

## **Schools Forum**

**Wednesday, 20 September 2017 at 8.00 am**

**VENUE: Ernest Saville Room - 1<sup>st</sup> Floor, 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 apologies and 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 5 JULY 2017 & MATTERS ARISING**

1 - 10

**Recommended –**

**That the minutes of the meeting held on 5 July 2017 be signed as a correct record (previously circulated).**

#### **4. MATTERS RAISED BY SCHOOLS**

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

**5. STANDING ITEM - DSG GROWTH FUND ALLOCATIONS (a)**

There are no new allocations for consideration at this meeting. Proposed allocation to the secondary phase will be presented at the next meeting.

(Andrew Redding – 01274 432678)

**6. UPDATE - STRATEGIC SEND REVIEW & CONSULTATION (i)**

An update will be provided verbally on the Authority's strategic review of SEND and Alternative Provision, following from presentation made to the 5 July 2017 Forum meeting.

**Recommended –**

**Members are asked to consider and to note the update.**

(Judith Kirk – 01274 439238)

**7. SECONDARY PHASE DE-DELEGATION FOR MATERNITY SCHEME COSTS (a)**

11 - 14

The Business Advisor (Schools) will present a report, **Document HQ**, which provides detail on which the Schools Forum can further consider the matter raised on 5 July 2017 regarding the disproportionate cost to the maintained secondary phase in 2017/18 of de-delegated arrangements for the maternity costs scheme.

**Recommended –**

**The Schools Forum is asked to consider and agree the action it wishes to take to resolve this matter.**

(Andrew Redding – 01274 432678)

**8. NATIONAL FUNDING FORMULA - UPDATE (i)**

15 - 18

The Business Advisor (Schools) will present a report, **Document HR**, which provides an update on announcements on the implementation of the National Funding Formula. This update is provided in advance of the fuller announcement by the DfE, expected this month, which should enable more detailed consideration and for a fuller report to be presented to the School Forum at the October 2017 meeting. If the DfE's fuller announcement is made in time, the Business Advisor will present more information to the meeting.



**Recommended –**

**The Schools Forum is asked to note the information presented and to begin to consider the implications for the 2018/19 DSG budget planning round.**

(Andrew Redding – 01274 432678)

**9. OUTLINE - FORMULA FUNDING ARRANGEMENTS & CONSULTATIONS 2018/19 (i)**

19 - 24

The Business Advisor (Schools) will present a report, **Document HS**, which outlines the draft working principles that are being considered for the development of Bradford's formula funding arrangements for 2018/19. These principles are considered prior to the fuller announcements by the DfE on 2018/19 DSG arrangements and National Funding Formula, which are needed in order for Authority, with the Schools Forum, to clearly set out proposals for formula funding arrangements for the 2018/19 financial year. The Authority expects more formal consultation reports, for the Schools Block, Early Years Block and High Needs Block, to be presented to the Schools Forum at the next meeting, with these consultations being published immediately after. Following this timetable, responses to these consultations would be considered by the Forum at its December meeting. The Schools Forum will be required to make its final recommendations on 2018/19 DSG and formula funding arrangements at its January 2018 meeting.

**Recommended –**

**The Schools Forum is asked to begin to consider the draft working principles and whether these are agreeable. Members are also asked to discuss how best to communicate as early as possible this term with schools and other providers, and collect feedback, about arrangements for 2018/19 (in advance of more formal consultation beginning in October).**

(Andrew Redding – 01274 432678)

**10. WORK PROGRAMME AND SCHEDULE OF MEETINGS 2017/18 ACADEMIC YEAR (i)**

25 - 26

The Business Advisor (Schools) will present a report, **Document HT**, which outlines the School Forum's 2017/18 Academic Year work programme. Members are asked to note that, following the request made at the last meeting, that the July 2018 meeting has been rescheduled to Wednesday 11 July 2018.



**Recommended –**

**The Forum is asked to note the proposed programme and to consider whether any additional items should be added at this stage.**

(Andrew Redding – 01274 432678)

**11. SCHOOLS FORUM STANDING ITEMS (i)**

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

- Update from the Schools Financial Performance Group (SFPG)
- Update on School / Academy Budgets
- 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 –**

**The Forum is asked to note the information provided.**

(Andrew Redding – 01274 432678)

**12. ANY OTHER BUSINESS (AOB) / FUTURE AGENDA ITEMS**

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

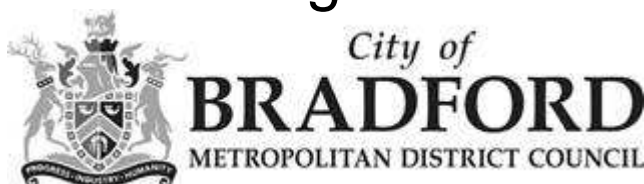
**13. DATE OF NEXT MEETING**

Please see the published schedule of meetings – the next Forum meeting is scheduled for Wednesday 18 October 2017. Please note that the July 2018 meeting has been rescheduled to Wednesday 11 July 2018.

*(a) Denotes an item for action*

*(i) Denotes an item for information*





## MINUTES OF THE MEETING OF THE SCHOOLS FORUM HELD ON WEDNESDAY 5 JULY 2017 AT CITY HALL, BRADFORD

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Commenced	0810
Adjourned	1005
Reconvened	1020
Concluded	1140

### PRESENT

#### SCHOOL MEMBERS

Bev George, Brent Fitzpatrick, Chris Quinn, Dianne Richardson, Ian Morrel, Tehmina Hashmi, Trevor Loft, Nicky Kilvington

#### NON SCHOOLS MEMBERS & NOMINATED SUB SCHOOL MEMBERS

Alison Kaye and Irene Docherty

#### LOCAL AUTHORITY (LA) OFFICERS

Andrew Redding	Business Advisor (Schools)
Angela Spence-Brooke	Strategic Manager, SEND and Behaviour
Asad Shah	Committee Services Officer
Dawn Haigh	Principal Finance Officer (Schools)
Jenny Cryer	Assistant Director, Performance, Commissioning and Partnerships
Judith Kirk	Deputy Director, Education, Employment and Skills
Lynn Donahue	Early Years Strategic Manager
Raj Singh	Business Advisor

#### OBSERVERS

Councillor Pollard

Councillor Ward

Lynn Murphy Business Manager, Feversham College

#### APOLOGIES

Members – Ian Murch, Lesley Heathcote, Maureen Cairns, Sami Harzallah, Ray Tate, , Sue Haithwaite, Helen Williams; Executive Portfolio Holder – Education, Employment And Skills – Councillor Imran Khan; Council Officers - Michael Jameson, Strategic Director, Children's Services and Stuart McKinnon-Evans Strategic Director, Corporate Services

#### DOMINIC WALL IN THE CHAIR



## CHAIR'S OPENING REMARKS

In introducing the meeting, the Chair welcomed Mary Copeland (Academy Member) as a returning member. The Chair also welcomed back Lynn Murphy.

The Chair expressed his thanks, and the thanks of the Schools Forum, to Bev George (Nursery Headteacher) and Chris Quinn (Maintained Secondary Governor), who are retiring members. The Chair thanked them for their commitment and involvement in Forum matters and meetings, and their contributions to its working groups, over many years.

The Chair also expressed his thanks and best wishes to Sarah North (School Funding Team Officer) who is leaving the Authority.

