



Schools Forum
Wednesday, 14 March 2018 at 8.00 am
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 Business Advisor (Schools) 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 10 JANUARY 2018 AND MATTERS ARISING (*minutes*) 1 - 22

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.

6. LOOKED AFTER CHILDREN PUPIL PREMIUM PLUS (i)

23 - 28

A report will be presented, **Document IN**, which provides the Schools Forum with analysis and further information on the allocation and impact of Pupil Premium Plus monies. This report also sets out the Authority's planned allocation of Pupil Premium Plus in 2018/19.

Recommended –

The Schools Forum is asked to consider and to note the information provided in the report.

(Judith Kirk – 01274 431078)

7. SEMH AND SEND REVIEWS - PROGRESS UPDATE (i)

A progress report on the SEND and SEHM reviews will be presented.

Recommended –

The Schools Forum is asked to consider and to note the information provided.

(Judith Kirk – 01274 431078)

8. UPDATE ON MATTERS CONCERNING THE 2018/19 DEDICATED SCHOOLS GRANT (a)

29 - 34

The Business Advisor (Schools) will present a report, **Document IO**, which provides an update on a number of matters relating to the 2018/19 Dedicated Schools Grant. This report also includes the benefit vs. cost analysis of trade union facilities time, which the Schools Forum is requested to consider so that DSG / de-delegated funding arrangements for trade union facilities time for 2018/19 can be confirmed.

Recommended –

(1) The Schools Forum is asked to consider and to note the information provided in the report.

(2) The Schools Forum is asked to give its response to the benefit vs. cost analysis of trade union facilities time so that DSG / de-delegated funding arrangements for 2018/19 can be confirmed.

(Andrew Redding – 01274 432678)



9. AMENDMENTS TO THE SCHEME FOR FINANCING SCHOOLS AND LINKED DOCUMENTS (FINANCIAL REGULATIONS FOR MAINTAINED SCHOOLS AND SCHOOL CONTRACT STANDING ORDERS) (i)

The Business Adviser (Schools) will explain the Authority's current reviews of the Scheme for Financing Schools and linked documents – the Authority's Financial Regulations for Maintained Schools and School Contract Standing Orders. The Forum is asked to note that the Authority intends shortly to publish a consultation on amendments so that proposed revised documents, alongside consultation feedback, can be presented for consideration to the Schools Forum at its meeting on 16 May 2018. The Forum is asked to note that, following the Forum's discussion and decision on 16 May, the Financial Regulations for Maintained Schools and the School Contract Standing Orders will be presented to the Authority's Governance & Audit Committee. The Authority intends to implement the agreed amendments as soon as possible following the completion of the consultation and decision making processes.

Recommended –

The School Forum is asked to note the information provided and for any immediate feedback on the review of these documents.

(Andrew Redding – 01274 432678)

10. MATTERS CONCERNING SCHOOL AND ACADEMY BUDGETS (i) 35 - 38

The Business Advisor (Schools) will present a report, **Document IP**, which provides an update on matters concerning school and academy budgets. This includes an update on the position of the conversion of maintained schools to academy status and on the anticipated cost pressures within school and academy budgets over the 2018-2021 period.

Recommended –

The Schools Forum is asked to consider and to note the information provided in the report.

(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:

- Schools Forum membership
- 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

The Forum is asked to note the information provided.

(Andrew Redding – 01274 432678)

12. ANY OTHER BUSINESS / 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 16 May 2018.

(a) Denotes an item for action

(i) Denotes an item for information





MINUTES OF THE MEETING OF THE SCHOOLS FORUM HELD ON WEDNESDAY 10 JANUARY 2018 AT CITY HALL, BRADFORD

Commenced 0810, Adjourned 1000
Reconvened 1020, Concluded 1150

PRESENT

SCHOOL & ACADEMIES MEMBERS

Ashley Reed, Brent Fitzpatrick, Dianne Richardson, Dominic Wall, Emma Hamer, Helen Williams, Ian Morrel, Kevin Holland, Mary Copeland, Nicky Kilvington, Nigel Cooper, Sally Stoker, Sue Haithwaite, Tahir Jamil, Trevor Loft, Wahid Zaman.

