, is as follows:

- For 2017/18 – continuity - by maintaining the overall structure of Bradford's current EYSFF, which includes continuing different setting base rate values and additional nursery school funding, but with some adjustments to follow the expected trajectory for / in:
 - Deprivation & SEN Funding rates with the reduction to 10% maximum spend
 - The Nursery School Supplement
 - Overall affordability (responding the DSG EYB reduction)
- For 2018/19 – adoption of new arrangements under protection - the adoption of new formula arrangements, including a universal base rate and reviewed supplements under an additional transitional protection mechanism but incorporating the necessary response to the expected further reduction in EYB funding. This will include transferring the full spending of the Nursery School Supplement to a separate sustainability factor, to enable a universal base rate to be established.
- 2019/20: full adoption of new formula arrangements - including a universal base rate and reviewed supplements, without any protections, incorporating the necessary response to the expected further

reduction in EYB funding. This may or may not include the removal of the Nursery School Supplement, which the Government has indicated it will consult further on.

2.3 Following this timetable, the Authority expects to complete review work and to publish a consultation on new formula arrangements in Bradford, which would be implemented at April 2018, in June or July 2017.

Question 2 – Do you agree with proposed timetable for implementing early years formula funding change in Bradford across 2017-2019? If not, please can you explain why not.

2.4 In summary, we propose to calculate allocations for early years providers in the 2017/18 financial as follows:

- Using the technical, administrative, payment and counting arrangements, and timetable, that are already established and have been used to calculate and pay allocations in the current 2016/17 financial year. The full details of these arrangements are set out in the Technical Statement. The administration of the extended 30 hours offer from September 2017 will be brought into these existing administrative arrangements. Specific guidance, where necessary, on the 30 hours has been written into the Statement (some guidance has still to be confirmed in later iterations of the Technical Statement). There are some small technical adjustments needed with the implementation of the extended 30 hours entitlement.

Question 3 – Do you agree with the proposal to continue the existing technical, administrative, payment and counting arrangements in 2017/18, and to extend these arrangements to the funding of the extended 30 hours entitlement for 3 and 4 years olds? If not, please can you explain why not.

- The 2 Year Old Offer:
 - The simple universal rate of funding per hour for all types of provider, without supplement, will be retained.
 - This rate will be set at the value of the rate the Government funds the Early Years Block (EYB) i.e. 100% pass through of the Government's rate to providers. Currently, the EYB funded rate is £4.85 per hour and providers are funded at £4.83 per hour. The DfE indicates that our rate of funding for 2017/18 will be increased to £5.20 (this still to be confirmed). On this indicative basis, we would fund providers at the £5.20 rate.

Question 4 – Do you agree with the proposed approach to funding the 2 year old free entitlement in 2017/18? If not, please can you explain why not.

- The 3 and 4 Year Old Offer, incorporating the extended 30 hours entitlement, we propose to:
 - Continue to use 3 different Setting Base Rates (nursery classes, nursery schools and PVI providers). The same rates will be used to fund the 15 and the 30 hour entitlements in each type of setting.
 - Continue our current Deprivation and SEN Supplement, using the 3 year average of IDACI data. However, we will reduce our total spending from 13.2% of budget currently to 10% of budget (which is a reduction of about £1m), which will reduce the values of Deprivation & SEN funding rates for providers. There is some uncertainty about the 10% restriction will be in place 2017, but there is rationale for making this change now, in particular as it helps protect the value of the base rate especially for PVI providers.
 - Cease the separate (and additional) formula funding for looked after children, currently funded at £333 per term (a total spend of £21,600 in 2015/16). Looked After Children will continue to receive additional funding through the Early Years Pupil Premium.
 - Bring the catering supplement for nursery schools into the nursery school setting base rate and deprivation rate funding (this is a technical change that does not change levels of funding allocated to individual schools).
 - Continue the nursery school sustainability supplement, without reduction, but bring the extended 30 hours into the calculation of this from September 2017. There is uncertainty

about whether this supplement will be permitted at April 2017. If it is not permitted, we would need to look to transfer this supplement into the nursery school base rate.

- Amend nursery school funding to ensure the full value of spend of the DfE's Nursery School Supplement. There are options for this that will be discussed directly with the Nursery schools e.g. enhance the lump sum for all 7 schools; enhance the value of the sliding scale protection; establish a cash protection factor; or establish a pot from which to pay for the costs of change.
- Reduce all of the 3 setting base rates according to the needs of affordability (so that the overall EYB balances for 2017/18) with reference to the expected trajectory of the Government's funding reform. This trajectory is set out below. This means that the reduction to the nursery classes base rate is likely to be lower than schools and PVI providers, because the classes rate is already close to what the universal setting base rate is expected to be at April 2019. The 2017/18 reduction will also need to take account of the additional one off pressure created by the difference between the DfE funding the extended 30 hours at DSG level on a 7/12ths basis for September 2017 to March 2018 and Bradford being required to fund 26 weeks for the same period (26/38ths is greater than 7/12ths).

Question 5 – Do you agree with the proposed approach to funding the 3 and 4 year old free entitlement in 2017/18? If not, please can you explain why not.

Question 6 – Are there any changes that you would like to see made to the Early Years Single Funding Formula in 2017/18 that have not been proposed?

3) Estimated Provider Funding Rates 2017/18 to 2019/20

3.1 The table below sets out our estimate of the changes in rates of funding for providers that will be brought about by the Government's early years funding reforms across the 2017-2019 period, based on the broad proposals set out in this document. These estimates come from analysis of the modelling presented in the Government's consultation. As such, they are very indicative and should be viewed with caution.

3.2 These estimates simple factor the estimated impact of the Government's proposed reduction in Bradford's Early Years Block, the requirement for a universal setting base rate for the 3 and 4 year old entitlement, the restriction of supplements spending to 10% of the total budget, and our response to this. It assumes that Bradford's formula will not include any additional supplements e.g. supporting flexibility in the future and that our deprivation measure will continue to work in the same way and be based on IDACI. It also assumes a continued very low value of central retention within the Early Years Block. The construct of Bradford's future formula is to be reviewed, with proposals anticipated to be published in summer 2017. As such, we would emphasise that providers view these rates with caution. Our rates of funding will also be affected by annual data changes. The new funding stream for Disability Living Allowance has not been included in the analysis below and will be added once confirmed.

ESTIMATED Rate Per Hour	2016/17	2017/18	2018/19	2019/20
2 YO Offer - Universal Base Rate	£4.83	£5.20	£5.20	£5.20
3 & 4 Year Old Entitlement				
Setting Base Rate – Nursery Schools	£5.70	£5.45	£4.12	£4.11
Setting Base Rate – Nursery Classes	£4.13	£4.11	£4.11	£4.11
Setting Base Rate – PVI Providers	£4.62	£4.42	£4.12	£4.11
Mean Deprivation & SEN Rate	£0.68	£0.50	£0.49	£0.47
Nursery Schools Supplement	£1.07	£1.87	£3.16	*
Looked After Children Additional	£1.75			
Early Years Pupil Premium	£0.53	£0.53	£0.53	£0.53

* the continuation of the Nursery Schools Supplement at April 2019 is uncertain

Question 7 – Do you have any comments on these estimated rates of funding?

Question 8 – Do you have any other comments that you have not made elsewhere in your response?

4) Responses to this Consultation and Next Steps

4.1 Please use the responses form attached at the end of this document to submit your views on the proposals outlined in the consultation. There is space on this form for you to comment on any aspect of the proposals. If you wish to discuss these proposals in more detail, or have any specific questions, please contact either Andrew Redding andrew.redding@bradford.gov.uk 01274 432678, Dawn Haigh dawn.haigh@bradford.gov.uk 01274 433775 or Jaclyn McManus jaclyn.mcmanus@bradford.gov.uk 01274 431965

4.2 Please ensure that your response is submitted by the deadline of **Monday 28 November 2016**. Any responses received after this deadline date may not be included in the overall analysis presented to the Schools Forum.

4.3 It is anticipated that the Schools Forum will make its final recommendations on 2017/18 arrangements on Wednesday 11 January 2017. A confirmed Technical Statement, giving sight of the final Early Years Single Funding Formula, and rates of funding, for the 2017/18 financial year will be published very shortly after.

SCHOOLS FORUM AGENDA ITEM

For Action

For Information



Brief Description of Item (including the purpose / reason for presenting this for consideration by the Forum)

This report provides Forum members with updated indicative modelling of Primary and Secondary delegated budgets for 2017/18, using the pupil numbers taken from the October 2016 Census. This is tabled for information at this stage, prior to asking members to make final recommendations in the meeting to be held on 11 January 2017.

Date(s) of any Previous Discussion at the Forum

The outcomes of the consultation on Primary and Secondary funding arrangements for 2017/18 were discussed, and the indicative pro-forma detailing the structure of the 2017/18 Primary and Secondary funding formulae was approved, at the last Forum meeting held on 19 October 2016.

Background / Context

In March 2012, the Government announced significant changes to the education funding system. These changes were implemented by all local authorities at 1 April 2013 and included simplified formula arrangements for the calculation of delegated budgets and significant new restrictions on the central management of funds within the Dedicated Schools Grant (DSG).

On 7 March 2016, the Government published the first stage of a two part consultation, which concentrated on the principles and building blocks of the National Funding Formula (NFF). The initial proposal was for the school-level NFF for Primary and Secondary schools and academies to be implemented from April 2019, but for transition to this, as well as changes to move to a formularised High Needs Block, to begin from April 2017. The full consultation and accompanying documents can be viewed on the DfE's "[Schools national funding formula](#)" webpage.

On 21 July 2016, the Education Secretary made a statement, which confirmed that the Government is still committed to the introduction of the National Funding Formula (NFF), but that the start of the implementation of this would be postponed. We now expect the transition to a NFF to begin for mainstream primary and secondary funding, and high needs, from April 2018.

The "[Schools revenue funding 2017 to 2018: operational guide](#)" was also published on 21 July 2016, and confirmed that the school funding arrangements for 2017/18 are broadly similar to those of 2016/17, with no required changes to formula structures. The guide does, however, confirm some national directed changes to the data to be used to calculate funding allocations under the secondary low attainment and the deprivation IDACI factors.

At the meeting held on 21 September 2016, members discussed and approved the consultation document which outlined the proposals for the formulae to be used to calculate delegated budgets for Primary and Secondary schools and academies in 2017/18. At the last meeting, on 19 October, the Schools Forum recommended to continue to use our current formulae structure in 2017/18 (as set out in Document GO Appendix 1).

Our consultation on the primary and secondary formulae presented to schools, illustratively, what a 1.5% reduction in formulae factors looks like for their delegated budgets next year. As we reported on 19 October, the Authority has had lots of conversations with schools on this matter since the publication of the consultation document.

In reports presented in September and October, we have suggested that a reduction of at least 1.5% will be required, but we have also asked that the Forum considers the pros and cons of a reduction in the Schools Block greater than 1.5%, by putting all primary and secondary schools onto their Minimum Funding Guarantee levels, so that the maximum value of funding is secured to meet High Needs Block cost pressures before the Schools Block ring-fencing restriction comes into force at April 2018. A worst case scenario funding ready reckoner has been made available on BSO, and allows primary and secondary schools and academies to input their own estimate of October 2016 Census numbers on roll, to more accurately assess the possible impact of formula reductions for their school in 2017/18. The Forum was presented with illustrative 'worst case scenario' modelling on 19 October.