## 251. DISCLOSURES OF INTEREST

Disclosures of interest were received from Chris Quinn (for the matter raised by Bingley Grammar School under item 253) and from Ian Morrell and Dominic Wall (for the update on the strategic review of SEND under item 259).

## 252. MINUTES OF 15 MARCH 2017 & MATTERS ARISING

The Business Advisor (Schools) reported on progress made on "Action" items as follows:

- **Item 245 page 3: National Funding Formula consultation.** The Business Advisor gave an update verbally on the position of the NFF consultation, stating that we still await the DfE's announcement following its 2<sup>nd</sup> stage of consultation, but that one of the key Conservative Manifesto promises was that no school or academy would lose as a result of the NFF. Taken at face value, assuming that this would be delivered through the application of a 0% per pupil floor (rather than the proposed 3% per pupil floor), Bradford's £12.6m loss in the Schools Block as a result of the NFF would be fully negated, which would be £5.8m better than proposed in December. However, the detail is crucial to assessing the true impact. The Schools Minister (Nick Gibb) has also said to Parliament that the implementation of the NFF is not delayed. We expect further announcements over the summer.

A Secondary Phase Member asked what advice he can now give colleagues on the NFF. The Business Advisor explained that what these high level statements mean cannot be fully assessed until the detail is known. As such, the impact is still uncertain and firmer advice cannot be given at this time other than to watch closely for further information expected after the summer. The Business Advisor also highlighted other separate developments that must be brought into the assessment, including the discussions currently on public sector pay review, where under funded pay awards may result in greater financial pressure within school budgets even where the impact of NFF is not so great.

- The response to **item 246 page 4 (SEND review presentation)** is reported back on today's agenda.

- **Item 247 page 5 Matters Concerning School and Academy Budgets:** A report on balances of maintained schools is presented today. The Council is currently seeking to confirm the WYFP lump sum charge for maintained schools, but has provided guidance for schools to budget for this at £1 per pupil in 2017/18. An analysis of the “40bn” is included with Document HL at today’s meeting.
- **Item 249 AOB Membership Update:** this is reported under agenda item 7 Document HJ.

**Resolved –**

- (1) **That progress made on “Action” items be noted.**
- (2) **That the minutes of 15 March 2017 be signed as a correct record.**

**ACTION: City Solicitor**

### **253. MATTERS RAISED BY SCHOOLS**

The Business Adviser (Schools) present 2 matters that have been raised by schools through communication with the Chair:

- (a) The cost of de-delegation for maternity in the secondary phase

The Business Advisor reported that a letter has been received from the Headteacher at Bingley Grammar School asking the Schools Forum to review the charge to maintained secondary schools in 2017/18 for access to the maternity / paternity insurance fund, identifying the significant / disproportionate growth in the cost and lack of value for money that this provides. The Business Advisor reminded members of the rationale for the Forum’s decision back in January 2017 for the cessation of the fund at 1 July 2017 for new claims and the exit strategy. He also explained that it was difficult at this stage to present information to enable an assessment of the options that are available to the Forum for review as the cost of the scheme was still uncertain (there are a number of moving parts). Costs would be clearer in September. The representative of Maintained Secondary Headteachers stated that he would wish to consult further with colleagues on this issue. The representative of Maintained Secondary Governors, having declared an interest, expressed the view that the cost should be supported by the use of DSG reserve. The Forum agreed for this matter to be considered more closely, with the necessary detail, in September.

- (b) Trade Union Facilities Time

The Business Advisor reported that the CEO of BDAT has been in communication with the Chair seeking review of Trade Union Facilities Time; for consideration of the cost of arrangements going forward (identifying that the costs in Bradford are higher than national averages) and how these arrangement are engaged in the





academy sector. Members agreed that the annual review of de-delegated funds, which takes place in the autumn term for recommendations to be presented to the Forum, should incorporate and respond to these matters.

**Resolved –**

- (1) Re. the letter to the Chair from Bingley Grammar School regarding de-delegation for maternity costs in the secondary phase in 2017/18, that a report is presented to the next meeting, which enables the Schools Forum to make a recommendation on the matter.**
- (2) Re. the communication to the Chair from the CEO of BDAT regarding Trade Union Facilities Time, that this be considered within the established review process, that will beginning in September, which informs the Schools Forum's annual decisions on de-delegation matters.**

**Action:** *Business Advisor (Schools)*

**254. STANDING ITEM – DSG GROWTH FUND ALLOCATIONS**

The Business Advisor (Schools) presented the report, **Document HI**, which asks the Forum to agree two allocations from the Primary Growth Fund related to September 2017 expansions. Members did not ask any questions on the information presented and accepted the proposed allocations.

**Resolved –**

**That the Growth Fund allocations set out in Document HI be agreed.**

**Action:** *Business Advisor (Schools)*

**255. SCHOOLS FORUM MEMBERSHIP – CHAIR AND VICE CHAIR**

Members were asked to approve the proposed approach for the elections of both the Chair and Vice Chair of the Schools Forum for 2017/18.

The Chair explained, due to his position as a CEO of an academy trust that is actively involved in the development of SEND provision in Bradford, there will regularly be matters discussed and decided by the Schools Forum for which he will need to declare interests. Following some thought on this matter, the Chair explained that he has decided to not put himself forward for the Chair of the Schools Forum for the next term, but still wishes to be an active academy member.

The Chair also reported to the Forum that, following discussions with Dianne Richardson (the current Vice Chair), Dianne would like to stand for nomination / election for Chair for 2017/18.



The Business Advisor, on behalf of the Schools Forum, thanked the Chair for his leadership of the Forum and for the gravitas and insight he has brought to difficult and complicated discussions. Forum Members expressed their thanks through a round of applause.

**Resolved –**

**That the established approach (email) be followed for the collection of nominations and for the election of the Chair and Vice Chair of the Schools Forum for 2017/18.**

**Action:**        ***Business Advisor (Schools)***

## **256. SCHOOLS FORUM MEMBERSHIP**

The Business Advisor (Schools) presented a report, **Document HJ**, which provides an update on membership arrangements and asks Members to review the Authority's proposal for the Forum's membership composition. It was explained that it is particularly important that the Forum's membership remains proportionate with the number of pupils in maintained schools and academies, whilst also allowing for continuity and effective decision making. If the proposed composition was agreed, the Authority would work towards this.

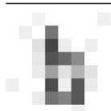
Forum members asked the following questions and made the following comments:

- The Vice Chair offered to speak to BPIP about the maintained primary school Headteacher vacancy.
- The Authority's post of representative for vulnerable children is currently vacant and should be filled as a priority.
- What will happen where the current incumbent of the secondary maintained school membership may no longer eligible due to conversion to academy status? The Business Advisor explained that the requirement is that, in such circumstances, the incumbent's membership will cease. The Authority would need to approach the remaining secondary schools for representation or review the position of that membership should the post not be filled.
- How will National Funding Formula affect the future role of the Schools Forum? The Business Advisor explained that this is currently uncertain, but the suggestion in the 2<sup>nd</sup> stage of the DfE's consultation was that the Forum may move its focus towards SEND / partnership work, picking up the patterns of allocation of the High Needs and Early Years Blocks.