NOMINATED SUB SCHOOL MEMBER

Irene Docherty

NON SCHOOL MEMBERS

Donna Willoughby, Ian Murch

LOCAL AUTHORITY (LA) OFFICERS

Andrew Redding	Business Advisor (Schools)
Angela Spencer-Brooke	Strategic Manager, SEND and Behaviour
Asad Shah	Committee Services Officer
Dawn Haigh	Principal Finance Officer (Schools)
Judith Kirk	Deputy Director, Education, Employment and Skills
Michael Jameson	Strategic Director, Children's Services
Raj Singh	Business Advisor
Stuart McKinnon-Evans	Director of Finance
Susan Kuprinski	Principal Finance Officer - Schools

OBSERVERS

Councillor Pollard

Councillor Ward

Lynn Murphy Business Manager, Feversham College

APOLOGIES

Alison Kaye, Gill Holland, Tehmina Hashmi, Sami Harzallah, Ray Tate

DIANNE RICHARDSON IN THE CHAIR

294. DISCLOSURES OF INTEREST

- I. Declarations were received from Dominic Wall, Emma Hamer, Ian Morrel and Trevor Loft for agenda item 6 "Send Review Consultation and Wider SEMH Review", (minute 298).
- II. During the course of the meeting, and in the interests of transparency, declarations were received from Helen Williams and Ian Murch agenda item 9 "Centrally Managed and De-Delegated Funds", (minute 301).

ACTION: *City Solicitor*

295. MINUTES OF 6 DECEMBER 2017 & MATTERS ARISING

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

- **Matters Raised by Schools (Item 281):** That further conversations have taken place between the Strategic Director, Corporate Services and the Forum Member that raised the issue of DOCAS and that this matter was concluded (so far as there being nothing further for the Schools Forum to discuss). The Business Advisor reported that the requested report from the Headteacher of the Virtual School is scheduled to be presented to the Schools Forum in March. The Vice Chair asked that this report gives a clear statement of the impact of the Authority’s centrally management of the Pupil Premium Plus proportion it holds and also that the report includes some information on how Bradford Council’s approach compares with that of other authorities.
- **2017/18 DSG Spending Position and One Off Monies (Item 284):** The Business Advisor referred Members to the additional report, included within the meeting pack, on the Growth Fund support for Beckfoot Upper Heaton Academy. Members did not ask any questions on this report.
- **Consultation Outcomes – Funding High Needs 2018/19 (Item 288):** This is picked up within the presentation under agenda item 6.
- **Central Schools, Early Years and De-Delegated Schools Block Funds (Item 290):** The Business Advisor explained that the requested benefit vs. cost analysis of DSG Trade Unions Facilities Time will be presented to the March Schools Forum meeting. The request for information on access to the primary behaviour centres is picked up under agenda item 6.

Resolved –

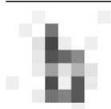
- (1) **That progress made on “Matters Arising” be noted.**
- (2) **That the minutes of the meeting held on 6 December 2017 be signed as a correct record.**

ACTION: *City Solicitor*

296. MATTERS RAISED BY SCHOOLS

There were no matters raised by schools to report.

No resolution was passed on this item.



297. STANDING ITEM - DSG GROWTH FUND ALLOCATIONS

There were no new allocations for 2017/18 for consideration at this meeting.

No resolution was passed on this item.

298. SEND REVIEW CONSULTATION & WIDER SEMH REVIEW

The Deputy Director, Education, Employment and Schools and the Strategic Manager, SEND and Behaviour delivered a PowerPoint presentation, which provided an update on the SEND and SEMH reviews, the creation of places and the development of a single integrated pathway for the assessment and placement of children with EHCPs. The Deputy Director explained that the 2nd stage of consultation on the SEND Review has just been launched, having been agreed by the Executive yesterday. For reference, a copy of the report tabled at the Executive was included in the reports pack. The presentation also responded to matters raised, and additional information requested, by the Forum at its meeting on 6 December 2017.