Details of the Item for Consideration

The modelling, shown in Appendices 1 and 2, provides members with an updated view of Primary and Secondary school and academy budgets in 2017/18, using the pupil numbers taken from the October 2016 Census. However, the indicative allocations for individual schools and academies have not yet been updated for other data changes (e.g. Ever 6 FSM %, IDACI, EAL, etc.) as the October 2016 Census Dataset will not be made available by the EFA until later in December. For clarity, the 2 key differences from the modelling presented at the September meeting are:

- Pupil numbers have been updated from our estimate of October 2016 Census numbers used in September to the latest version of the actual October 2016 Census pupil numbers for Reception to Year 11. Final checking of the October 2016 Census data is currently underway by the DfE so there may be some further changes to the final pupil numbers provided in the dataset.
- Pupil Premium allocations are still based on the Ever 6 FSM % data that was used to calculate the final Pupil Premium allocations for 2016/17 but this Ever 6 FSM % has now been multiplied by the October 2016 Census numbers on roll to give an estimate for 2017/18.

Please note that the allocations exclude early years, high needs and post 16 funding i.e. these just show Reception – Year 11 primary and secondary mainstream funding levels.

There are 5 main reasons for variances in individual schools and academies shown in Appendices 1 and 2:

- Changes in pupil numbers between the October 2015 and October 2016 Censuses.
- Changes in deprivation allocations brought about by the required adjustment of the IDACI bandings.
- Reductions in the values of Minimum Funding Guarantee (MFG) protections, or Transitional Ceiling contributions, as the MFG, set at minus 1.5%, allows for further reductions in funding for schools and academies currently on the MFG.
- The application of the 1.5% reduction in pupil-led formulae factors for DSG affordability along side a 0% ceiling.
- Changes to specific allocations related to growth funding and safeguarded salaries.

There are other factors that will influence variances for individual schools and academies not yet built into the modelling (mainly because the data is not yet available):

- Changes in individual setting data, such as Ever 6 FSM, EAL, SEN attainment, as recorded in the October 2016 Census. For example, a school or academy that has an increase in its Ever 6 FSM % in October 2016, compared against October 2015, would see an increase in funding per pupil in 2017/18 (all other aspects remaining the same – please see Document GU for further explanation of the guiding principles for the management of data changes).
- The application of the weighting to be prescribed by the DfE for the secondary phase prior attainment factor.
- Further changes (reductions) to achieve a balanced DSG allocation or to secure additional funding for High Needs Block costs.
- Pupil Premium allocations will be based on January 2017 Census pupil numbers.

Appendices 1 and 2 are provided for information at this stage, prior to asking members to make final recommendations on the values of funding allocated via each factor on 11 January 2017. For this meeting, the indicative allocations for schools and academies will be updated using the final October 2016 Census Dataset. Members will then be asked to make recommendations on our Final Pro-forma, which must be submitted to the EFA by 20 January 2017.

Update – Illustrative Worst Case Scenario Modelling (Minimum Funding Guarantee)

Appendices 1 and 2 also provide an updated indicative view of the position of each school's formula allocation when reduced down to their Minimum Funding Guarantee (MFG) level. This updates the information presented to the Schools Forum on 19 October. Where there is no difference in an individual school's or academy's allocation, the school or academy is already on its MFG. This information is illustrative only and is provided for the Forum's consideration.

Implications for the Dedicated Schools Grant (DSG) (if any)

The available DSG for Primary and Secondary schools and academies, or the Schools Block, will be confirmed in the week commencing 12 December 2016. This will be based on the outcomes of the October 2016 Census.

Recommendations

The Forum is asked to note the Primary and Secondary modelling information. A further update will be provided on 11 January, when Forum Members will be asked to make final recommendations on the values of funding allocated via each formula factor.

Members are asked to consider whether sufficient information has been provided to enable final recommendations to be taken on 11 January 2017 on the matters presented in this report.

List of Supporting Appendices / Papers (where applicable)

- Appendix 1 - Indicative Variances Analysis 2017/18 - Individual Primary School / Academy Modelling
- Appendix 2 - Indicative Variances Analysis 2017/18 - Individual Secondary School / Academy Modelling

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Table with columns: Phase, SAP, DFE, School, 2016/17 Actuals (Formula Funding, Growth Fund, Pupil Premium, Total), 2017/18 Estimated (same as above), Variances (Formula Funding, Growth Fund, Pupil Premium, Total), Adjustments (MFG, Ceiling), Formula Funding & Cont (2016/17, 2017/18, Eapp, Eapp Variance), 2017/18 No.s (Pupil Number, October 2016 + Reception Uplift), Contribution to Affordability at 1.5%, Formula Funding Worst Case Scenario (Variance when on MFG), and Diff.

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		2016/17 Actuals				2017/18 Estimated - see notes below				Variances				Adjustments		Formula Funding & Cont (Inc. MFG & Ceiling)									
Phase	SAP	DfE	School	Formula Funding (including MFG & Ceiling)	Growth Fund / Safeguarded Salaries	Pupil Premium (July 2016)	Total 2016/17 Actual	Formula Funding (including MFG & Ceiling)	Growth Fund / Safeguarded Salaries	Pupil Premium	Total 2017/18 Estimated	Formula Funding (including MFG & Ceiling)	Growth Fund / Safeguarded Salaries	Pupil Premium	Total Variances	MFG (included in figures to the left)	Ceiling (included in figures to the left)	2016/17 Eapp	2017/18 Eapp	Eapp Variance	Pupil Number Difference	2017/18 No.s (Estimate of October 2016 + Reception Uplift)	Contribution to Affordability at 1.5%	Formula Funding Worst Case Scenario (Variance when on MFG)	Diff
PRIMARY	RBJS	2170	Nessfield Primary School	1,625,839	0	124,080	1,749,919	1,604,280	0	120,230	1,724,510	-21,559	0	-3,850	-25,409	0	-26,829	3,927	3,922	-5	-5	409	-17,189	-42,455	20,896
PRIMARY	RBES	2054	Newby Primary School	1,815,178	0	162,940	1,978,118	1,801,117	0	163,705	1,964,822	-14,061	0	765	-13,296	17,157	0	4,301	4,258	-43	1	423	-6,706	-14,061	0
PRIMARY	RBEC	2197	Newhall Park Primary School	1,671,505	12,059	164,100	1,847,664	1,678,038	0	168,214	1,846,252	6,533	-12,059	4,114	-1,412	0	0	4,284	4,248	-36	2	395	-22,211	-4,838	11,371
RECOUPMENT ACADEMY	0	5205	Oakworth Primary Academy	1,456,469	0	81,960	1,538,429	1,476,172	0	82,801	1,558,973	19,703	0	841	20,544	0	0	3,544	3,506	-37	10	421	-19,666	16,456	3,247
PRIMARY	RBZH	2130	Oldfield Primary School	365,304	0	10,560	375,864	387,770	0	11,733	399,503	22,466	0	1,173	23,639	9,433	0	6,893	6,463	-430	7	60	0	22,466	0
PRIMARY	RBFR	3353	Our Lady & St Brendan's Catholic Primary School	906,225	0	117,480	1,023,705	915,803	0	119,191	1,034,994	9,578	0	1,711	11,289	0	-86,752	4,378	4,382	4	2	209	-9,091	-1,473	11,051
RECOUPMENT ACADEMY	0	3372	Our Lady of Victories Catholic Primary Academy	972,207	0	70,860	1,043,067	967,306	0	69,284	1,036,590	-4,901	0	-1,576	-6,477	0	-11,559	4,543	4,541	-2	-1	213	-9,717	-16,714	11,813
RECOUPMENT ACADEMY	0	3375	Oxenhope CE Primary Academy	802,187	0	27,720	829,907	780,244	0	27,447	807,691	-21,942	0	-273	-22,216	593	0	3,894	3,882	-12	-5	201	-8,548	-21,942	0
PRIMARY	RBIX	2064	Parkland Primary School	1,177,816	0	181,840	1,359,656	1,167,341	0	181,079	1,348,420	-10,475	0	-761	-11,236	0	0	5,077	5,120	43	-4	228	-13,043	-23,980	13,505
PRIMARY	RBHU	2132	Parkwood Primary School	1,061,982	0	121,440	1,183,422	1,047,318	0	118,373	1,165,692	-14,964	0	-3,067	-18,031	66,926	0	5,474	5,369	-105	1	195	0	-14,964	0
PRIMARY	RBGW	3377	Peel Park Primary School	2,591,861	2,048	333,960	2,927,868	2,526,007	2,048	329,338	2,857,392	-65,854	0	-4,622	-70,476	27,333	0	4,449	4,435	-14	-13	570	-6,861	-65,854	0
PRIMARY	RBGF	2101	Poplars Farm Primary School	931,797	0	58,080	989,877	917,484	0	56,984	974,468	-14,313	0	-1,096	-15,409	0	-9,054	4,354	4,390	36	-5	209	-8,967	-25,153	10,840
PRIMARY	RBIO	2115	Priestthorpe Primary School	790,266	0	62,180	852,446	776,575	0	63,500	840,075	-13,692	0	1,320	-12,372	0	-2,274	4,204	4,290	87	-7	181	-7,249	-22,504	8,812
PRIMARY	RBFG	2086	Princeville Primary School and Children's Centre	2,453,294	24,118	270,600	2,748,013	2,542,700	0	280,587	2,823,287	89,406	-24,118	9,987	75,274	3,135	0	4,424	4,302	-122	31	591	-31,857	89,406	0
RECOUPMENT FREE SCH	0	2000	Rainbow Primary Free School	1,443,839	0	135,960	1,579,799	1,599,283	0	148,950	1,748,233	155,444	0	12,990	168,434	0	0	4,718	4,596	-123	42	348	-21,311	138,629	16,815
RECOUPMENT ACADEMY	0	2052	Reevy Hill Primary School	1,003,218	0	171,600	1,174,818	1,041,247	0	175,978	1,217,225	38,030	0	4,378	42,407	0	-27,523	5,171	5,180	9	7	201	-10,353	25,444	12,586
PRIMARY	RBCW	3365	Riddlesden St Mary's CE Primary	1,538,810	0	149,460	1,688,270	1,491,116	0	147,556	1,638,672	-47,735	0	-1,904	-49,639	21,841	0	4,071	4,041	-30	-9	369	0	-47,735	0
PRIMARY	RBEP	5202	Russell Hall Primary School	872,880	0	81,840	954,720	884,792	0	86,334	971,126	11,912	0	4,494	16,406	753	0	4,176	4,115	-61	6	215	-9,963	11,912	0
RECOUPMENT ACADEMY	0	2003	Ryecroft Primary Academy	1,494,473	50,548	241,560	1,786,580	1,450,999	49,695	235,689	1,736,383	-43,473	-853	-5,871	-50,197	20,811	0	5,365	5,341	-24	-7	281	-362	-43,473	0
PRIMARY	RBEM	2140	Saltire Primary School	1,578,406	0	119,660	1,698,066	1,586,910	0	121,473	1,708,383	8,304	0	1,813	10,117	5,974	0	3,723	3,690	-33	6	430	-15,042	8,304	0
PRIMARY	RBFE	2174	Sandal Primary School and Nursery	1,466,780	0	68,340	1,535,120	1,443,834	0	68,962	1,512,796	-22,946	0	622	-22,325	1,122	0	3,613	3,583	-30	-3	403	-17,807	-22,946	0
PRIMARY	RBGG	2055	Sandy Lane Primary School	1,292,776	0	117,480	1,410,256	1,229,033	0	114,409	1,343,442	-63,743	0	-3,071	-66,814	3,065	0	4,130	4,124	-6	-15	298	-12,519	-63,743	0
RECOUPMENT ACADEMY	0	2178	Shibden Head Primary Academy	1,486,857	0	88,540	1,575,397	1,497,067	0	82,387	1,579,454	10,210	0	-6,153	4,057	4,598	0	3,566	3,531	-35	7	424	-15,308	10,210	0
PRIMARY	RBFJ	3366	Shipley CE Primary School	907,803	0	75,080	982,883	871,940	0	73,024	944,964	-35,863	0	-2,056	-37,919	32,057	0	4,323	4,317	-6	-8	202	0	-35,863	0
RECOUPMENT ACADEMY	0	2077	Shirley Manor Primary Academy	913,163	0	129,040	1,042,203	893,470	0	120,113	1,013,583	-19,693	0	-8,927	-28,620	0	0	4,883	4,936	53	-6	181	-10,860	-24,494	4,801
RECOUPMENT ACADEMY	0	2023	Southmere Primary Academy	1,580,295	32,177	222,340	1,834,812	1,726,154	8,614	239,909	1,974,677	145,860	-23,563	17,569	139,865	0	-26,268	4,647	4,506	-141	38	385	-19,025	122,732	23,127
RECOUPMENT ACADEMY	0	2025	Dixons Manningham Primary Academy	1,757,535	0	204,600	1,962,135	1,742,546	0	207,230	1,949,776	-14,989	0	2,630	-12,359	25,392	0	4,472	4,423	-49	1	394	0	-14,989	0
RECOUPMENT ACADEMY	0	3369	St Anne's Catholic Primary Academy	1,169,570	0	71,280	1,240,850	1,060,782	0	63,084	1,123,866	-108,788	0	-1,896	-116,984	2,104	0	4,133	4,176	44	-29	254	-11,258	-108,788	0
PRIMARY	RBGI	3333	St Anthony's Catholic Primary School (Clayton)	895,124	0	68,320	963,444	904,579	0	68,606	973,185	9,454	0	286	9,741	0	-7,788	4,242	4,227	-15	3	214	-8,939	-1,413	10,867
PRIMARY	RBZ	3373	St Anthony's Catholic Primary School (Shipley)	606,763	0	34,160	640,923	613,264	0	34,889	648,153	6,501	0	729	7,230	0	0	4,854	4,791	-63	3	128	-6,629	5,310	1,191
PRIMARY	RBKD	3334	St Clare's Catholic Primary School	894,837	5,360	91,080	991,276	938,864	11,927	97,480	1,048,272	44,028	6,567	6,400	56,995	0	-14,934	4,814	4,802	-12	11	198	-9,555	32,632	11,396
PRIMARY	RBFF	3335	St Columba's Catholic Primary School	1,658,865	0	186,120	1,844,985	1,659,571	0	185,135	1,844,707	707	0	-985	-278	0	-5,798	4,400	4,402	2	0	377	-18,215	-21,436	22,143
PRIMARY	RBGO	3354	St Cuthbert & the First Martyrs' Catholic Primary	889,111	0	42,660	931,771	895,085	0	43,378	938,462	5,973	0	718	6,691	0	-10,336	4,254	4,262	8	1	210	-8,830	-4,761	10,735
PRIMARY	RBEY	3351	St Francis' Catholic Primary School	852,502	0	55,860	908,362	864,052	0	56,345	920,396	11,549	0	485	12,034	0	0	4,138	4,115	-24	4	210	-9,327	2,144	9,405
PRIMARY	RBHV	3016	St James' Church Primary School	1,635,226	27,091	261,360	1,923,677	1,485,878	0	240,954	1,726,831	-149,348	-27,091	-20,406	-196,846	0	0	4,818	4,840	22	-38	307	-19,402	-162,348	12,999
RECOUPMENT ACADEMY	0	3352	St John The Evangelist Catholic Primary	839,725	0	50,460	890,185	829,163	0	50,212	879,375	-10,562	0	-248	-10,810	0	-33,000	4,096	4,125	29	-4	201	-8,021	-20,313	9,751
PRIMARY	RBHH	5208	St John's CE Primary School	1,758,972	0	187,020	1,945,992	1,751,808	0	186,407	1,938,216	-7,164	0	-613	-7,777	0	0	4,188	4,181	-7	-1	419	-23,833	-22,043	14,879
PRIMARY	RBHJ	3367	St Joseph's Catholic Primary School (Bingley)	810,875	11,653	22,280	844,809	810,011	0	22,459	832,469	-865	-11,653	179	-12,340	1,315	0	3,974	3,876	-98	2	209	-8,255	-865	0
PRIMARY	RBGS	3338	St Joseph's Catholic Primary School (Bradford)	1,482,223	4,661	170,280	1,657,164	1,452,418	0	167,165	1,619,583	-29,805	-4,661	-3,115	-37,581	0	0	4,533	4,497	-37	-5	323	-19,340	-39,020	9,215
RECOUPMENT ACADEMY	0	3370	St Joseph's Catholic Primary, Keighley	1,214,993	0	134,500	1,349,493	1,135,667	0	124,973	1,260,640	-79,326	0	-9,527	-88,853	0	-11,234	4,204	4,253	49	-22	267	-11,774	-93,639	14,314
PRIMARY	RBIR	3021	St Luke's CE Primary School	925,625	0	88,440	1,014,065	928,59																	