**Resolved –**

**The Schools Forum supports the membership composition for 2017/18 as proposed in Document HJ and agrees for this to be worked towards.**

**Action:**        ***Business Advisor (Schools)***



## **257. SCHOOLS FORUM PANEL RECOMMENDATION – OASTLER**

The Business Advisor (Schools) presented a report, **Document HK**, which asks the Schools Forum to consider the recommendation from the Forum's Panel on the letter received from Oastler School on supporting the school's deficit balance. Document HK sets out this recommendation. The Business Advisor presented the Panel's conclusions and the Authority's initial response to these. He explained that the Forum's confirmed recommendation, with the Authority's initial response, will next be presented to the Council's Executive for decision.

### **Resolved –**

**That the Schools Forum supports the recommendation of the Panel. The Forum also recognises the initial response from the Authority to this recommendation. This recommendation be presented to the Executive for decision.**

**Action:**      *Business Advisor (Schools)*

## **258. UPDATE ON MATTERS CONCERNING THE 2017/18 DEDICATED SCHOOLS GRANT**

The Business Advisor (Schools) presented a report, **Document HL**, which provided an update on a number of matters related to the 2017/18 Dedicated Schools Grant. The presentation focused on:

- The confirmation of the DSG reserve position, with a further £0.698m of general and £1.35m of early years monies from the confirmed 2016/17 outturn.
- The simple analysis of the "£40bn", where it is more interesting to identify what is not included in the "protected budget".
- The changes that will need to take place in Early Years Single Funding Formula administration resulting from the 30 hours (Appendix 1) and the proposal for the collection of feedback 'informally' at an early stage about the Authority's proposed direction of travel towards a 'starters and leavers' based counting methodology. It was explained that the EYWG meets again on 20 July to further discuss. Forum members supported the proposal to begin to discuss these changes with colleagues as soon as possible.

In responding to the information presented on the national "£40bn" school's core budget, a Member requested further information on grants of a significant value that are being allocated directly into schools and MATs in the District, including to Teaching School Alliances, so that this can facilitate further consideration and the monitoring of how these grants are being effectively deployed. The Member explained that, although these grants are outside the direct remit of the Schools Forum, it is important for the Forum to have full sight of the large sums of monies that are being allocated into the District, especially to the Teaching Schools Alliances, and for the Forum to understand the distribution of these funds and the impact that these have.

## **Resolved –**

- (1) That the information contained in Document HL be noted.**
- (2) That further information be provided on grants of a significant value that are being allocated directly into schools and MATs in the District, including to Teaching School Alliances, to facilitate further consideration and the monitoring of how these grants are being effectively deployed.**

**Action:** *Business Advisor (Schools)*

## **259. UPDATE: STRATEGIC REVIEW OF SEND & HIGH NEEDS BLOCK MATTERS**

A comprehensive briefing (on PowerPoint) was presented by the Strategic Manager – SEND and the Strategic Manager – Early Years on the SEND Strategic Review for the Forum's information. The presentation outlined the history, the purposes and rationale of the review, the work taking place for the delivery of sufficient high needs places and the proposals, currently out to formal consultation, for the establishment of Early Years Enhanced Special Provisions and Centres of Excellence and the creation of a traded Integrated Specialist Teaching Support Service (ISTSS) through reshaping High Needs Block funded services. It was explained that the formal consultation period is planned to run to the 31 August. The presentation also explained the development of 'my support plan', which is expected to be increasingly rolled out from the autumn term.

Forum Members asked a number of questions for clarification on the presentation. Members also asked the following questions and made the following comments:

- Whether the Authority had trading models showing what the costs to schools would be of accessing the ISTSS? The Strategic Manager responded that the Authority is working on developing flexible packages and these would be available to consider in the autumn incorporating the feedback from the consultation.
- That the cost pressures being faced by school must be considered within this review; schools may only be able to purchase what they can afford rather than what they need.
- That the progress of the consultation and the review should continue to be an agenda item at Headteacher meetings.
- Will we only be looking to establish about an extra 100 places after September 2018? The Strategic Manager confirmed that this will be the position (following the earlier creation of places on an interim basis between January 2017 and September 2018).
- What is the position of SEND free school applications? The Chair responded that Bradford Authority has commissioned 2 new SEND free schools, which will create 360 places when opened. These are in addition to the Authority's commissioning of a new SEMH school. It was clarified that these free schools will be funded for the places commissioned by the Authority (the Authority defines its commitment to the DfE in terms of number of places that will be funded rather than a guaranteed value of income).
- Will the Schools Block be required to make further contributions to the High Needs Block in the future? The Business Advisor (Schools) stated that the purpose of the transfer of funds in this current financial year was to support the position of the High



Needs Block across the medium term so that it 'lives within its own means'. Further contributions are not assumed and there would need to be good reason for consideration of these. However, we 'can never say never', at least until we have more confirmed information about the National Funding Formula. The NFF may prevent further contributions from the Schools Block in any event. The pressures within the High Needs Block cannot be under estimated.

The Chair concluded the discussion by thanking the Strategic Managers for the comprehensiveness of their presentation and of the solution presented. He asked that the minutes of the meeting record that the Forum endorses the review work. He also reminded Members of their duty to communicate with colleagues on these matters.

#### **Resolved –**

**That the update provided on the Strategic Review of SEND and High Needs Block Matters be noted.**

#### **260. SCHOOLS' OUTTURN (REVENUE BALANCES) 2016/17**

The Business Advisor (Schools) presented a report, **Document HN**, which shows the position of revenue balances held by maintained schools at 31 March 2017. The report also provides information on schools' reporting of surplus balances and a further update on the anticipated volume of conversions of maintained schools to academy status in Bradford and the likelihood of liabilities resulting from the conversion of schools holding deficit budgets.

In his presentation of the report, the Business Advisor (Schools) highlighted that there is a greater number of schools in Category C (showing risk of financial difficulties in future years) than there has been in previous years and fewer schools with surplus balances in excess of the defined thresholds. 61% of maintained schools had 'in year' deficits in 2016/17. He also stated that the majority of schools are continuing to progress timely action to address tighter financial times and budget deficits where these occur. He highlighted that there has been no cost to the Authority as a result of the conversion of 37 maintained schools to academy status since February 2016. However, the position for schools is increasingly challenging.

Following his presentation, the Chair invited the Deputy Director, Education, Employment and Skills, to provide more information on the position of the deficit budget of Hanson School. The Deputy Director explained that it is the Authority's view that a large element of the school's overspending could have been avoided had timely conversion to academy status been actioned and that the RSC's rejection of the Authority's plan, presented 20 months ago, for a federation option for the school, is very important in this. The Authority would emphasise that our proposed federation option is similar to the arrangement now in place following the failure to academise the school. The Deputy Director explained that discussions are currently taking place outside of the Schools Forum on these matters.

Forum Members asked a number of questions on the current position of the school, the previous sponsors, governance arrangements, transparency on this issue and also on the

role of the DSG in any possible solution. The Chair summarised the Forum's great concern, recognising the value of the current deficit and that this exceeds the resources previously set aside in the DSG to support the school. Forum Members indicated their support for the statement that the DSG cannot be responsible for a financial solution and that the value of financial support from the DSG will not exceed the value previously set aside.

**Resolved –**

**That information contained in Document HN be noted. That the minutes of the meeting record the Forum's significant concerns regarding the deficit position of Hanson School.**

## **261. SCHOOLS' FINANCIAL VALUE STANDARD**

The Business Advisor (Schools) presented a report, **Document HO**, which provided for members the annual update on the compliance of maintained schools with the Schools' Financial Value Standard (the SFVS) at 31 March 2017. A Member asked whether individual schools could be given feedback on their returns. The Business Advisor stated that he would discuss this with Internal Audit who has carried out the SFVS assurance exercise.