In responding to the presentation, Members made the following main comments and asked the following main questions:

- How is the High Needs Block now funded and how does the re-designation of 2 PRU provisions increase funding? The Business Advisor explained that there is a specific factor in the new National Funding Formula, which allocates £4,000 for every child occupying a special school place in October each year. Children recorded in PRUs are not eligible for this.
- How realistic an assumption is it to have this re-designation completed by October 2019? The SEND Strategic Manager stated that this is a realistic date by which to have achieved this.
- What is the planned opening date for the new SEMH School? The SEND Strategic Manager stated that this is likely to be September 2020.
- In researching the development of a primary phase local agreement for the transfer of funding as a result of permanent exclusion, the Authority should look closely at what happens in other authorities, especially regionally.
- How will the trading model for mainstream support service recognise that providers are diverse in nature (offering early years, post 16 and post 19 provision etc)?
- The Executive report states that any cost of redundancies resulting from the SEND review will be met by the High Needs Block. Can the Authority provide a figure for how much this might be?
- Is there a willingness on behalf of the Council to review its 2014 home to school transport reform so that the transport policy better support places creation?
- How is the Authority's capital development plan now supporting both the creation of additional SEND places and the outcomes of the SEMH review?

The Vice Chair, having declared his interest, made a number of comments in response to the presentation on the SEMH review. He stressed the need to balance the requirement to secure the financial position of the High Needs Block going forward with the establishment of a framework / continuum that meets the needs of pupils effectively. He offered the view



that establishing this continuum may cost more in the short term for longer term gain. He stated that it is not clear yet how the components of the continuum will line up, though the SEMH review is working to do this. The Authority and the Schools Forum need to effectively engage with colleagues on these matters and also need to be clearer about financial arrangements (including rates of charges) and the timescales for implementation. The Vice Chair stressed that the Authority must ensure that any new sponsors of provision coming into the District are the right sponsors.

An Academies Member, also having declared his interest, reiterated the point made by the Vice Chair about the right sponsors. He added that the national picture of the growth of 'stress' in the SEND system is now very clear and that the implementation of the Authority's places creation plan must not be further delayed. He offered the view that there is growing risk that, because of delay, by the time the plan is delivered it will be insufficient. He stressed the need now to review the plan in the light of the most recent demographic and needs data to ensure that places creation is future-proofed. He also stressed that action / decision / clarity (from the RSC) on the SEMH school and the position of the wave 13 free schools is now urgent.

The Chair emphasised to Members that the DSG's financial position, which is set out in reports to this meeting, is based on plans for structural change, which if not delivered are likely to significantly affect the High Needs Block in 2018/19 and going forward. Members must be alive to the level of risk that is currently present within the forecasts.

The Strategic Director, Children's Services, explained that the Authority, due to austerity, is currently engaged in change management programmes of significant volumes with overlapping consequences, in SEND, SEMH, early help, social care and transport, for example. We need to be clear about the risks and cumulative consequences and we also need to promote collective buy in to, and involvement in, these change management programmes. He offered the view that the Schools Forum has a role in challenging the Authority on these matters, but also in challenging and lobbying education colleagues regionally and nationally. The Born in Bradford and Opportunity Area (Research School) data will help this lobbying.

Resolved – That information be presented to the Schools Forum at the next meeting in response to the requests and comments made by Members that are recorded in the minutes of this meeting following the presentation on the SEND and SEMH reviews given under agenda item 6.

299. UPDATE ON THE 2018/19 DSG FUNDING POSITION

The Business Advisor (Schools) presented a report, **Document II**, which updated members on the position of the Dedicated Schools Grant for the 2018/19 financial year. This was a main reference document for this meeting.

The Business Advisor explained in detail the forecasted DSG position and highlighted for Forum Members the main changes, increases and reductions in income and expenditure contained within this. He also explained the Block 'ring-fencing' principles that have been employed. Referring to previous discussions about the targeted use of DSG reserves, the Business Advisor highlighted the proposal to use reserve within the Early Years Block to



support the 3&4 year old funding rates. The Business Advisor, again referring to previous discussions, highlighted for Members the proposal to use the headroom within the new Central Schools Block to enable the transfer of currently High Needs Block funded activities (which can legitimately be charged to the Central Schools Block). He also highlighted the proposed transfer of funding responsibility for Early Years Inclusion fully into the Early Years Block. He emphasised that there is no proposed transfer of monies from the Schools Block to the High Needs Block in 2018/19. He also emphasised that the cost of business rates within the Schools Block for 2018/19 is currently estimated and includes a small contingency to ensure sufficient provision is made. The Business Advisor explained that the position of the High Needs Block is forecasted on a series of estimates and assumptions, including on the outcomes of the SEND and SEMH reviews.