Phase	School	2016/17 Actual (at S251)				2017/18 Estimated - see notes below				Variances				Adjustments		Formula Funding & Cont (Inc. MFG & Ceiling)					Formula Funding Worst Case Scenario (Variance when on MFG)	Diff	
		Formula Funding (including MFG & Ceiling)	Growth Fund / Safeguarded Salaries	Pupil Premium (July 2016)	Total 2016/17 Actual	Formula Funding (including MFG & Ceiling)	Growth Fund / Safeguarded Salaries	Pupil Premium	Total 2016/17 Estimated	Formula Funding (including MFG & Ceiling)	Growth Fund / Safeguarded Salaries	Pupil Premium	Total Variances	MFG (included in figures to the left)	Ceiling (included in figures to the left)	2016/17 £app	2017/18 £app	£app Variance	Pupil Number Difference from 16/17 to 17/18	2017/18 Funded No.s (Estimate of October 2016)			Contribution to Affordability at 1.5%
RECOUPMENT ACADEMY	Appleton Academy	4,410,591	0	303,740	4,714,331	4,556,504	0	375,700	4,932,204	145,912	0	71,960	217,872	0	-7,525	5,619	5,632	14	24	809	-48,682	57,417	88,495
RECOUPMENT ACADEMY	Beckfoot Academy	7,324,499	0	272,260	7,596,759	7,325,709	0	262,809	7,588,518	1,210	0	-9,451	-8,241	0	0	5,478	5,414	-64	16	1,353	-94,212	-13,739	14,949
RECOUPMENT ACADEMY	Beckfoot Upper Heaton Academy	2,214,783	0	122,018	2,336,800	2,381,422	0	133,535	2,514,957	166,639	0	11,518	178,157	203,166	0	6,553	6,419	-134	33	371	0	166,639	0
RECOUPMENT ACADEMY	Belle Vue Girls' Academy	5,029,886	0	338,530	5,368,416	4,962,971	0	332,868	5,295,839	-66,915	0	-5,662	-72,577	35,169	0	5,626	5,551	-75	0	894	-36,652	-66,915	0
SECONDARY	Bingley Grammar School	7,219,302	2,048	311,920	7,533,270	7,142,889	2,048	314,785	7,459,722	-76,413	0	2,865	-73,547	8,883	0	4,853	4,789	-64	4	1,492	-95,927	-76,413	0
RECOUPMENT ACADEMY	Bradford Academy	6,176,047	0	503,955	6,680,002	6,360,528	0	519,739	6,880,267	184,481	0	15,784	200,265	0	0	5,756	5,725	-31	38	1,111	-93,108	99,122	85,359
RECOUPMENT FREE SCH	Bradford Girls Grammar (Free School)	2,556,058	0	123,480	2,679,538	2,910,363	0	139,437	3,049,800	354,305	0	15,957	370,262	0	-59,602	5,497	5,523	26	62	527	-29,455	293,762	60,543
RECOUPMENT ACADEMY	Buttershaw Business & Enterprise College Academy	7,949,701	0	550,975	8,500,676	7,759,237	0	540,906	8,300,143	-190,464	0	-10,069	-200,532	0	-52,916	5,982	5,955	-27	-26	1,303	-93,345	-303,940	113,476
SECONDARY	Carlton Bolling College	6,946,372	0	565,975	7,512,347	7,070,759	0	572,829	7,643,588	124,387	0	6,854	131,241	166,012	0	5,973	5,887	-85	38	1,201	0	124,387	0
RECOUPMENT ACADEMY	Dixons Allerton Academy	6,675,302	0	529,210	7,204,512	6,722,620	0	536,741	7,259,361	47,318	0	7,531	54,849	185,000	0	5,710	5,664	-47	18	1,187	-95,799	47,318	0
RECOUPMENT ACADEMY	Dixons City Academy	4,451,730	0	258,390	4,710,120	4,369,035	0	261,618	4,630,652	-82,696	0	3,228	-79,468	5,245	0	5,344	5,277	-68	-5	828	-57,689	-82,696	0
RECOUPMENT FREE SCH	Dixons McMillan Academy	1,696,163	0	70,125	1,766,288	2,273,050	0	106,753	2,379,803	576,887	0	36,628	613,515	5,903	0	5,862	5,594	-268	117	406	-25,560	576,887	0
RECOUPMENT FREE SCH	Dixons Trinity Academy	2,865,487	0	167,635	3,033,122	3,061,505	0	193,614	3,255,119	196,018	0	25,979	221,997	2,250	0	5,560	5,457	-103	46	561	-41,149	196,018	0
RECOUPMENT ACADEMY	Bradford Forster Academy	1,848,217	427,598	62,945	2,338,760	2,711,438	324,385	153,596	3,189,420	863,221	-103,213	90,651	850,660	37,514	0	7,882	6,754	-1,128	161	450	-439	863,221	0
RECOUPMENT ACADEMY	Feversham College	3,283,787	0	214,115	3,497,902	3,442,464	0	228,588	3,671,051	158,676	0	14,473	173,149	127,437	0	5,885	5,786	-99	37	595	0	158,676	0
RECOUPMENT ACADEMY	Grange Technology College	9,549,998	0	685,355	10,235,353	9,344,724	0	677,567	10,022,291	-205,274	0	-7,788	-213,062	0	0	6,440	6,405	-35	-24	1,459	-122,783	-277,279	72,005
SECONDARY	Hanson School	7,974,190	0	542,930	8,517,120	7,535,913	0	522,520	8,058,433	-438,278	0	-20,410	-458,688	0	-257,702	5,978	5,995	18	-77	1,257	-89,941	-547,616	109,338
RECOUPMENT ACADEMY	Ilkley Grammar School	5,539,314	0	126,855	5,666,169	5,679,555	0	128,960	5,808,515	140,241	0	2,105	142,346	0	0	4,533	4,504	-29	39	1,261	-82,023	94,927	45,314
RECOUPMENT ACADEMY	Immanuel College Academy	6,066,227	992	330,320	6,397,540	5,950,841	0	329,033	6,279,874	-115,386	-992	-1,287	-117,666	0	0	5,099	5,056	-43	-13	1,177	-87,324	-143,901	28,514
RECOUPMENT FREE SCH	Dixons Kings Academy	4,616,516	0	326,315	4,942,831	4,455,153	0	318,799	4,773,952	-161,364	0	-7,516	-168,880	0	0	5,489	5,466	-23	-26	815	-64,553	-195,052	33,688
RECOUPMENT ACADEMY	Laisterdyke Leadership Academy	5,196,234	0	406,725	5,602,959	4,903,983	0	391,028	5,295,012	-292,251	0	-15,697	-307,948	43,401	0	5,898	5,790	-108	-34	847	-27,760	-292,251	0
RECOUPMENT ACADEMY	Beckfoot Oakbank Academy	7,051,217	0	492,375	7,543,592	6,899,012	0	484,691	7,383,703	-152,204	0	-7,684	-159,888	0	0	5,278	5,238	-39	-19	1,317	-102,190	-217,147	64,942
RECOUPMENT ACADEMY	Oasis Academy Lister Park	4,427,750	0	352,993	4,780,743	4,491,926	20,694	374,584	4,867,204	64,176	20,694	21,592	106,462	49,751	0	5,935	5,876	-60	22	768	-14,620	64,176	0
RECOUPMENT FREE SCH	One In A Million (Free School)	1,366,711	0	99,140	1,465,851	1,745,740	0	138,125	1,883,865	379,029	0	38,985	418,014	0	0	6,386	6,125	-261	71	285	-23,884	372,765	6,264
SECONDARY	Parkside School	4,269,274	0	194,990	4,464,264	4,266,379	0	196,435	4,462,814	-2,895	0	1,445	-1,451	0	0	4,919	4,881	-37	6	874	-61,632	-27,657	24,762
RECOUPMENT ACADEMY	Queensbury Academy	4,724,262	0	306,310	5,030,572	4,690,662	0	312,796	5,003,457	-33,600	0	6,486	-27,114	0	0	5,424	5,229	-195	26	897	-68,253	-43,306	9,706
RECOUPMENT ACADEMY	Samuel Lister Academy	3,536,670	0	262,735	3,799,405	3,479,419	0	263,180	3,742,599	-57,251	0	445	-56,806	51,199	0	5,964	5,887	-77	-2	591	0	-57,251	0
SECONDARY	St Bede's & St Joseph's Catholic College	8,568,302	0	442,485	9,010,787	8,289,572	0	433,647	8,723,219	-278,730	0	-8,838	-287,568	0	0	5,352	5,287	-65	-33	1,568	-120,582	-285,552	6,822
SECONDARY	The Holy Family Catholic School	3,969,709	0	191,675	4,161,384	3,972,341	0	194,717	4,167,058	2,632	0	3,042	5,674	32	0	5,321	5,247	-74	11	757	-57,416	2,632	0
RECOUPMENT ACADEMY	Beckfoot Thornton Academy	6,558,387	0	460,290	7,018,677	6,582,472	0	460,290	7,042,762	24,085	0	0	24,085	0	-17,279	5,234	5,241	7	3	1,256	-78,604	-71,472	95,557
SECONDARY	Titus Salt School	7,226,067	1,024	395,705	7,622,796	7,057,139	1,024	393,870	7,452,032	-168,929	0	-1,835	-170,764	0	0	5,963	5,916	-47	-19	1,193	-88,767	-191,200	22,271
SECONDARY	Tong High School	7,734,309	0	635,795	8,370,104	6,815,238	0	566,964	7,382,202	-919,071	0	-68,831	-987,902	0	-148,376	6,538	6,572	34	-146	1,037	-81,153	-1,017,726	98,656
RECOUPMENT ACADEMY	University Academy Keighley	4,309,186	0	248,710	4,557,896	4,157,417	0	238,876	4,396,293	-151,770	0	-9,834	-161,604	269,920	0	7,218	7,131	-87	-14	583	0	-151,770	0
SECONDARY TOTALS		173,332,251	431,662	10,896,975	184,660,888	173,367,977	348,150	11,099,602	184,815,730	35,726	-83,511	202,627	154,842	1,190,881	-543,399	5,661	5,598	-62	333	31,030	-1,883,503	-944,936	980,662
																				£APP 1.5% contribution		-60.70	