**Resolved –**

**That information contained in Document HO be noted.**

## **262. FINANCIAL CLASSIFICATION OF MAINTAINED SCHOOLS 2017/18**

The Business Advisor (Schools) presented a report, **Document HP**, which provided for the information of Members, a summary of the categorisation of maintained schools within the Local Authority's Financial Classification of Schools for the 2017/18 academic year.

Members did not ask any questions on the information presented.

**Resolved –**

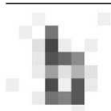
**That information contained in Document HP be noted.**

## **263. OTHER SCHOOLS FORUM STANDING ITEMS**

**No resolution was passed on this item.**

## **264. ANY OTHER BUSINESS**

**No resolution was passed on this item.**



## **265. DATE OF NEXT MEETING**

**Resolved –**

**The next meeting of the Schools Forum is Wednesday 20 September 2017.**

The clerk to the Forum was asked to look at the possibility of re-scheduling the July 2018 meeting so that this will not class with primary to secondary transition day.

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

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





## 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 detail on which the Schools Forum can further consider the matter raised on 5 July 2017 regarding the disproportionate cost to the maintained secondary phase in 2017/18 of de-delegated arrangements for the maternity costs scheme. The Schools Forum is asked to consider and agree the action it wishes to take to resolve this matter.

**Date (s) of any Previous Discussion at the Forum**

This matter was raised in a letter from the Headteacher at Bingley Grammar School and as a 'matter raised by schools' on 5 July 2017.

**Background / Context**

The minutes of the Schools Forum meetings held on 11 and 18 January 2017 record the Forum's decision on the cessation of the de-delegated maternity / paternity 'insurance' scheme for the secondary phase:

*School Maternity / Paternity 'insurance' fund: continue de-delegation from early years (nursery schools) and primary phases at a value forecasted to afford the scheme for a full year and repay the 2016/17 overspending. Cease de-delegation for / access to this scheme for the secondary phase at 1 July 2017 (so no new claims after 1 July but with existing claims honoured until these expire), with a full year de-delegation contribution initially taken and an end of year reconciliation of cost with reimbursement back to contributing schools (where necessary).*

There were 7 maintained secondary schools at 1 April 2017 for which de-delegation was applied. There remain 7 maintained secondary schools at 1 September 2017. The value of de-delegation for 2017/18 for the secondary maternity / paternity 'insurance scheme was £36.57 per pupil, which established a total budget of £305,027 for the financial year.

The value of de-delegation for all phases in 2017/18 included the recovery of an estimated £330,000 overspending on the 2016/17 fund. £6.57 of the £36.57 for the secondary phase related to this overspending. The final confirmed overspend up to 31 March 2017 within the fund was £358,000.

The letter from Bingley Grammar School (extract) asked the following:

The school governors have asked me to write to you to express our deep concern regarding the high level of charge against our funding allocation this year relating to Maternity and Paternity Pay "insurance" provision.

They consider that the proposed charge of £54,562 for a four month period between April and July in this year is unjustifiable. It is the equivalent of an annual charge of £163,686 and is more than six times the premium that we were charged last year. As we have never made a claim of anything approaching this magnitude we cannot see how this premium was determined, particularly as it is considerably more than we would expect to pay in the commercial insurance market. Governors are determined to extract the best possible value from the school's budget do not believe that this expenditure can be justified.

Two solutions are possible:

- 1) Maternity insurance for secondary maintained schools is withdrawn from the beginning of the current financial year and the proposed charge is refunded to the schools account.
- 2) A charge equivalent to 4/12 of last year's charge plus inflation is levied and the insurance is terminated at the end of July.

Governors are also very anxious to hear how the current premium was determined and would ask that the Schools Forum either publish this information or reconsider their decision to levy the premium on those schools contributing to this area of the de-delegated budget in the current year.



### **Details of the Item for Consideration**

To remind Forum Members about the basis of de-delegated funds:

- These are 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 decision to de-delegate is taken by the phase-specific school members on the Schools Forum.
- There are 3 funds (Fischer Family Trust Subscription and School Maternity / Paternity Insurance and School Staff Public Duties and Suspensions) that are calculated on actual expected costs and the values of per pupil contributions can vary year on year, including to manage over or take account of under spends in the previous year.

To remind Forum Members of the basis of the decision that was made on 18 January on the maternity / paternity insurance scheme for the secondary phase:

- Members were presented with the evidence suggesting strongly the lack of future financial viability of the maternity / paternity insurance scheme for the secondary phase.
- The Schools Forum's secondary maintained representatives took a clear view in the December 2016 and January 2017 meetings that, although the current system has become unviable and financially unattractive, it cannot be stopped at short notice i.e. for stability there needs to be some warning to enable schools to put alternative arrangements in place. This was basis for the agreement for the cessation of the fund at 1 July for new claims but with existing claims being honoured after this until these expire.
- It was explained that the cost of the fund, with so many moving parts, including academy conversions, is difficult to forecast. On this basis, the Forum agreed to make full year provision, with the understanding that it is expected that there will be a reimbursement at the end of the year. This is recorded in the Forum's minutes.
- The fund value was set at an anticipated full year value plus an increase to cover the overspending predicted in the 2016/17 budget. The per pupil cost for secondary increased in 17/18 by £17.93. £7 of this relates to the overspending in 2016/17. It was anticipated that, was the scheme to be in place for the full 2017/18, the per pupil cost would continue to be at least £7 per pupil higher than the existing base i.e. these 2 factors explain £14pp of the increase.

### **Options for Resolution**

There are 2 options that are not recommended by the Authority and are not further presented. Firstly, do nothing, because we have already identified that a reimbursement should be due. Secondly, retrospectively cease the fund at 1 April 2017. This would be administratively difficult, would mean the reversal of reimbursements that schools have already received and would also not be in keeping with the Forum's concern about providing time for schools to implement alternative arrangements.

2 options for the Schools Forum to consider are:

- Option 1 – implement the 2<sup>nd</sup> of the options put forward by Bingley Grammar School, to limit the per pupil cost to 4/12ths of the 2016/17 charge plus some inflation.
- Option 2 – to reimburse secondary schools on the basis of actual spend, as originally set out in the January decisions.

An analysis of each of these options is shown at the end of this report.

Members are asked to consider these 2 options. The Authority recommends that the 7 maintained secondary schools are refunded according to option 2 on the basis that this follows the guiding principles of de-delegated funds, follows the basis of the Forum's recommendation already made in January about reconciliation and reimbursement for actual cost, and does not require the use of DSG reserve.

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

Option 1 would require the use of £49,300 of DSG reserve. Option 2 would not require the use of reserve (the refund would be funded through the under spending in the original planned budget provision).