A Member asked whether the structural overspend in the Early Years Block is something that should be dealt with now. The Business Advisor responded to explain the strategy for the limited and short term use of DSG reserve, which was set out initially in autumn 2016. He explained that there isn't a structural issue at DSG level as when the reserves drop out (after 2019/20) the expenditure drops out too.

Resolved –

That the information contained in Document II be noted.

300. UPDATE 2017/18 CENTRALLY MANAGED FUNDS SPENDING POSITION

The Business Advisor (Schools) presented an analysis, **Document IJ**, which updated members on the value of one off funding available. He explained that this is purely a repeat of the information presented to the Forum on 6 December 2017 (and is provided for reference).

Members did not make any comments or ask any questions.

Resolved –

That the information contained in Document IJ be noted.

301. CENTRALLY MANAGED AND DE-DELEGATED FUNDS 2018/19

The Business Advisor (Schools) presented a report, **Document IK (Appendices 1,2 and 3)**, which set out the position proposed for the funding of Schools, Central Schools and Early Years Block central and de-delegated items from the DSG. This information was updated on that presented in 6 December 2017 and in earlier meetings in the autumn term.

In presenting the reports, the Business Advisor set out for the Forum the decisions that needed to be taken across the Blocks, and highlighted 2 decisions in particular relating to de-delegated funds in the Schools Block; the position of de-delegation from the primary phase for ESD support services after September 2018 and whether de-delegation should continue but for the purpose of providing a 'safety net' for the top up (Plus) funding for the



primary behaviour centres; the value of de-delegation for Trade Union facilities Time, where it is proposed to retain de-delegation at current per pupil values pending the Forum's consideration of the cost vs. benefit analysis to be presented in March. The Business Advisor also repeated his previous explanations of the proposed allocation of the new Central Schools Block and his warnings about the need to closely monitor the position (financial viability) of the maternity / paternity insurance scheme for nursery and primary schools going forward.

In response, the Member representing the Teacher Trades Unions, having declared his interest, repeated his statement made in previous meetings that the Trades Unions are very happy to engage with the Schools Forum on the cost vs. benefit analysis work. Referring to the explanation of the proposed Growth Fund, the Vice Chair asked for further information to be provided to the next meeting so that Members can better understand the relationships between the allocations of Growth Fund in year for the expansion of pre-16 places in secondary schools, and lagged post 16 funding, where these places are created through the closure of post 16 provisions. This may result in 'hidden' cost pressures on school budgets. The Member representing the Teacher Trades Unions asked for a statement to be provided also on how the Authority monitors compliance with post 16 participation legislation.

In responding to a question from the Strategic Director, Children's Services about whether the headroom within the Central Schools Block could be invested in the Children's Services change management programme, the Chair of the Forum stated that she felt she represented Forum Members in saying that the use of the headroom as proposed to support the pressures already present within the High Needs Block is the right way forward. A Member added that a critical barrier to the delivery of change is likely to be the identification of sufficient capital monies, which is a matter to resolve outside of the DSG.

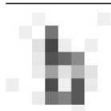
Resolved –

That the information contained in Document IK be noted.

302. INDICATIVE DELEGATED BUDGETS 2018/19

The Business Advisor (Schools) presented a report, **Document IL (Appendices 1 - 5)**, which showed the indicative value of delegated allocations for individual schools, academies and other settings for the 2018/19 financial year and also showed the draft Primary and Secondary and Early Years Pro-formas. He explained that the allocations and the Pro-formas are subject to the final decisions and recommendations to be made by the Schools Forum under agenda item 11. The presentation of this information flowed from the discussion in the previous agenda item and therefore, the action items from the previous item are recorded below.