Notes

This analysis excludes High Needs and Post 16 funding (pre-16 mainstream DSG funding only).

2016/17 Actuals are based on figures included in the Section 251 Budget Statements, except for the Pupil Premium which uses the final figures updated in July by the DfE

2017/18 Estimated figures are based on an estimate of October 2016 numbers and the October 2015 dataset for all other data e.g. FSM%

Pupil Premium allocations are ESTIMATED based on £935 per eligible Ever 6 FSM pupil, £300 per eligible service child, and £1,900 per eligible Adopted from Care pupil in both 2016/17 and 2017/18

Pupil Premium allocations do not include any funding allocated throughout the year for children who are Looked After

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SCHOOLS FORUM AGENDA ITEM

For Action



For Information



Brief Description of Item (including the purpose / reason for presenting this for consideration by the Forum)

Members are asked to consider the outcomes of the consultation on the 2017/18 High Needs Funding Model and the planned number of high needs places to be commissioned by the Authority. Document GW also gives an update on the position of other strategic high needs funding matters. These updates are provided in advance of asking Members to make final recommendations on 11 January 2017

Date (s) of any Previous Discussion at the Forum

The Forum agreed the consultation on the 2017/18 high needs funding model on 19 October 2016. High needs funding is regularly discussed by Members.

Background / Context

Members are reminded that the DfE has announced that 2017/18 is a 'stand-still' year and no major technical changes are being made to the funding framework in so far as this affects high needs providers. The Minimum Funding Guarantee, including for special school funding, is set again at minus 1.5%. Discussion on National Funding Formula and implications for future year funding is addressed in other reports to this meeting.

Members are reminded that size and continuing growth of the cost pressure within the High Needs Block is one of key issues the Forum must manage. The High Needs Block continues to be under significant financial pressure. The Schools Forum received a presentation on 18 May 2016, which explained that a further 360 specialist places are needed by September 2018 (at roughly 120 per year in each of the next 3 years) simply to meet forecasted demographic growth. The annual cost of 120 places (at an average of £21,000 per place) is roughly £2.52m. At its meeting on 21 September, the Forum agreed to the funding of the first 120 places from January 2017. The Schools Forum has also been made aware of a significant growth in cost of out of authority, independent and non maintained school placements and in other aspects of high needs provision, including medical-need home tuition. Planning on this basis, indicatively, increases the cost of high needs provision by £6.86m in 2017/18. A breakdown of this pressure is given in Document GU.

Members resolved at the last meeting on 19 October, "That the planned report to the Schools Forum to be presented on 7 December includes further information on the work taking place to ensure the efficient allocation of the High Needs Block and provides an update on the review of High Needs Block funded services and the development of sector-led delivery."

Details of the Item for Consideration

2017/18 High Needs Funding Model Structure Consultation

The consultation on the structure of our High Needs Funding Model for the 2017/18 financial year has now been completed. We received 2 formal responses, both from mainstream secondary settings.

These responses expressed general agreement with the proposals regarding structure, with specific comments raised regarding:

- The scale of the overspending against the DfE's High Needs Block DSG allocation.
- Issues related to the potential / proposed reduction in the Schools Block in 2017/18 in order to finance High Needs Block spending and the implications for the position of mainstream schools in meeting the needs of children with and without additional education needs.
- The speed of referral and assessment processes for children with EHCPs.
- The implications of the DfE's reform of alternative provision and the financial pressure that the transfer of commissioning responsibilities will place on mainstream school budgets and the position and role of the BACs in this landscape.
- The need to ensure robust moderation of pupil need in the application of the Ranges Model (ensuring fairness of application).

Details of the Item for Consideration

Initial Planned Places to be funded from the High Needs Block 2017/18

The consultation document included a table of provisional planned places for the 2017/18 financial and academic years. These places have been revised, following further work, and an updated table is shown in Appendix 1. A return to the Education Funding Agency, for further education settings and academies, was submitted mid-November on the basis of these numbers.

In total, including the provision for additional places currently unallocated, the planned DSG is anticipated to be required to finance 2,379 places in Bradford-located settings for the 2017/18 academic year. This represents an increase of 359 places on the original planned number for the 2016/17 academic year. Appendix 1 identifies where these places increases are planned. As set out in Document GU, the 2017/18 planned High Needs Block Budget includes the following places not yet allocated to settings:

- 120 SEND places April 2017 – August 2017 (the 1st tranche, agreed by the Schools Forum 21 September 2016)
- 240 SEND places September 2017 – March 2018
- In the range of 20 SEMH places April 2017 – August 2017
- In the range of 40 SEMH places September 2017- March 2018

These places are the only real growth in capacity above the current numbers in provisions (these unallocated places explain 260 of the 359 additional 2017/18 academic year places; the remaining 99 are already largely filled or committed).

In addition, the number and cost of placements in out of authority, independent and non-maintained settings are increasing. We estimate that an additional £1.43m of provision is needed in the High Needs Block in 2017/18 than was provided for in the original 2016/17 planned budget. £0.53m of this is simply to meet the anticipated cost of the current number of placements.

2017/18 High Needs Block Proposals Summary

Following consultation, and further work that has been undertaken, the following initial proposals for the 2017/18 High Needs Block (HNB) are put forward for the Forum's consideration. There is more to discuss in the context of what is presented about the DSG's position in 2017/18 in Document GU and in this report.

- To retain all current budget allocations within the High Needs Block in the 2017/18 financial year unless otherwise specifically stated. This is done on the understanding that the review and re-commissioning of SEND teaching support services may mean that centrally managed budgets are re-aligned during the financial year.
- To retain the existing structure of the High Needs Funding Model (Place-Plus) to calculate delegated allocations for the 2017/18 financial year but with the following amendments, as set out in section 6 of the consultation paper:
 - To adjust the cash budget protection factor applied to special schools, DSPs and the primary behaviour centres, so that this factor limits a setting's reduction in Place-Plus funding to 3.0% of last year's allocation. Currently, this factor limits the reduction to a maximum of 1.5% of last year's allocation. Indicatively, this reduces the cost of this protection by £131,000.
 - To establish at April 2017 a small setting funding factor for resourced provisions attached to mainstream settings, which would be applied for the funding of DSPs (not ARCs) and the primary behaviour centres. We propose this as a temporary measure, with future proposals to be considered as part of the wider review of the District's provision and funding model (in the context of National Funding Formula). Indicatively, this increases the cost of provision by £399,000.
- To calculate the initial planned cost of High Needs Block spending in 2017/18 on the allocation of places for Bradford-located settings outlined in Appendix 1. This includes the currently unallocated additional places shown at the bottom of this Appendix 1.
- To help support meeting the funding gap in the overall DSG that is the result of the growth in pressure in the High Needs Block, and to continue to secure efficient use of monies, by making the following adjustments:
 - To reduce the rates of Top Up in the HNB Funding Model for all Place-Plus calculated budgets by the same % that the Primary and Secondary variables are reduced by in order specifically to meet the funding gap, up to a maximum of 1.5%. That the values of Top Up for each Range are reduced by the same %. Indicatively, at 1.5%, this notionally (and before any cash budget protection) reduces the cost of top up in specialist settings by £299,000 *.
 - That the same % reduction (up to a maximum of 1.5%) is made to all centrally managed / non-Place-Plus HNB budgets. Indicatively, at 1.5%, this reduces the cost by £120,000.
- The Early Years Block will meet the cost of the Early Years Inclusion Panel resource (currently set at £300,000).