### **Recommendations**

**The Schools Forum is asked to consider and take the action it wishes to take to resolve this matter. The Authority recommends that the budgets of maintained schools are refunded as per option 2.**

**List of Supporting Appendices / Papers** (where applicable)

None

**Contact Officer** (name, telephone number and email address)

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<u>Option 1: BGS suggested resolution</u>							
2016/17 £APP	17.93						
£APP Value plus inflation (pay award 1%)	18.11						
4/12ths of this value £APP	6.04						
No. of maintained secondary school pupils 2017/18	8,341						
<b>Total de-delegated budget on this basis</b>	<b>50,343</b>						
Actual De-delegation cash value 2017/18	305,027						
Actual £app	36.57						
<b>Cash value of 'refund' 2017/18</b>	<b>-254,684</b>						
<b>£app value of 'refund' 2017/18</b>	<b>-30.53</b>						
<u>Option 2: Refund Based on Actual Spend</u>							
Actual spend secondary phase at 5.9.17	55,123						
Forecasted further spending on existing claims	0						
Confirmed 16/17 overspend proportion	44,515						
<b>Total Forecasted Spending 2017/18</b>	<b>99,638</b>						
<b>Cash value of 'refund' 2017/18</b>	<b>-205,389</b>						
<b>£app value of 'refund' 2017/18</b>	<b>-24.62</b>						
<b>Cash difference between option 1 and option 2</b>	<b>-49,295</b>						
<u>Breakdown for individual maintained secondary schools</u>							
	Pupil No.s	Original Charge	Refund Option 1	Refund Option 2	Diff	Revised Charge (Option 1)	Revised Charge (Option 2)
Bingley Grammar School	1,492	54,562	-45,557	-36,739	-8,818	9,005	17,823
Carlton Bolling College	1,200	43,884	-36,641	-29,549	-7,092	7,243	14,335
Hanson School	1,257	45,968	-38,381	-30,952	-7,429	7,587	15,016
Parkside School	874	31,962	-26,687	-21,521	-5,165	5,275	10,440
St Bede's & St Joseph's Catholic College	1,568	57,341	-47,877	-38,610	-9,267	9,464	18,731
The Holy Family Catholic School	757	27,683	-23,114	-18,640	-4,474	4,569	9,043
Titus Salt School	1,193	43,628	-36,427	-29,376	-7,051	7,201	14,251
<b>Totals</b>	<b>8,341</b>	<b>305,027</b>	<b>-254,684</b>	<b>-205,389</b>	<b>-49,295</b>	<b>50,343</b>	<b>99,638</b>

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## SCHOOLS FORUM AGENDA ITEM

For Action

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For Information

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

This report provides an update on announcements on the implementation of the National Funding Formula. This update is provided in advance of the fuller announcement by the DfE, expected this month, which should enable more detailed consideration and for a fuller report to be presented to the School Forum at the October 2017 meeting. If the DfE's fuller announcement is made in time, the Business Advisor will present more information to the meeting.

**Date (s) of any Previous Discussion at the Forum**

The Schools Forum received assessment and analysis of the impact of the National Funding Formula proposals in January 2017, from the DfE's 2<sup>nd</sup> stage consultation published in December 2016.

**Background / Context**

The DfE published its 2<sup>nd</sup> stage of consultation on National Funding Formula for the Schools and High Needs Blocks in December 2016. The Local Authority, with the Schools Forum's support, responded to this consultation in March 2017. We assessed the main areas of challenge to be:

Schools Block:

- 1) The size of the un-dampened loss (£12.5m), especially in primary school budgets affected by the reduction in the value of the lump sum.
- 2) Any risk to the permanence of the 3% protection damping factor (limiting per pupil funding losses to no greater than 3%).
- 3) The lack of response to the growth in costs in real terms (this is the major financial problem in all schools across 2016-2020). For clarity, this is not a formula issue. It is an issue that is arising as a result of the quantum of education funding falling behind as costs (of salaries and services) increase.
- 4) The lack of available headroom that will be present in Bradford's 2018/19 Schools Block position (and the requirement to move to NFF at April 2018).
- 5) The adequacy of the funding of in year pupil numbers growth with this being based on the spend level in the previous year.

High Needs Block:

- 6) That damping halves our gain from £16m to £8m and that there is no view about whether / when this damping will be lifted.
- 7) Our planned 2017/18 HNB spending level already exceeds what our dampened NFF HNB allocation will be at 2022/23. Our spending position is set to further increase across 2018-2023. It does not appear that the DSG HNB will be sufficient to cover this.

The DfE also proposed to establish a 4<sup>th</sup> 'Central Schools Block' within the DSG from April 2018, which would provide a national formula funding basis specifically for centrally managed Schools Block activities.

For reference, the DfE conducted a separate consultation in 2016 on national formula arrangements for the Early Years Block, the outcomes of which have begun to be implemented from April 2018. There is no suggestion that these outcomes are to be revisited although there is still some uncertainty (and promised further consultation) on the future funding position of maintained nursery schools.

### **Details of the Item for Consideration**

The final detail of the National Funding Formula (NFF) for the Schools and High Needs Blocks is critical to our medium to longer term DSG financial planning as well as how we shape spending and formula funding decisions for 2018/19.

There have been 2 announcements regarding NFF over the summer:

- An oral statement by the Secretary of State to Parliament on 17 July
- The publication of operational guidance for local authorities for 2018/19 in August

#### **The Secretary of State announced:**

- A £1.3billion boost for core school funding; £416million in 2018-19 and £884million in 2019-20, “The new formula will maintain overall per pupil funding in real terms for the next two years; and it will allow for a cash increase for every school”:
  - Increases the basic amount that every pupil will attract in 2018-19 and 2019-20.
  - Allows for gains of up to 3% per pupil for “underfunded schools” for the next two years.
  - Provides at least a 0.5% a year per pupil cash increase for every school in 2018-19 and 2019-20.
  - Continues to protect funding for pupils with additional needs, as proposed in the consultation published in December.
  - Provides at least £4,800 per pupil for every secondary school.
- A new National Funding Formula will be introduced in 2018, but the ‘hard’ NFF will not be introduced until April 2020 (previously this was April 2019) meaning a longer transition:
  - In 2018-19 and 2019-20, the National Funding Formula will set indicative budgets for each school, and the total schools funding received by each local authority will be allocated according to the national fair funding formula.
  - Local authorities will continue to set a local formula to distribute that funding, and to determine individual schools’ budgets in 2018 19 and 2019-20, in consultation with schools.
  - The vast majority of funding provided for primary and secondary schools will be ring-fenced, although local authorities, in agreement with their local schools forum, will be able to move some limited amounts of funding to other areas, such as special schools, where this better matches local need.
  - In 2018 19, all local authorities will receive some increase to the amount they plan to spend on schools and high needs in 2017-18.
- A detailed announcement on the construct of the NFF (and impact on local authorities) will be made in September 2017.
- The PE and Sports Premium for primary schools will increase from £160million to £320million. All primary schools will receive an increase in their PE and sports premium funding in the next academic year
- Spending plans beyond 2019-20 will be set in a future Spending Review.