Referring to the notification from the Authority's Census Team about possible software issues, a Members stated that schools should be reminded to check the accuracy of their FSM data to be recorded in the January 2018 Census,



Resolved –

- (1) That the information contained in Document IL be noted.**
- (2) That further consideration is given to the relationship between DSG Growth Funding and ESFA Post 16 funding, and the knock on financial implications, where secondary schools and academies close their Post 16 provisions and increase their pre-16 numbers. This is with particular reference to the difference between the lagged Post 16 funding methodology and the funding of pre-16 provision in ‘real time’.**
- (3) That information is provided to the next meeting on the Local Authority’s monitoring framework in place to ensure compliance with the post 16 participation legislation.**
- (4) That schools and academies are reminded to check the accuracy of their ever 6 FSM data to be recorded within their January 2018 Census returns.**

303. FINAL RECOMMENDATIONS AND DECISIONS 2018/19 DSG

The Business Advisor (Schools) presented **Document IM (and Appendices 1-4)**, which summarised the decisions and recommendations that the Schools Forum was asked to make in setting the allocation of the DSG and final formula funding arrangements for the 2018/19 financial year. The Forum was asked to take decisions / make recommendations on the items listed under the following main headings:

- Schools and Early Years Block De-Delegated Items
- Schools Block - Growth Fund Allocations
- The Central Schools Block
- The High Needs Block
- The Allocation of Available One Off Monies
- Early Years Formula Funding and Pro-Forma
- Primary & Secondary Formula Funding and Pro-Forma

The Chair of the Forum asked the Strategic Director, Corporate Services (Section 151 Officer) for his appraisal of the DSG position for 2018/19 as set out, especially the currently forecasted deficit position of the High Needs Block. The Director responded that although ideally, and as has been the case in previous years, each Block would itself balance in year, the DSG overall remains in surplus in 2018/19, and that the basis of the budget allocation is sufficiently certain, with controls and monitoring processes in place. As such, he would advise that this is a safe basis on which to agree the 2018/19 DSG allocation.

A Member commented that this is the first time we have set the DSG budget on the basis of a deficit within the High Needs Block, and if we are unable at this stage to be more positive in our forecasting we must take note and act on this. He added that the structural change programmes in 2018 are critical and the Authority must put in place sufficient officer capacity and capital funding to successfully deliver these programmes.



Resolved –

1. SCHOOLS & EARLY YEARS BLOCKS “DE-DELEGATED ITEMS” 2018/19

Document IK, Appendices 1 – 3.

Resolved –

1.1 Schools Members representing maintained schools agreed the values of de-delegated funds on a phase specific basis:

- a) ESBD School Support (Primary only): agreed to cease de-delegation at 31 August 2018 providing for a de-delegated fund for 5/12ths on the same £app basis as in 2017/18.**
- b) School Re-Organisation Costs (Safeguarded Salaries) (Primary & Secondary): agreed to continue de-delegation from both the primary and secondary phases for the actual cost of continuing safeguarded salaries.**
- c) School Re-Organisation Costs (Sponsored conversions budget deficits) (Primary only): agreed to de-delegate from the primary phase at the 2017/18 per pupil value. The Schools Forum to be provided with monitoring reports where this provision is used.**
- d) Exceptional Costs & Schools in Financial Difficulty (Primary only): agreed to continue de-delegation from the primary phase at the 2017/18 per pupil value.**
- e) Costs of FSM Eligibility Assessments (Primary & Secondary): agreed to continue de-delegation from both the primary and secondary phases at the 2017/18 per FSM values, with contributions taken using FSM Ever 6 data.**
- f) Fisher Family Trust (Primary only): agreed to continue de-delegation from the primary phase, recovering the cash value to match cost. The secondary phase and all primary academies will be invited to subscribe through the Local Authority (paying for this from their delegated budgets).**
- g) Trade Union Facilities Time – Negotiator Time (All Phases): agreed to continue de-delegation from the early years, primary and secondary phases at the 2017/18 per pupil values. Referencing the identified review, the Forum is to be presented with a detailed benefit vs. cost analysis, which will inform the Forum’s view about arrangements going forward. The implementation of any amendments, and budget implications, if recommended by the Forum, will need to be discussed further.**
- h) Trade Union Facilities Time – Health and Safety Time (All Phases): agreed to continue de-delegation from the early years, primary and secondary phases at the 2017/18 per pupil values. Referencing the identified review, the Forum is to be presented with a detailed benefit vs. cost analysis, which will inform the Forum’s view about arrangements going forward. The implementation of any**



amendments, and budget implications, if recommended by the Forum, will need to be discussed further.