Details of the Item for Consideration

High Needs Block - Efficiency

Efficiency and securing value for money in our use of our High Needs Block has been a growing element in discussions in recent Schools Forum meetings. The Authority has been and is continuing to analyse and secure our effectiveness in allocating the right amount of money to the right activities, allocating money in a timely way, enabling money to follow the movement of pupils and delivering cost efficient support services

There are also quite fundamental considerations behind cost effectiveness, including early help strategies, the contribution of and collaboration with other agencies, the sufficiency of our places capacity, the nature (including size) and location of our provisions, how our provisions work together and the role of our centrally managed SEND teaching support services. Some considerations are more for the medium to longer term than delivering immediate saving. It is also the case that a saving to the High Needs Block may come from transferring the cost to another part of the DSG and this interplay needs to be considered.

Our analysis and discussion is carried out in the context of our costs of provision (increasing quantity) currently growing at a rate that is much faster than our DSG High Needs Block allocation is responding to. We await sight of whether the Government's National Funding Formula proposals will address this in the medium to longer term. The information provided here seeks to evidence that the rules and approaches we apply in our allocation of our High Needs Block promote efficiency but that there are some areas of spending that can, should and are being reviewed.

We know the following about our High Needs Block allocation (there is some simplification below with the aim of providing as much clarity as possible):

83% (£55.3m) of the planned 2017/18 DSG High Needs Block is delegated. Within this:

- The cost of a place is set by the DfE (£10,000 for SEND; £8,000 for alternative provision). These places are required to set before the start of the year (and not reduced during the year). The Authority reviews the number of places at each setting on an annual basis for expected occupancy. The proportion and cost of unfilled places is monitored and is relatively small (forecasted to be c. 4% of 1,650 places in 2016/17 across special schools, DSPs, ARCs, PRUs and behaviour centres); the highest proportions (%) of unfilled places are in the DSPs and ARCs and the primary behaviour centres, which are smaller in size. Places in Further Education Colleges are funded on an annual lagged actual basis.
- The Top up (Plus element) is funded on the basis of actual monthly occupancy, so there is no funding of unfilled places in this element. Our benchmarking of Top Up rates of funding in 2016/17 indicates that our SEND rates (calculated for special schools) are in line with national and statistical neighbour averages.
- It is more difficult to calculate a comparison for our Alternative Provision rates, as we have explained previously. The most significant factor here, in terms cost management over the medium to longer term, and in context of the Government's AP reform, is that £1.42m of our High Needs Block spend is for provision for children without EHCPs (not referencing children who are being assessed for an EHCP). In the context of national reform of commissioning arrangements and NFF, as well as cost pressures, we will need to look at whether this cost remains funded by the High Needs Block.
- We fund all Bradford-located delegated provisions using the same Funding Ranges Model. This Model is adjusted for the funding of post 16 high needs provisions in Further Education Colleges. As, on average, colleges deliver around 60% of the hours delivered by schools, colleges are funded for the vast majority of students at 60% of the Ranges Model value for the primary need of the student.
- We are not overfunding mainstream EHCPs. The estimated average gap between the funding allocated to a school for an EHCP (mainstream sector) and the cost of staffing related to delivering support is calculated to be £2.65 per hour (reported to Forum 21 September).
- We spend approximately £515,000 on the SEN Funding Floor, which is the mechanism which provides a minimum level of funding for mainstream schools with lower measures of deprivation but higher levels of children with SEND. We will need to review this mechanism in the context of National Funding Formula.
- In the current 2017/18 planned model, £133,000 is the cost of the 3% cash budget protection factor for special schools, resourced provisions and the primary behaviour centres. This is a relatively small cost, which has been reduced as a result of the lifting of the % from 1.5%. This is providing a balance between providing some financial stability for providers but avoiding locking money in historic allocations.
- In the current 2017/18 planned model, £858,000 is spent on split sites and small setting funding. Through the review of the sizes and locations of our provisions and how our provisions work in collaboration we may be able to achieve savings in these cost areas over the medium to longer term.
- The Schools Forum has previously agreed the principle that enables the movement of the High Needs Block Early Years SEND resources (£1.93m of which £0.3m approx. is delegated) between delegated and centrally managed provisions, so that monies can move. The review of EY SEND is continuing.
- We estimate in the current 2017/18 planned model that we will spend £6.58m on placements in independent, out of authority and non-maintained provisions. The extent to which savings can be made here (or the rate of growth slowed) is difficult to predict but the addition of SEND and SEMH places, initially in interim provisions and then through new free schools, will be a factor.

Details of the Item for Consideration

There has been some discussion within the Schools Forum about more closely monitoring the position of the year end surplus balances of special schools and PRUs with a view to ensuring that these schools are effectively spending their resources. The Authority only has sight of the balances of maintained schools; these are shown in the table below.

£ Balance	Forecast March 2017	March 2016	March 2015
Special (6 schools)	£222,054	£692,554	£773,431
PRUs (7 schools)	£176,891	£1,041,564	£1,841,198

The median values of balances held at March 2016 were £155,378 (special) and £57,680 (PRU). Based on the forecasts for balances to be held at March 2017 the medians at this point will be £52,733 (special) and £39,636 (PRU). The Authority's Control of Surplus Balances Protocol permits special schools and pupil referral units to hold at year end the greater of 6%, £60,000 or 85% of 1 month's average payment + £20,000, without being required to apply for authorisation.

17% (£11.3m) of the planned 2017/18 High Needs Block is centrally managed:

- The High Needs Block's contribution to Building Schools for the Future for the special schools is £0.71m.
- £0.80m is allocated for the cost of medical home tuition, which includes the cost of placements in hospitals out of authority (effectively much of this cost then is delegated not centrally managed).
- £0.41m is allocated for behaviour support (including the junction project and statutory functions).
- £1.62m is allocated across Early Years SEND services, including portage, and is used flexibly.
- £7.74m is allocated across other centrally managed support services, including the SEND mainstream teaching support and the Sensory Service (which incorporates the ARCs).

For the Forum's wider awareness, the Authority currently receives Education Services General Rate Grant funding (an initial £4.9m in 2016/17), a proportion of which is used by the Authority in support of our statutory SEND and behaviour functions. This Grant is ceasing at September 2017.

Review of SEND Teaching Support Services

At the last meeting, the Schools Forum asked for an update on the position of the review of SEND teaching services. Headteachers and Senior School Leaders have met twice with the Deputy Director of Education and Senior LA Officers, Employment and Skills over the course of the Autumn term 2017 to discuss how the LA moves to a SEND service design that reflects a self-improving, sector-led approach to providing support, advice, training and consultancy to schools to support the full spectrum of special educational needs.

The model shown in Appendix 3 comes from these discussions. It is currently draft, pending further comments and feedback from those who took part in the meetings. The Strategic Manager, SEND and Behaviour, will attend the meeting and will talk about the direction of travel of the review and next steps.

Details of the Item for Consideration

Schools Block Contribution 2017/18

Document GU sets out our current estimates of a £6.86m total pressure in the High Needs Block in 2017/18. 50% of this is the financial year cost of the 1st and 2nd tranches of 120 SEND places, plus the 1st and 2nd tranches of estimated SEMH places. The other 50% is the growth in cost in other aspects of High Needs Block provision, but this also includes meeting the cost of places currently in the system.

As indicated in Document GU, on current estimates, a 1.5% reduction in the pupil-led factors in the primary and secondary funding formulae (Schools Block) would generate a sum of £3.96m. In total, the Schools Block would be under spending by £4.58m against the DfE's notional allocation. As we have discussed in Document GU, if this was the agreed final position, the DSG in 2017/18 is still estimated to overspend by £2.28m. Without the £3.96m from the Schools Block specific contribution this funding gap would be £6.24m. We are hopeful that at least some of this gap will be resolved through a 'better than expected' increase in our High Needs Block allocation when this is confirmed by the DfE mid December.

Seeking to pull the key themes of this report together, the Authority asks the Schools Forum to closely consider the reality of this position, the guiding principles that should be applied, and to consider whether any / what further information will help recommendations to be made on 11 January on the management of High Needs Block pressures and the contribution from the Schools Block.

Implications for the Dedicated Schools Grant (DSG) (if any)

Yes – as outlined in this report.

How does this item support the achievement of the District's Education Priorities

Ensuring appropriate resources are available, in the right places, to support the most vulnerable children across the District, must be a key focus for the Forum, building on current good practices. It is also vitally important that, alongside managing increasing cost pressures, that sufficient resources are available to the Local Authority and to schools to meet statutory responsibilities around SEND and meeting pupil need.

Recommendations

The Forum is asked to agree the structure of Bradford's High Needs Funding Model for the 2017/18 financial year.

Members are asked to consider whether sufficient information has been provided to enable final recommendations on the 2017/18 High Needs Block to be taken on 11 January 2017.

List of Supporting Appendices / Papers (where applicable)

Appendix 1 – Initially Allocated Planned 2017/18 High Needs Block Places (Bradford Located Settings).
Appendix 2 – 2017/18 Indicative Variances Analysis.
Appendix 3 – TSS Review

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Initial Allocated Places Planned to be funded from the High Needs Block 2017/18 Financial & Academic Years (Bradford Located Provisions)

Setting	Type (AP or SEND)*	October 2016 Occupancy (FTE)	16/17 Initial Planned Budget AY Funded Places (FTE)	17/18 FY April – Aug Updated Planned Places (FTE)	17/18 AY Sept - Mar Initial Planned Places (FTE)
Primary PRU	AP	43	42	50	50
Central PRU	AP	49	50	50	50
Ellar Carr PRU	AP	49	45	54	54
District PRU	AP	107	160	160	160
Acorn Centre	AP	5	10	10	10
Horizons Centre	AP	3	10	10	10
Long View Centre	AP	5	10	10	10
Phoenix Centre	AP & SEND	13	20	20	20
Early Years Children's Centre Plus **	SEND	38	68	68	68
ARC - Girlington Primary School	SEND	12	17	17	17
ARC - Swain House Primary School	SEND	14	20	20	20
ARC - Grove House Primary School	SEND	9	12	12	12
ARC – Hanson School	SEND	40	55	55	40
Special – Beechcliffe School	SEND	114	103	120	120
Special – Chellow Heights School	SEND	191	180	195	195
Special – Delius School	SEND	117.4	110	119	119
Special – Hazelbeck Academy	SEND	131	125	133	131
Special – High Park School	SEND	99	95	100	100
Special – Phoenix School	SEND	73.8	78	78	78
Special – Southfield Academy	SEND	243	222	243	243
Special – Oastler School	SEND	86	90	90	90
DSP – Carrwood Primary School	SEND	3	4	0	0
DSP – Denholme Primary School	SEND	6	8	8	8
DSP – Green Lane Primary School	SEND	11	10	13	13
DSP – High Craggs Primary Academy	SEND	3	6	6	6
DSP – Crossflatts Primary School	SEND	11	12	12	12
DSP – Beckfoot Academy	SEND	7	10	10	10
DSP – Oasis Academy (Lister Park)	SEND	4	4	4	4
DSP – Southfield Grange Campus	SEND	23	22	23	21
DSP – Parkside School	SEND	13	12	13	13
DSP – The Holy Family Catholic School	SEND	12	12	13	13
DSP – Beckfoot Thornton Academy	SEND	15	14	15	14
DSP – Titus Salt School	SEND	16	15	16	16
DSP – Bradford Academy	SEND	21	22	22	22
DSP – Haworth Primary Academy	SEND	5	6	6	6
DSP – Bradford Forster Academy	SEND	4	6	6	6
DSP – High Park Learn and Play	SEND	16	16	16	16
Education in Hospital – Airedale	SEND	7	22	7	7
Education in Hospital – BRI	SEND	25	11	16	16
Tracks	SEND	8	16	26	26
Post 16 in mainstream Bradford settings (schools and academies)	SEND	38	38	38	38
Further Education – Bradford College***	SEND	133	105	105	133

Further Education – Shipley College***	SEND	94	93	93	94
Further Education – Aspire-Igen***	SEND	8	14	14	8
Additional Unallocated Places	SEND	n/a	20	120	240
Additional Unallocated Places (in the range of)	SEMH	n/a	0	20	40
Total Initial Planned Places		1,925.20	2,020	2,236	2,379

* There is cross over between AP and SEND in some provisions in Bradford. The type recorded here is based on the main designation of the setting.