#### **The Operational Guidance for 2018/19 has set out / confirmed:**

- The creation of a new 4<sup>th</sup> block within the DSG – the Central Schools Block.
- The implementation of NFF at DSG Block level at April 2018, based on 2017/18 spending baselines, with the detail of the formula for each Block (and floors and ceilings) to be announced in September.
- Within the Schools Block, the DfE will provide for at least a 0.5% per pupil increase for each school in 2018/19 through the NFF. Within the High Needs Block nationally, the DfE will provide for at least 0.5% overall increase in 2018/19.
- The Schools Block formula will provide local authorities will per pupil funding of at least £4,800 for secondary schools that have pupils in years 10 and 11. A new formula factor is permitted so that authorities can begin to pass this onto eligible schools in 2018/19 as a step towards a minimum of £4,800 in 2019/20. *For reference, we have 2 secondary schools that are currently funded at lower than £4,800 per pupil.*
- Local authorities will be permitted to use both the clean FSM and Ever 6 FSM factors in their formulae for 2018/19, meaning that full replication at local level of NFF is enabled.
- Local authorities have flexibility to set a value of Minimum Funding Guarantee (MFG) of between 0% and minus 1.5% per pupil in 2018/19. Authorities must consult with schools on the value of the MFG. This is a different approach / additional responsibility than that of previous years, when the DfE has set a national value of MFG (at minus 1.5%) without flexibility for local variation.

### **Details of the Item for Consideration**

- The Schools Block is ring-fenced from April 2018, but local authorities are permitted to transfer up to 0.5% of their Schools Block funding out to other blocks e.g. High Needs Block with the agreement of their Schools Forum and having demonstrated that they have consulted locally with all maintained schools and academies. There is an exceptions process, which will require Secretary of State approval for considering transfers greater than 0.5% and / or where the Schools Forum is opposed to the transfer. Other Blocks are not subject to restriction i.e. money can be moved flexibly between them. *For reference 0.5% of our Schools Block is c. £2m.*
- The proposed technical adjustment to the funding of high needs places in resourced provisions will be implemented.
- The rates of funding for Pupil Premium Plus (Looked After Children) will increase at April 2018.

Following these announcements it is evident that:

- There is still a lot of uncertainty. Sight of the detail, to be published in September 2017, regarding 2018/19 DSG and NFF is critical to our assessment of affordability and decision making for 2018/19 and beyond. It is difficult to set out firm spending and formula funding options and proposals without this detail.
- There continues to be significant risk around the funding position of our High Needs Block and the adequacy of the NFF settlement.
- It is unclear how the "0.5% per pupil increase for every school" (statement made by the Secretary of State) translates to guarantee *every school* a 0.5% per pupil increase in 2018/19.
- Once we have the detailed announcement we have some big decisions to take for 2018/19 on top of the usual decisions regarding the refresh of smaller aspects of our funding schemes:
  - Whether, as we have previously set out for schools, we replicate the NFF locally for the calculation of our primary and secondary school and academy budget shares from April 2018, or whether we stick to our current formula, or whether we do something in between or in transition leading up to hard NFF at April 2020.
  - The value of MFG we provide in 2018/19 (set between 0% and minus 1.5%) and managing expectations around this.
  - The value of the ceiling we adopt, which will cap gains and helps to afford the MFG.
  - The extent to which we begin transition to the £4,800 per pupil minimum for secondary schools and academies.
  - How we balance the High Needs Block where the NFF settlement may not be sufficient to meet spending demand due to damping. The extent to which we must consider a contribution from the Schools Block to the High Needs Block in 2018/19, up to the 0.5% maximum; under what conditions / circumstances could this be supported. How we continue to lobby Government on this issue.
  - How we communicate as early as possible and consult effectively on these matters across the autumn term in time for the Schools Forum to make its recommendations for 2018/19 in January 2018.

The separate Document HS outlines the proposed outline and draft working principles for the management of this, and other DSG, work across the autumn term.

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

As set out in the report (this is an item for information)

### **Recommendations**

The Schools Forum is asked to note the information presented and to begin to consider the implications for the 2018/19 DSG budget planning round.

### **List of Supporting Appendices / Papers (where applicable)**

None

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## SCHOOLS FORUM AGENDA ITEM

For Action

☐

For Information

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

**This report outlines the draft working principles that are being considered for the development of Bradford's formula funding arrangements for 2018/19.**

### **Date (s) of any Previous Discussion at the Forum**

These principles have not yet been considered specifically for 2018/19 but follow from principles established in the Forum's DSG decision making previously and that have been discussed in working groups.

### **Background / Context**

This report follows from Document HR.

These principles are considered prior to the fuller announcements by the DfE on 2018/19 DSG arrangements and National Funding Formula, which are needed in order for Authority, with the Schools Forum, to clearly set out proposals for formula funding arrangements for the 2018/19 financial year.

The Authority expects more formal consultation reports, for the Schools Block, Early Years Block and High Needs Block, to be presented to the Schools Forum at the next meeting, with these consultations being published immediately after.

Following this timetable, responses to these consultations would be considered by the Forum at its December meeting. The Schools Forum will be required to make its final recommendations on 2018/19 DSG and formula funding arrangements at its January 2018 meeting.

### **Details of the Item for Consideration**

Each autumn the Local Authority, with the agreement of the Schools Forum, publishes 3 separate consultations on DSG management and formula funding arrangements for the following year:

- Schools Block – this consultation presents proposals for the formulae to be used to calculate budget shares for primary schools and academies, for the criteria to be applied in the allocation of the Growth Fund and other Schools Block centrally managed funds, and asks for feedback on the position of de-delegated Schools Block funds.
- Early Years Block – this consultation presents proposals for Bradford's Early Years Single Funding Formula, which is used to allocate funding for the delivery of the 2,3 and 4 year old free entitlements to early years education.
- High Needs Block – this consultation presents proposals for Bradford's Place-Plus funding system to be used to allocate High Needs Block funding to schools and other providers.

As explained in Document HR, the final detail of the National Funding Formula (NFF) for the Schools and High Needs Blocks is critical to our medium to longer term DSG financial planning as well as how we shape spending and formula funding decisions for 2018/19.

**The purposes of this report are to set out the principles that are being developed for formula funding and Block management arrangements for 2018/19, to check with the Schools Forum that 'we are on the right lines' and to allow Forum members to provide feedback and direction in advance of more formal consultation documents being presented to the next meeting.**

#### **Early Years Block & the Early Years Single Funding Formula 2018/19**

The principles on which we are developing proposals for 2018/19 were established in our response to the DfE's implementation of Early Years National Funding Formula reform at April 2017. A key guiding principle is guarding against moving too far away from what we have agreed and set out for providers previously, on the basis that providers have used this information to inform their business planning. We have already set out the

### Details of the Item for Consideration

following:

- For 2018/19 – the intention to adopt 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 Early Years Block 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.
- Below are the rates of funding we forecasted and published within the autumn 2016 consultation:

<b>ESTIMATED Rate Per Hour</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
2 YO Offer - Universal Base Rate	£4.83	£5.20	£5.20	£5.20
<u>3 &amp; 4 Year Old Entitlement</u>				
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	£3.18
Looked After Children Additional	£1.75			
Early Years Pupil Premium	£0.53	£0.53	£0.53	£0.53

- In the January 2017 recommendations for 2017/18 we:
  - Agreed to 'ring-fence' the Early Years Block in 2017/18 and to apply this principle in future years.
  - Identified a (minimum) sum of £500,000 of DSG one off monies, which is held to allocate into the 2018/19 EYSFF in particular to support the value of the setting base rate for the PVI sector.
  - Agreed with the Schools Forum the enhancement of the Early Years Block's SEN Inclusion budget from April 2017 (a budget total of £600,000, funded 50/50 between the Early Years and the High Needs Block).
- In July 2017, we presented an informal early consultation to the Schools Forum on the proposed movement from a termly headcount based formula approach to a full 'starters and leavers' formula approach, which would be fully implemented at April 2018 but may be implemented in pilot before this.