- i) **School Maternity / Paternity 'insurance' fund:** agreed to continue de-delegation from early years (nursery schools) and primary phases at a value forecasted to afford the scheme for a full year.
- j) **School Staff Public Duties and Suspensions Fund:** agreed to continue de-delegation from the early years (nursery schools) and primary phases for a full year on the same total £app basis as 2017/18.

1.2 Schools Members representing maintained schools agreed the principles behind the management of the de-delegated funds listed in paragraph 1.1:

- k) Any over or under spending against these funds will be written off from, or added back to, the DSG's de-delegated funds in 2019/20 on a phase specific, fund specific, basis i.e. if primary schools overspend in the maternity / paternity insurance scheme fund the value of the fund created through de-delegation in 2019/20 will need to compensate for this.
- l) These decisions set the position for the 2018/19 financial year only.
- m) That the relevant funds will be allocated according to the criteria set out in the autumn 2017 consultation.

2. SCHOOLS BLOCK - GROWTH FUND 2018/19

Document IK Appendix 1 and Document IM Appendix 1.

All Schools and Academies Forum Members by consensus agreed:

2.1 The allocations from the Schools Block Growth Fund listed in Document IM Appendix 1 for existing expansions and bulge classes.

2.2 A planned budget of £1,014,000 within the Schools Block for in year growth allocations. This planned budget is split £314,000 Primary and £700,000 Secondary. All new in year allocations from the Growth Fund will be agreed by the Forum prior to confirmation with the receiving school (a requirement of the Regulations). Growth Fund allocations will continue as a standing Forum agenda item to enable this.

2.3 To use the criteria for the allocation of the Schools Block Growth Fund in 2018/19 as set out in the autumn 2017 consultation document, which are the criteria used in 2017/18. Allocations will be calculated on base £app values under national funding formula.



3. THE CENTRAL SCHOOLS BLOCK 2018/19

Document IK Appendix 1.

All Forum Members by consensus agreed:

3.1 The allocation of the Central Schools Block:

- a) **Schools Forum Costs:** agreed to continue at the value of £10,000.
- b) **School Admissions:** agreed to continue at the 2017/18 value of £577,600 plus an additional £2,500 for the DfE's specific addition to the Central Schools Block for year 9 admissions responsibilities.
- c) **Education Services Grant Centrally Retained Duties:** agreed to continue to passport to the Local Authority's budget a value of £1,331,086 for the former ESG Centrally Retained Duties Grant (transferred into the DSG at April 2017) in support of the statutory duties delivered by the Local Authority on behalf of all state funded schools and academies.
- d) **DSG Matched Contribution to School Improvement (historic commitment):** agreed to retain the benefit of the DfE's one off funding, in 2018/19 only, of the historic commitment of £439,729 within the Central Schools Block to enable the transfer of current High Needs Block funded activity as set out below.
- e) **Central Schools Block Headroom to enable the transfer of High Needs Block activities:** agreed that this headroom, £574,880, is allocated to enable the transfer of the majority of budgets that are currently met by the High Needs Block where the nature of the expenditure is covered by the Regulations, which govern the purposes for which Central Schools Block monies can be used i.e. statutory and regulatory duties for all maintained schools and academies regarding the exclusions of pupils and school attendance. The budgets are: Youth Offending (£47,000); Behaviour Support (£160,000), ESD Statutory Functions (£192,000) and Travellers Children (£389,000). A balance of £213,120 of these funds remains funded by the High Needs Block in 2018/19.

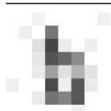
For information only - the cost of copyright licences for primary and secondary schools and academies is met from the Central Schools Block. This is not a matter for decision for the Schools Forum as the DfE negotiates the price and top-slices our DSG. The costs for early years and high needs providers are charged within our model to the respective blocks.

4. THE HIGH NEEDS BLOCK 2018/19

Document IM Appendix 3, Document II, Document IL Appendix 3.

All Forum Members by consensus agreed to:

4.1 Make financial provision for the allocation of places in Bradford-located settings that is presented in Document IM Appendix 3.



4.2 Forecast spending on the basis that the SEND Review, as outlined in the presentation made under agenda item 6, and subject to the outcomes of consultation, will reduce direct spending on services within the High Needs Block by £0.8m (part year impact from 1 September 2018) and will increase spending on Early Years DSP places by £0.6m in 2018/19. This forecast may be amended by the final decisions on the SEND review, which will be taken following the current consultation.