** Early Years SEND / Children’s Centre Plus provision is currently under review. The places numbers by setting are as 2015/16, to provide for an equivalent DSG planned budget for Early Years SEN in 2017/18, understanding that the actual distribution of these places, between settings and between delegated and centrally managed services, is still to be determined.

*** Please note that Post 16 places in Further Education Colleges are set on an annual lagged basis.

		2016/17 FY Planned Budget at April 2016				2017/18 FY Indicative Planned Budget				Variances			
Phase	School / Setting	Planned Funded Places at April 2016	Planned Place Funding	Planned Plus Funding	Total Planned Funding	Planned Funded Places	Indicative Planned Place Funding	Indicative Planned Plus Funding	Total Indicative Planned Funding	Funded Places Difference 17/18 vs. 16/17	Total Planned Funding Difference 17/18 vs. 16/17	Difference in Funding Per Place 17/18 vs. 16/17	Notional Contribution (1.5% Top Up Reduction)
Special Schools and Special Academies													
MAINTAINED	Beechcliffe School	103.00	1,030,000	1,046,382	2,076,382	120.00	1,200,000	1,062,525	2,262,525	17.00	£186,143	£-1,305	-14,894
MAINTAINED	Chellow Heights School	180.00	1,800,000	1,871,280	3,671,280	195.00	1,950,000	1,918,273	3,868,273	15.00	£196,993	£-559	-25,651
MAINTAINED	Delius School	110.00	1,100,000	1,055,139	2,155,139	119.00	1,190,000	1,093,342	2,283,342	9.00	£128,203	£-404	-15,990
ACADEMY	Hazelbeck Academy	125.00	1,250,000	1,406,695	2,656,695	132.25	1,322,500	1,429,009	2,751,509	7.25	£94,814	£-448	-20,295
MAINTAINED	High Park School	95.42	954,167	1,575,462	2,529,628	100.00	1,000,000	1,452,942	2,452,942	4.58	£-76,687	£-1,982	-20,707
MAINTAINED	Phoenix School	78.83	788,333	691,607	1,479,940	78.00	780,000	666,751	1,446,751	-0.83	£-33,189	£-225	-9,721
ACADEMY	Southfield Grange Campus	223.25	2,232,500	2,134,161	4,366,661	242.92	2,429,167	2,248,646	4,677,813	19.67	£311,151	£-303	-28,956
MAINTAINED	Oastler School	90.00	900,000	1,308,109	2,208,109	90.00	900,000	1,241,043	2,141,043	0.00	£-67,066	£-745	-18,223
TOTAL SPECIAL SCHOOLS & SPECIAL ACADEMIES		1,005.50	10,055,000	11,088,835	21,143,835	1,077.17	10,771,667	11,112,532	21,884,198	71.67	£740,363	£-712	-154,439
D													
Designated Specialist Provisions (DSPs)													
PRIMARY MAINTAINED	Carrwood	5.67	56,667	48,496	105,163	0.00	0	0	0	-5.67	£-105,163		
PRIMARY MAINTAINED	Denholme Primary School	8.00	80,000	59,042	139,042	8.00	80,000	90,156	170,156	0.00	£31,114	£3,889	-886
PRIMARY MAINTAINED	Green Lane Primary School	11.25	112,500	82,659	195,159	13.00	130,000	82,666	212,666	1.75	£17,506	£-989	-924
PRIMARY ACADEMY	High Crags Primary School	6.00	60,000	33,995	93,995	6.00	60,000	64,000	124,000	0.00	£30,005	£5,001	-426
PRIMARY MAINTAINED	Crossflatts Primary School	9.50	95,000	102,423	197,423	12.00	120,000	148,248	268,248	2.50	£70,825	£1,573	-1,892
SECONDARY ACADEMY	Beckfoot Academy	10.83	109,498	80,774	190,273	9.92	99,500	114,556	214,056	-0.92	£23,783	£4,022	-1,316
SECONDARY ACADEMY	Oasis Academy Lister Park	6.08	60,833	27,762	88,595	4.00	40,000	70,769	110,769	-2.08	£22,174	£13,129	-284
SECONDARY ACADEMY	Southfield Grange Campus	22.00	222,330	244,673	467,003	21.67	217,333	245,671	463,005	-0.33	£-3,998	£142	-3,670
SECONDARY MAINTAINED	Parkside School	13.67	140,162	151,206	291,367	13.00	133,000	149,626	282,626	-0.67	£-8,742	£421	-1,746
SECONDARY MAINTAINED	The Holy Family Catholic School	12.83	129,498	121,877	251,376	13.00	131,000	126,458	257,458	0.17	£6,082	£217	-1,591
SECONDARY MAINTAINED	Thornton Grammar School	15.25	152,500	75,553	228,053	14.42	144,167	93,485	237,652	-0.83	£9,599	£1,530	-1,132
SECONDARY MAINTAINED	Titus Salt School	15.83	160,663	91,613	252,276	16.00	162,000	102,461	264,461	0.17	£12,185	£596	-1,318
SECONDARY ACADEMY	Bradford Academy	22.00	222,330	260,047	482,377	22.08	223,500	243,610	467,110	0.08	£-15,268	£-774	-2,549
SECONDARY ACADEMY	Bradford Forster Academy	6.00	60,000	46,495	106,495	6.00	60,000	64,000	124,000	0.00	£17,504	£2,917	-426
PRIMARY ACADEMY	Haworth Primary Academy	6.00	60,000	83,423	143,423	6.00	60,000	108,872	168,872	0.00	£25,448	£4,241	-1,110
SPECIAL MAINTAINED	High Park (Learn and Play)	16.00	160,000	59,042	219,042	16.00	160,000	0	160,000	0.00	£-59,042	£-3,690	0
TOTAL DSPs		186.92	1,881,982	1,569,082	3,451,063	181.08	1,820,500	1,704,577	3,525,077	-5.83	£74,014	£1,003	-19,270
ARCS													
ARC PROVISION PRIMARY	Girlington Primary School	17.00	170,000	189,120	359,120	17.00	170,000	186,377	356,377	0.00	£-2,744	£-161	-2,744
ARC PROVISION PRIMARY	Swain House Primary School	20.00	200,000	222,495	422,495	20.00	200,000	219,266	419,266	0.00	£-3,228	£-161	-3,228
ARC PROVISION PRIMARY	Grove House Primary School	12.00	120,000	133,497	253,497	12.00	120,000	131,560	251,560	0.00	£-1,937	£-161	-1,937
ARC PROVISION SECONDARY	Hanson School	55.00	558,155	611,860	1,170,015	46.50	474,000	509,795	983,795	-8.50	£-186,221	£-116	0
TOTAL ARCS		104.00	1,048,155	1,156,972	2,205,127	95.50	964,000	1,046,997	2,010,997	-8.50	£-194,130	£-146	-7,909
Pupil Referral Units (PRU)													
MAINTAINED PRU	Primary PRU	42.00	420,000	619,670	1,039,670	50.00	500,000	712,887	1,212,887	8.00	£173,217	£-496	-10,109
MAINTAINED PRU	Central PRU	50.00	500,000	489,145	989,145	50.00	500,000	481,596	981,596	0.00	£-7,548	£-151	-6,803
MAINTAINED PRU	Ellar Carr PRU	45.00	450,000	569,262	1,019,262	54.00	540,000	657,963	1,197,963	9.00	£178,701	£-466	-10,377
MAINTAINED PRU	District PRU	160.00	1,600,000	1,336,520	2,936,520	160.00	1,600,000	1,437,415	3,037,415	0.00	£100,895	£631	-25,316
TOTAL PRUs		297.00	2,970,000	3,014,597	5,984,597	314.00	3,140,000	3,289,862	6,429,862	17.00	£445,265	£327	-52,605
Primary Behaviour Centres													
PRIMARY MAINTAINED	Acorn Centre	10.00	100,000	74,725	174,725	10.00	100,000	77,035	177,035	0.00	£2,309	£231	-1,088
PRIMARY MAINTAINED	Horizons Centre	10.00	100,000	74,725	174,725	10.00	100,000	73,035	173,035	0.00	£-1,691	£-169	-1,088
PRIMARY MAINTAINED	Long View Centre	10.00	100,000	74,725	174,725	10.00	100,000	73,035	173,035	0.00	£-1,691	£-169	-1,088
PRIMARY MAINTAINED	Phoenix Centre	20.00	200,000	167,902	367,902	20.00	200,000	144,588	344,588	0.00	£-23,314	£-1,166	-2,550
TOTAL PRIMARY BEHAVIOUR CENTRES		50.00	500,000	392,078	892,078	50.00	500,000	367,691	867,691	0.00	£-24,386	£-488	-5,816
Education in Hospital / Medical Provision													
EDUCATION IN HOSPITAL - Airedale		22.00	391,056		391,056	7.00	128,611		128,611	-15.00	£-262,445	£598	0
EDUCATION IN HOSPITAL - BRI		11.00	195,528		195,528	16.00	293,968		293,968	5.00	£98,440	£598	0
TRACKS		16.00	189,084		189,084	26.00	463,974		463,974	10.00	£274,890	£6,027	-2,878
TOTAL EDUCATION IN HOSPITAL / TRACKS		49.00	775,668	0	775,668	49.00	886,553	0	886,553	0.00	£110,885	£2,263	-2,878