Having discussed the position initially with the Early Years Working Group in July 2017 (understanding that there are still more detailed discussions to take place in the EYWG), the Authority is developing proposals for 2018/19 on the basis that:

- We will continue the policy of ring-fencing of the Early Years Block.
- We will move to monthly starters and leavers counting at April 2018, which will replace the termly headcount count methodology (and 2nd headcount for the 2 year old offer). The Technical Statement will be updated to explain this in detail. \*
- We will seek to simplify the processes for PVI providers, which will include no longer publishing a 'hard copy' pre-calculated Confirmed Indicative Budgets for PVI providers in March. Instead, we will begin monthly payments based on the latest confirmed position and we will enable providers to use a ready reckoner to estimate funding before the start of the year.
- Our Early Years Single Funding Formula will continue to 100% pass through the DSG funding rate for:
  - The 2 year old free entitlement (subject to on-going review)
  - The Early Years Pupil Premium (required)
  - The Disability Access Fund (required)
- We will continue & increase the Early Years Block's contribution to EY SEN Inclusion funds, which will be managed through a new SEND EY Centres of Excellence structure (subject to consultation).
- We will establish a Universal Base Rate for the 3 & 4 year old offer, as required by the DfE (at April 2019 at the latest), with this overridden in 2018/19 for:
  - Nursery Schools – with the allocation of the specific MNS factor, meaning that the funding rates for each nursery school (base and deprivation) will continue to be retained at the 2016/17 value, as we have done in 2017/18.
  - PVI providers and nursery classes – through the allocation of additional one off monies on a transitional / temporary basis only. The intention will be to set a base rate at £4.12 per hour, as set out in the 2017/18 consultation (see the table above). \*

### Details of the Item for Consideration

- We will continue the nursery school sustainability supplement using the current methodology but bringing the 30 hours extended entitlement into the calculation (will reduce the cost of the sustainability supplement).
- We will continue our current deprivation supplement within the 3&4 year old EYSFF in 2018/19, calculated at 9.5% of EYSFF, and will keep this under review. Deprivation rates will reduce in 2018/19 because the overall EYSFF funding envelop is also reducing (as the EYB reduces because of national reform).
- We will not introduce any further supplements in 2018/19 and will keep this position under review, noting that any additional supplements would erode the value of the deprivation supplement (with the supplements cap being set at 10% in total).
- We will aim to hold one off monies within the Early Years Block so that a minimum 3 & 4 year old base rate of £4.11 can be afforded in 2019/20, as set out in the 2017/18 consultation (see the table above). This will be subject to the value of one off monies available. \*

\* there is uncertainty about how the movement to monthly starters and leavers, as well as the delivery of the 30 hours extended offer, will affect the ratio between the number of hours we are funded for at EYB DSG level (based on the January Censuses) for the 3 & 4 year old entitlement and the number of hours providers actually deliver. Previously, the latter has been lower than the former, meaning that we can set a base rate of funding that is c. £0.12 per hour higher than the DSG EYB rate of funding. We are not certain that we are able to continue this. We need to collect data over the next couple of years to assess the position and this will affect the funding rate from April 2020 should one off monies not continue to be available to recycle. On current modelling, without one off monies, the 3 and 4 year old universal base rate in 2020/21 would be c. £4.00 per hour.

### High Needs Block - the Place Plus System

It is the Authority's view that Bradford's current Place-Plus funding system – the system that is used to calculate allocations to providers for high needs pupils and students, which is primarily based on the use of our Ranges Model - is robust and fit for purpose. This has been developed and adjusted incrementally over time.

Given the extent of discussion that is taking place about the District's SEND model, and the change that is anticipated may come from these discussions, the Authority holds the view that continuity in the funding model in 2018/19 will be welcomed.

As a result, consultation for 2018/19 is expected to recommend the continuation of the 2017/18 Place-Plus model, based on the current Ranges Model, with small amendments:

- Responding to the technical changes directed by the DfE. The main technical change is the adjustment of the funding of the place-element in resourced provisions attached to mainstream schools and academies. We await the ESFA's High Needs Block operational guidance to finalise whether there are any further technical adjustments. As these are directed revisions there is unlikely to be scope for local decision making (and as such little to consult locally on).
- Adjusting Bradford's model to enable the outcomes of the SEND Strategic review to be implemented, which are still subject to consultation. Following the Authority's proposals, this would include the establishment of the already developed Place-Plus based method for the allocation of funding in support of the 100 places established in the Early Years hubs.
- Implementing the outcomes of the current discussions on the role of the High Needs Block in funding the top-up (the Plus element) of children without EHCPs that are placed in Bradford's PRUs and maintained alternative provisions. The Authority has previously discussed with the Schools Forum the outline intention for the cessation of funding from the High Needs Block for the Plus element of these placements from September 2018.
- Maximising value for money in the context of the High Needs Block continuing to be under significant financial pressure. This includes discussion on whether the Top Up (Plus) rates of funding allocated by the Ranges Model are reduced in 2018/19, up to a maximum of 1.5%. Members are reminded part of the Option 4 method used to balance the 2017/18 DSG was the reduction of Plus rates by 1.5%.

Alongside the consultation on the structure of our Place-Plus funding model it is expected that the Forum will wish to assess in detail the position of the High Needs Block having sight of full forecasted spending.

## **Details of the Item for Consideration**

### **Schools Block & Primary and Secondary Formula Funding**

As set out in Document HS, there is still a lot of uncertainty and it is difficult to set out firm spending and formula funding options and proposals without the detail that is to be published in September. The 5 key decisions that the consultation document on primary and secondary formula funding arrangements for 2018/19 must cover are:

1. Whether, as we have previously set out for schools, we replicate the NFF locally for the calculation of our primary and secondary school and academy budget shares from April 2018, or whether we stick to our current formula, or whether we do something in between or in transition leading up to hard NFF at April 2020.
2. The value of MFG we provide in 2018/19 (set between 0% and minus 1.5%)
3. The value of the ceiling we adopt, which will cap gains and helps to afford the MFG.
4. The extent to which we begin transition to the £4,800 per pupil minimum for secondary schools.
5. How we balance the High Needs Block where the NFF settlement may not be sufficient to meet spending demand due to damping. Under what conditions / circumstances can a contribution from the Schools Block to the High Needs Block in 2018/19, up to the 0.5% maximum, be supported?

**It will be helpful for Schools Forum members to provide (and also to collect from colleagues further) feedback on these key decisions, in advance of a formal consultation document from the Authority.**

As explained earlier in this report, the guiding principle behind proposals for the Early Years Single Funding Formula is not to vary substantially from the information on 2018/19 onwards that has previously been published and on which is it expected that settings have planned.

The Authority has provided forecasts for schools (including within the HCSS Budget Software) and academies for 2018/19 onwards on the basis that:

- The NFF (as proposed in the 2<sup>nd</sup> stage consultation in December 2016) will be used to calculate individual budget shares for the 2018/19 financial year.
- This will be implemented under a Minimum Funding Guarantee (MFG) of minus 1.5% and a ceiling of positive 3% in 2018/19.

Currently, we do not know the final construct of the NFF. We also do not know the value of our Schools Block, which is critical to us in working out what we can afford to provide in terms of a formula settlement for schools and academies in 2018/19. The value of the High Needs Block is critical to our assessment of whether a contribution, if affordable, from the Schools Block must be considered in 2018/19.