2016/17 FY Planned Budget at April 2016

2017/18 FY Indicative Planned Budget

Variances

Phase	School / Setting	2016/17 FY Planned Budget at April 2016				2017/18 FY Indicative Planned Budget				Variances			
		Planned Funded Places at April 2016	Planned Place Funding	Planned Plus Funding	Total Planned Funding	Planned Funded Places	Indicative Planned Place Funding	Indicative Planned Plus Funding	Total Indicative Planned Funding	Funded Places Difference 17/18 vs. 16/17	Total Planned Funding Difference 17/18 vs. 16/17	Difference in Funding Per Place 17/18 vs. 16/17	Notional Contribution (1.5% Top Up Reduction)
<u>Early Years Resourced Provision</u>													
TOTAL EARLY YEARS (CHILDREN CENTRE PLUS PROVISION)		72.00	1,114,312	1,114,312	72.00	1,097,598	1,097,598	0.00	-£16,715	-£232	-16,715		
<u>Further Education Settings</u>													
FURTHER EDUCATION	Bradford College	96.00	576,000		576,000	123.67	742,000		742,000	27.67	£166,000	£0	
FURTHER EDUCATION	Shipley College	88.67	532,000		532,000	93.67	562,000		562,000	5.00	£30,000	£0	
FURTHER EDUCATION	Aspire-Igen	9.33	56,000		56,000	10.00	60,000		60,000	0.67	£4,000	£0	
FURTHER EDUCATION	Top Up (Plus Element) Funding for All FE Providers			2,500,000	2,500,000			2,600,000	2,600,000				
TOTAL FURTHER EDUCATION		194.00	1,164,000	2,500,000	3,664,000	227.33	1,364,000	2,600,000	3,964,000	33.33	£200,000	-£1,450	-39,594
ACROSS SEND & SEMH PROVISIONS	Initial Additional Budget for Currently Unallocated Places		915,000		915,000		4,355,400		4,355,400		£3,440,400		

Value of Pre 16 Top Up Rates & Post 16 Top up rates for Non-FE Provision	2016/17	2017/18	Difference	% Difference
Range 3 £APP	£0	£0		
Range 4A £APP	£981	£966	-£15	-1.50%
Range 4B £APP	£3,092	£3,045	-£46	-1.50%
Range 4C £APP	£4,738	£4,667	-£71	-1.50%
Range 4D £APP	£7,380	£7,270	-£111	-1.50%
Range 5 £APP	£10,761	£10,599	-£161	-1.50%
Range 6 £APP	£14,337	£14,122	-£215	-1.50%
Range 7 £APP	£23,558	£23,205	-£353	-1.50%

TSS Review – Designing Support Services for the Future (Draft)

Headteachers and Senior School Leaders have met twice with The Deputy Director of Education and Senior LA Officers, Employment and Skills over the course of the Autumn term 2017 to discuss how the LA moves to a SEND service design that reflects a self-improving, sector-led approach to providing support, advice, training and consultancy to schools to support the full spectrum of special educational needs.

The model below is the outcome of the work undertaken by the group and is currently a draft pending comments from those who took part.



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SCHOOLS FORUM AGENDA ITEM

For Action



For Information



Brief Description of Item (including the purpose / reason for presenting this for consideration by the Forum)

This report asks the Forum to further consider the position of Schools and Early Years Block central and de-delegated items funded from the DSG in 2017/18, following the initial discussion in the meeting of 19 October 2016. Members are asked to take a decision at this meeting on the position of the Fischer Family Trust subscription for 2017/18.

Date (s) of any Previous Discussion at the Forum

At the last meeting on 19 October 2016, the Schools Forum agreed the criteria for the allocation in 2017/18 of Schools Block centrally managed funds. The Forum has still to make its recommendations on the continuation of de-delegated funds in 2017/18 and their values. The Forum received an initial report (Document GR), which set out the current position of funds and the recommendations that the Forum has already taken for the 2017/18 financial year. Members were asked whether any further information is needed to facilitate their final recommendations. Further information requested (on the future availability of buy back into de-delegated funds) is provided in this report.

Background / Context

The following funds were held in this current financial year from the Schools and Early Years Blocks.

Type 1

Funds that are specifically permitted by the Funding Regulations or where existing historic commitments from the DSG remain in place. The cost of these funds is 'top-sliced' from both maintained schools and academies; it is then a requirement that schools and academies can access services on the same basis. The 3 funds are:

o Schools Forum Costs	£10,000
o School Admissions	£577,600
o DSG matched contribution to school improvement	£1,318,600

The Schools Forum made the following new recommendations relating to the DSG's matched contribution fund in the 2017/18 financial year on 6 January 2016:

- Agreed to continue for the period 1 April 2017 to 31 August 2017 at reduced values (the values for the period 1 April 2015 to 31 August 2015 reduced by 25%).
- Agreed to cease at 31 August 2017, with the sums released to Primary, Secondary and Early Years delegated budgets in 2017/18 and 2018/19. The Local Authority is expected to manage transition to minimise the cost to the 2017/18 DSG of staffing restructure.

On this basis, the value of the DSG's Contribution to School Improvement and Early Childhood Services reduces from £1,318,600 in 2016/17 to £482,426 in 2017/18 and then £0 in 2018/19. This increases the values of the base amount per pupil in the 2017/18 formulae by £11.56 (primary), £5.04 (secondary) and per hour by £0.014 (early years 3 and 4 year old setting base rates).

Type 2

Funds, where the funding is originally delegated to all schools and academies through formula funding, but where maintained schools can decide to 'de-delegate' amounts back to the centre for specific named purposes. Only maintained schools (and nursery schools) contribute to these funds and only maintained schools can access. The 8 funds are:

o ESD School Support Team	£426,360
o Minority Ethnic School Support Team	£94,350
o FSM Eligibility Assessment	£119,000
o Fischer Family Trust Licences	£33,560
o School Maternity / Paternity 'insurance' fund	£1,565,400
o Trade Union Facilities Time	£306,000
o Trade Union Health & Safety Representative Time	£46,765
o School Staff Public Duties and Suspensions Fund	£62,920

Members are reminded that the de-delegated fund for Minority Ethnic School Support ceased on 1 May 2016 and no de-delegation will apply in 2017/18.

Background / Context (continued)

The table below shows the amount per pupil contribution values to these funds in 2016/17 by phase.

2016/17 Fund	Early Years £app	Primary £app	Secondary £app
Schools Forum Costs	£0.11	£0.11	£0.11
School Admissions	n/a	£6.76	£6.76
DSG Contribution to School Improvement	£18.37	£16.97	£10.45
ESBD School Support Team *	n/a	£9.10	n/a
Minority Ethnic School Support Team *	n/a	£1.49	£1.49
Fischer Family Trust – School Licences *	n/a	£0.53	£0.53
School Maternity / Paternity 'insurance' *	£18.63	£25.62	£17.93
Trade Union Facilities Time *	£4.56	£4.56	£4.56
Trade Union Health and Safety Rep Time *	£0.70	£0.70	£0.70
School Staff Public Duties & Suspensions Fund *	£0.94	£0.94	£0.94
Total £app maintained schools	£43.30	£66.78	£43.47
Total £app academies (* do not contribute)	£43.30	£23.84	£17.33
FSM Eligibility Assessments (FSM based) *	n/a	£5.80	£5.14

Education Services Grant (ESG) Funds

As raised in the report to the last Forum meeting, the DfE proposes to transfer the Centrally Retained Duties element of the ESG into the Schools Block DSG from 1 April 2017. Bradford currently receives £1.43m, calculated on £15 per pupil for all pupils state funded schools and academies. This funding is allocated to support the Authority in meeting its statutory duties relating to all state funded schools and academies. We currently await further guidance from the DfE on how this funding can be managed within the DSG and to what statutory functions it relates. At this time, the Authority anticipates retaining an ESG sum centrally within the Schools Block in 2017/18 on an amount per pupil 'pass porting' basis i.e. the Authority expects to have access to ESG funding at the value the DfE funds within the DSG, without top-slice, with this value increasing (or decreasing) year on year in line with changes in pupil numbers. The baseline value per pupil being transferred into the Schools Block is £16.83 (this is greater than £15 because the £15 is based on the £1.43m divided by all pupils, including those in the High Needs and Early Years Blocks; the transfer into the Schools Block means that only pupils in primary and secondary schools and academies are brought into the calculation, so the £1.43m is divided by a lower total of pupils). On current estimates of Schools Block pupil numbers, a sum of £1.442m would be centrally retained in 2017/18. We expect this to be confirmed mid December.

The DfE has also proposed to allow new additional de-delegation, with contributions taken from maintained schools only, to provide additional funding for local authorities in meeting their statutory functions relating to maintained schools. This new facility comes in response to the cessation of the ESG General Rate funding from September 2017. We await further guidance on this from the DfE, including for what statutory duties additional de-delegation can take place. We must consider this additional new facility in the context of the overall position of de-delegation and in the light of the direction of travel and timetable for the conversion of maintained schools in Bradford to academies.

Details of the Item for Consideration

In the report to the 19 October 2016 meeting, the Authority outlined its general expectations for the continuation of Schools Block funds in the 2017/18 financial year; that the Schools Forum will:

- Continue to provide sufficient funding to be allocated to support the costs of in year growth in pupil numbers (the Growth Fund) allocated as per the agreed criteria.
- Continue the small budget for Schools Forum costs (at £10,000).
- Continue the DSG's funding of admissions (at £577,600). Admissions funding from April 2018 may be affected by proposals for the National Funding Formula (a move to a formula basis, rather than historic actual spending).
- 'Passport' the ESG Centrally Retained Duties to the Local Authority's budget (estimated at £1.442m).
- Ratify the recommendation already made to cease at 1 September 2017 the DSG's matched contribution to school improvement and early childhood services.
- Continue de-delegation, according to the current principles that guide the values of per pupil contributions, where this is supported by school colleagues, but where there is also either still critical mass (a sufficient number of maintained schools) or where the framework is in place for academies to buy into arrangements through the Local Authority and where academies demonstrably are doing so.
- Continue de-delegation for safeguarded salaries (the Re-Organisation Cost fund) on the basis of actual cost of continuing safeguards. This cost is reducing each year (2016/17 cost of £81,850).

Details of the Item for Consideration (continued)

The Authority expects that the Schools Forum's discussion and decision making for 2017/18 will focus on the maternity / paternity insurance scheme and on de-delegation for this in the secondary phase.

For starting reference, the first table below shows what the estimated values of de-delegated funds will be in 2017/18 applying the agreed principles and calculated on the numbers of maintained schools at 1 November 2016. The second table indicates what the estimated position will be at 1 April 2017 if all the known academy conversions currently in the system take place by this date as expected.

Based on schools at 1 November 2016	Primary	Secondary	Total 17/18	Change on 2016
ESBD School Support	£383,476		£383,476	- £42,885
Costs of FSM Eligibility Assessment	£77,661	£17,613	£95,274	- £23,794
Fischer Family Trust - School Licences	£33,966	£7,561	£41,527	+ £7,967
School Maternity / Paternity 'insurance' fund	£1,516,407	£337,551	£1,853,958	+ £358,958
Trade Union Facilities Time	£192,224	£42,789	£235,013	- £53,779
Trade Union Health & Safety Rep Time	£29,374	£6,539	£35,912	- £8,218
School Staff Public Duties & Suspensions	£39,522	£8,797	£48,319	- £11,060
Total All Funds	£2,272,629	£420,850	£2,693,479	+ £227,189
Total Excluding Maternity / Paternity	£756,222	£83,299	£839,521	- £131,769
Number of Maintained Schools	125	8		-14

Based on a forecast of schools at 1 April 2017	Primary	Secondary	Total 17/18	Change on 2016
ESBD School Support	£236,425		£236,425	- £189,936
Costs of FSM Eligibility Assessment	£51,152	£6,606	£57,758	- £61,310
Fischer Family Trust - School Licences	£33,966	£7,561	£41,527	+ £7,967
School Maternity / Paternity 'insurance' fund	£934,915	£126,325	£1,061,240	- £433,760
Trade Union Facilities Time	£118,512	£16,013	£134,526	- £154,266
Trade Union Health & Safety Rep Time	£18,110	£2,447	£20,557	- £23,573
School Staff Public Duties & Suspensions	£24,366	£3,292	£27,659	- £31,717
Total All Funds	£1,417,446	£162,244	£1,579,692	- £886,595
Total Excluding Maternity / Paternity	£482,531	£35,919	£518,452	- £452,835
Number of Maintained Schools	83	3		-61

Further conversions between 2 April and 1 September 2017 will reduce the value of de-delegated funds further during the 2017/18 financial year. Please note that this is a rough analysis of the position. These tables especially highlight the reduction in the number of maintained secondary schools and, especially, the vulnerability within the School Maternity / Paternity Insurance fund for this phase.

The table below sets out how the Authority anticipates which of the above centrally managed funds will continue to be available to be purchased by academies. The table also indicates where there are alternative options for both maintained schools and academies either to provide (realistically) services in house or purchase services from another provider.

Fund	School or MAT-Level in House Alternative *	Commercial Alternative **	Buy Into Authority Arrangements Available for Academies ***
ESBD School Support	YES	YES	YES
Costs of FSM Eligibility Assessment	NO	YES	YES
Fischer Family Trust - School Licences	NO	YES	YES
School Maternity / Paternity 'insurance' fund	YES	YES	NO
Trade Union Facilities Time (inc. HealthSafety)	YES	NO	YES
School Staff Public Duties & Suspensions	YES	YES	NO

Details of the Item for Consideration (continued)

* School or MAT-level in house alternative is stated here to mean that the school or MAT can cover / deliver the same function internally from their own resources.

** Commercial alternative is stated here to mean that the school or academy can purchase a service from a provider that is not Bradford Council or can purchase the service from the same provider directly without going through Bradford Council.

*** Buy into Authority arrangements is stated here to mean that academies can access Council-run de-delegated services for a fee.

The Schools Forum has established these de-delegated funds, as permitted by the Finance Regulations, to:

- Take advantage of the economies of scale brought about by bulk purchase. This applies to Fischer Family Trust subscriptions. The alternative is for schools that want to subscribe to FFT to do so on an individual basis (at a higher per unit cost).
- Provide services that schools would find difficult and / or less cost effective to replace on an individual basis (either in house or through an external provider). This applies to FSM eligibility assessment, where schools would need to have systems in place to access data and to check individual eligibility including up to date benefits information and systems for verifying this information. This also applies to ESD School Support, where the need for services can fluctuate and where typically we have found that the price of services delivered by external providers is greater than those charged by the Council.
- Protect schools, especially smaller schools, against unpredictable expenditure. This applies to maternity and paternity costs and public duties and suspensions. The alternatives are for schools to have sufficient flexibility within their staffing structures for cover arrangements or, more commonly, to add maternity and other cover to their supply insurance policies.
- Provide for statutory responsibilities where there isn't a commercial alternative and where collective District-wide management and funding has significant cost, effectiveness and administrative benefits. This applies to trade union facilities time.

ESBD School Support, FSM Eligibility Assessment and Trade Union Facilities Time

Shown below are the figures extracted from Document GR Appendix 1, which was presented to the Schools Forum on 19 October, showing the % of authorities that de-delegate for these 3 purposes:

Type	England National	Statistical Neighbours	Met Districts	Yorks & Humberside
1.1.2 Behaviour Support Services	53%	50%	54%	47%
1.1.4 FSM Eligibility Assessment	59%	80%	59%	60%
1.1.9 Staff Costs - Supply Cover for Facilities Time	83%	90%	81%	73%

There is a strong level of buy in currently from academies in Bradford to the ESD School Support, Trade Union Facilities Time and FSM Eligibility Assessment de-delegated services. The continuation of de-delegation in 2017/18 for these services, with the incremental transition over time from de-delegation to direct trading as schools convert to academy, will enable these services to grow and sustain. The Authority strongly recommends to the Schools Forum that de-delegation for ESD School Support, Trade Union Facilities Time and FSM Eligibility Assessment is continued in 2017/18 across all applicable phases. The Schools Forum should continue to review this on an annual basis (in the context of further academy transition and national funding formula proposals).

Fischer Family Trust – School Licences

Currently the Schools Forum purchases an FFT Aspire subscription for all Bradford schools and academies. The current subscription expires on 31 March 2017. Bradford Council is required to confirm to FFT by January 2017 what FFT Aspire subscription it will be purchasing for the 2017-18 financial year.

FFT has changed their pricing structure, which has resulted in our 2017-18 subscription being approximately £41,527, which is a 27% increase on our 2016-17 subscription. Should schools decide to subscribe directly with the FFT, the total subscription cost for Bradford's schools would be £105,565. It is therefore, much more cost effective for schools to subscribe in bulk via the Local Authority as this represents a 61% saving. FFT is also offering multi-year discounts, which include a 5% discount for a 2 year subscription or 10% discount for a 3 year subscription. Multi-year subscriptions are required to be paid up front for the full term of the agreement.

Details of the Item for Consideration (continued)

A number of Local Authorities (including Bradford) are currently in discussions with FFT regarding their substantial price increase. The cost, therefore, could possibly change.

We understand that the Government intends, from next year, to enable access to the raw data in order to 'encourage the market', and that a RAISE document will not be provided. This could mean that a range of alternative publishers and providers could analyse the data and provide a report to schools on a traded basis. The options available then to the Schools Forum are:

- 1) Do not purchase an FFT Aspire subscription – schools that want FFT Aspire will need to purchase their own subscription.
- 2) Purchase a 2017-18 FFT Aspire subscription for all Bradford schools and academies via the Local Authority
- 3) Purchase a multi-year FFT Aspire subscription for all schools and academies to benefit from further discounts.

The Forum is asked to make a decision at this meeting so that we can meet the FFT's notification deadline. This is a decision that needs to be recorded by both primary and secondary phase maintained school members. The Authority recommends to the Schools Forum that the District-wide subscription is continued for at least 2017/18. If this is agreed, the Authority will ask academies via invoice to contribute to the cost of the FFT licence that they will access (an approximate 1 year cost of £0.48 per pupil).

Maternity / Paternity Insurance Scheme and Public Duties and Suspensions Funds

The table below repeats the information presented on 19 October on the % of local authorities that de-delegate for staffing supply arrangements and how our spending on these arrangements compares. We have identified previously that our spend is substantially higher than in other authorities because of our operation of our maternity / paternity insurance scheme, which reimburses a school for the cost of a member of staff on maternity leave so that the school has budget available to provide cover. This fund is the most significant in value of all our de-delegated funds.

England National	Statistical Neighbours	Met Districts	Yorks & Humberside
51%	80%	57%	47%
Bfd Cash Difference to National	Bfd Cash Difference to Stat Neigh	Bfd Cash Difference to Met Dist	Bfd Cash Difference to Y&H
1,138,414	722,452	1,138,414	1,554,376

Academies in Bradford do not access the Council's de-delegated maternity / paternity insurance scheme nor the public duties / suspensions fund and there are commercial alternatives (through insurances). Earlier in this report we highlighted that the extent of the conversion of maintained secondary schools to academies will affect the cost effectiveness and financing of the school maternity / paternity insurance fund for this phase.

The Local Authority recommends to the Schools Forum that the de-delegated funds for maternity / paternity insurance and suspensions / public duties are continued for nursery and primary schools in 2017/18, with contributions set at a value to meet anticipated costs. Further work is taking place, but it is currently estimated that the cost of the maternity / paternity insurance scheme will be in the region of £36 per pupil, which is higher than in this current year as it includes a reconciliation of 2016/17 actual expected cost against initial budget. Final details of planned contributions will be set out on 11 January. The cost effectiveness of these funds for the nursery and primary phases must continue to be monitored and reviewed before decisions taken for 2018/19.

The Authority recommends that the Forum gives serious consideration to the position of de-delegation for both the maternity / paternity insurance scheme and for the staff suspensions / public duties fund for the secondary phase. The Authority calculates, based on the number of expected academy conversions, that there will be insufficient mass within the secondary phase to sustain the financing of these funds without the cost benefit to individual schools being heavily eroded (or reversed) and without clear risk that the cost will fall disproportionately on the remaining maintained schools and that any overspend against planned provision could not be recovered. Where it is decided to cease these funds for the secondary phase at 1 April 2017 (or 1 September 2017), a value will still need to be de-delegated in 2017/18 in order to manage retrospective reimbursements and to reconcile actual spending (and in the case of cessation at 1 September to cover the cost for the first part of the financial year).

Details of the Item for Consideration (continued)

A Note on Nursery Schools

Currently Nursery Schools contribute to and access the maternity / paternity insurances scheme, the public duties / suspensions fund and the Trade Union Facilities time fund. The Authority recommends that Nursery Schools continue to contribute to and access these funds in 2017/18. Full details of contributions will be presented to the 11 January meeting.

'Contingency-Type' De-delegated Funds (Including Deficits Provisions)

The Schools Forum currently holds additional de-delegated funds to provide financial support to maintained schools in specific / exceptional circumstances. Further details on the planned values of these funds for 2017/18 will be provided in reports to the 11 January meeting. The Authority recommends the continuation of some budget for the primary phase in 2017/18 to help schools to manage exceptional circumstances. The decisions to be taken by the maintained secondary schools members of the Forum on the continuation or otherwise of the maternity / paternity scheme and the public duties / suspension fund, in the light of the expected conversion of schools to academies, are likely to influence the decisions on the continuation of any exceptional circumstances funds for the secondary phase.

The Authority would like the Forum (primary maintained school members) to consider, in setting the 2017/18 DSG de-delegated funds, establishing some provision e.g. £150,000 that will be available to meet the cost of any deficit balances of primary schools that convert to academy status under sponsored arrangements during 2017/18. Previously, the Forum has agreed that any necessary provision will be made retrospectively, as paragraph 1.3 (d) of Document FU from 6 January 2016 meeting articulates, "If it is necessary to write off to the DSG a deficit of a closing maintained school, or a maintained school that converts as a sponsored academy during 2016/17, where budget provision has not been specifically made, this will be done retrospectively from the 2017/18 DSG or from any one off balances available at the end of 2016/17." However, given the expected trajectory of conversions, the Authority is concerned about the disproportionate impact on remaining maintained schools of making financial provision for deficits retrospectively at the beginning of 2018 when the number of maintained schools that will contribute to the cost may be much smaller than at the beginning of 2017 e.g. the impact on individual schools of a £150,000 provision made up of contributions from 125 maintained schools will be smaller than a £150,000 provision from contributions from 80 schools. The Forum will be asked to consider this further on 11 January.

How does this item support the achievement of the District's Education Priorities

The recommendations on the future funding of services will need to find the correct balance between cost effectiveness and value for money, the protection and delivery of essential services for vulnerable children, the protection of school and academy budgets against unpredictable expenditure and giving schools and academies flexibility to take their own decisions, in response to a changing landscape. These build on the principles previously established by the Forum.

Implications for the Dedicated Schools Grant (DSG) (if any)

Recommendations will have direct implications for the distribution of the Schools and Early Years Blocks and for delegated formula allocations.

Recommendations

The Schools Forum is asked to note the information and the Authority's recommendations and to consider whether any further information is needed to enable final recommendations to be taken on 11 January 2017 on the funding of centrally managed and de-delegated Early Years and Schools Block items in 2017/18.

Members are asked to take a decision on the position of the funding of the Fischer Family Trust subscription in 2017/18.

List of Supporting Appendices / Papers (where applicable)

None

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