However we do know that:

- Primarily because of the transfer of Schools Block monies to the High Needs Block in 2017/18, the majority of our schools and academies are currently funded on the MFG or on the ceiling. Therefore, the points that these 'overrides' are set at in 2018/19 will be more influential to the value of allocations for most individual schools than the type of formula we use (whether we use current formula or move to NFF).
- The majority of our primary schools and academies lose under the NFF as proposed in December because of the reduction in the value of the lump sum. This is unlikely to change unless the DfE significantly changes its stance around the lump sum. Therefore, most of our primary schools, under NFF, are likely to be on the MFG. So the value of the MFG is the most important factor in 2018/19 as most primary schools are on the MFG now and will be in the future.
- Because our published forecasts assumed the continuation of an MFG at minus 1.5% in 2018/19, setting an MFG at a higher value will mean that actual settlements for schools on the MFG, subject to changes in pupil numbers, will be higher than these forecasts.
- Because our published forecasts assumed that the ceiling would be set at 3% in 2018/19, setting a ceiling at a lower value will mean that actual settlements for schools on the ceiling, subject to pupil numbers and the construct of the NFF, will be lower than these forecasts.
- A number of schools, especially in the secondary sector, gained from the NFF as proposed in December. Therefore, we can anticipate that if we did not implement NFF at April 2018 (we continued with our current formula) the settlements these schools will actually receive may be significantly lower than the forecasts previously published, irrespective of the values of the MFG or the ceiling.

Putting these together, it feels appropriate to begin our modelling of proposals for 2018/19 on the basis that we would seek to move from our current formula to implement NFF for primary and secondary between a minus 1.5% MFG and a 3% ceiling, with movement towards the £4,800 secondary minimum per pupil for applicable schools. Subject to the value of the Schools Block then, and decisions about the position of the High Needs Block, we would consider whether we can afford to provide for a better MFG up to the permitted 0%. We would manage affordability though by adjusting the value of the MFG rather than adjusting the value of the ceiling downwards. Our consultation will need to set out our proposals on these, but will also need to set out how we may vary our proposals where the October 2017 dataset / final 2018/19 DSG announcement in December is significantly different from what was anticipated.

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

As set out in the report (this is an item for information)

**Recommendations**

The Schools Forum is asked to begin to consider the draft working principles and whether these are agreeable. Members are also asked to discuss how best to communicate as early as possible this term with schools and other providers, and collect feedback, about arrangements for 2018/19 (in advance of more formal consultation beginning in October).

**List of Supporting Appendices / Papers** (where applicable)

None

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## Schools Forum Meetings Schedule & Work Programme for the 2017/18 Academic Year

### Schedule of Meetings

- Wednesday 20 September 2017, 8am
- Wednesday 18 October 2017, 8am
- Wednesday 6 December 2017, 8am
- Wednesday 10 January 2018, 8am
- *Wednesday 17 January 2018, 8am PROVISIONAL MEETING*
- Wednesday 14 March 2018, 8am
- Wednesday 16 May 2018, 8am
- Wednesday 11 July 2018, 8am

### Proposed Work Programme

#### Autumn Term 2017

##### **Key Dates**

- Expected confirmed of National Funding Formula (September)
- 5 October – Schools' October Census
- Mid December – ESFA publication of pupil numbers & other data from October Census on which 2018/19 allocations will be calculated
- Mid December – DfE to confirm Authority 2018/19 DSG allocation, including High Needs Block funding
- Announcement of Pupil Premium and other grants for the 2018/19 financial year

##### **Planned Business**

- The move to the National Funding Formula. Work streams from this.
- Early Years Single Funding Formula review
- Bradford District's Primary, Secondary, Early Years and High Needs funding consultations & consideration of responses. The Schools Forum to agree the funding formulae for the 2018/19 financial year, with discussions separating the 'structure' from the 'values' of formulae factors.
- Consideration of Early Years places provision and funding matters, including the implementation of the 30 hours free entitlement.
- Consideration of Growth Funding, especially in the Secondary sector.
- Consideration of planned commissioning of places and top up arrangements relating to High Needs Block provisions 2018/19.
- Further detailed work on the High Needs Block funding and provision matters (strategic planning of places and new schools to meet growing need, affordability and sector-led delivery).
- Further information, discussion and consideration of the financial impact of the conversion of maintained schools to academy status.
- Initial discussion on how the DSG is to be allocated from April 2018, including Government directed revisions.
- The review of items to be delegated / centrally managed from April 2018.
- Consideration of wider DSG cost pressures in 2018/19, implications and strategies for supporting these.
- Consideration of the Council's wider budget position 2018/19.
- Consideration of Forum membership. Response to any further Schools Forum Regulations changes.
- Update on 2017/18 DSG contingencies and central funds spending (view on one off monies available).
- Update on the delivery of the Education Improvement Strategy and attainment results Summer 2017 (impact assessment).
- Update on pupil planning (expansion of provision) and the impact of Academies & Free Schools.



## Spring Term 2018

### **Key Dates**

- 18 January – Schools' January Census & Early Years Census
- 19 January – deadline for the submission of the final formula funding pro-forma to ESFA, with values of the formula factors fixed
- March publication of final Post 16 allocations for 2018/19
- 28 February – deadline for publication of 2018/19 budgets for maintained schools (not including Early years Funding)
- 31 March – deadline for publication of 2018/19 EYSFF allocations
- 31 March – completion of S251 Budget Statement to DfE

### **Planned Business**

- Final recommendations on all aspects of DSG funding for 2018/19, including school & early years budgets, high needs, contingencies and centrally managed items; Forum exercise of statutory powers.
- Further consideration of the expected final announcement of the National Funding Formula.
- Evaluation of the impact / anticipated impact of 2018/19 DSG recommendations.
- Continued detailed work on the High Needs Block funding and provision matters (strategic planning to meet growing need, affordability and sector-led delivery).
- Review of Scheme for Financing Schools for 2018/19 (and directed revisions).
- Review of Schools Forum membership (review of interim arrangements).
- Further information, discussion and consideration of the financial impact of the conversion of maintained schools to academy status.
- Further consideration of the financial position of schools and academies (responding to tighter financial times).
- Update on pupil planning (expansion of provision) and the impact of Academies & Free Schools.

## Summer Term 2018

### **Key Dates**

- 1 April – closedown of school accounts for the 2017/18 financial year (carry forward balances)
- 15 May – deadline for submission of Governor Approved Budgets (maintained schools) for 2018/19 to the Local Authority
- 17 May – Schools' May Census
- Early Years DSG Block updated for January 2018 pupil numbers

### **Planned Business**

- Consideration of Forum membership & election of the Chair & Vice Chair of the Schools Forum.
- Discussion on review of key Authority protocols relating to the financial management of schools e.g. the Financial Classification.
- Continued consideration of the National Funding Formula.
- Continued detailed work on the High Needs Block funding and provision matters (strategic planning to meet growing need, affordability and sector-led delivery).
- Report on the impact of the Looked After Children Pupil Premium funding.
- Update on compliance of maintained schools with the Schools Financial Value Standard.
- Further information, discussion and consideration of the financial impact of the conversion of maintained schools to academy status.
- Review of school balances held at 31 March 2018 (maintained schools) and Surplus Balances Protocol.
- Update on pupil planning (expansion of provision) and the impact of Academies & Free Schools.