4.3 Retain the existing structure of the High Needs Block Place-Plus Funding Model with the amendments set out in the autumn 2017 consultation:

- a) The cessation, from 1 September 2018, of the High Needs Block's direct funding of Top Up (the Plus element) for the placement of pupils in alternative provision settings without EHCPs that remain on the roll of mainstream schools. The settings within the scope of this amendment are the primary behaviour centres and Bradford Central PRU. At 1 September 2018, the place-funding value of these settings is confirmed at £10,000.**
- b) The full establishment of Bradford's Place-Plus model for the funding of early years DSP provision, replacing previous temporary methodologies that have been in place for the funding of Children's Centre Plus provisions.**

4.4 Support the Authority's work towards the cessation of the High Needs Block's direct funding of Top Up (the Plus element) for the placement of pupils in District PRU. This proposal is captured within the wider SEMH review. The Forum will continue to receive updates on the SEMH review and on the development of this proposal specifically.

4.5 Protect SEN Floor allocations for mainstream primary and secondary schools and academies at their 2017/18 financial year values i.e. schools and academies currently in receipt of the SEN Funding Floor will not receive less via this factor in 2018/19 than they did in 2017/18.

4.6 Support meeting the funding gap in the overall High Needs Block in 2018/19, and to support control of the growth of top up costs going forward, by reducing the rates of Top Up in the HNB Funding Model for all Place-Plus calculated budgets by 1.5% with the values of Top Up for each Range reduced by this %. This sets the Minimum Funding Guarantee for special schools at between 0% and -1.5% (understanding that the value per place in special schools is retained at £10,000).

4.7 With reference to the currently projected over spending in the High Needs Block in 2018/19, that Forum Members note that:

- there are mitigating factors (that may deliver further savings) but also that there are risks of additional spending & savings not being realised as forecasted.**
- the majority of the High Needs Block's reserve may need to be deployed in 2018/19.**
- the High Needs Block may hold a cumulative deficit balance at the end of**



2018/19.

4.8 With reference to the projected over spending within the High Needs Block in 2018/19, that Forum Members note the Strategic Director of Corporate Services' (Section 151 Officer's) assessment of the planned DSG allocation, which is recorded in the minutes of the meeting.

4.9 The position of the High Needs Block be closely monitored and regularly considered by Forum during 2018.

5. THE ALLOCATION OF ONE OFF MONIES (DSG UNDERSPEND)

As highlighted in Document IJ.

All Forum Members by consensus agreed:

5.1 That the £2.989m within the Schools Block continues to be committed by previous decisions taken by the Schools Forum:

- a. Growth Fund Financial Support for Beckfoot Upper Heaton Academy £2.339m
- b. Deficit of a Secondary School Converting to Academy Status £0.650m

5.2 The retention of Schools Block under spend, as set out in Document IJ, as follows:

- £0.716m retained for the purposes of supporting Growth Fund costs especially for the costs following the establishment of new free school provision anticipated during 2019/20.
- £0.979m retained as reserve.

5.3 The allocation & retention of Early Years Block under spend, as set out in Document IJ, as follows:

- £0.606m, estimated, allocated into the 3&4 year old Early Years Single Funding Formula in 2018/19 to uplift the universal setting base rate by £0.09 to £4.12 per hour.
- £0.606m, estimated, retained to be allocated into the 3&4 year old Early Years Single Funding Formula in 2019/20 to uplift the universal setting base rate by an estimated £0.09 to £4.11 per hour.
- £0.311m retained as reserve.

5.4 The allocation & retention of High Needs Block under spend, as set out in Document IJ, as follows:



- £0.521m, representing the value of one off monies allocated by the Forum into the 2017/18 planned DSG allocation (under option 4 January 2017), continued to be allocated in 2018/19. This reduces the forecasted overspending from £1.974m to £1.453m.
- £1.110m retained at this stage and earmarked to be allocated to balance the 2018/19 High Needs Block should this Block be overspent at the end of the financial year.

6. EARLY YEARS FORMULA FUNDING AND PRO-FORMA 2018/19

Document IL Appendix 5, Document IM Appendix 4 and Document IL Appendices 2a, 2b, 2c.

Schools and Academies Members (by consensus on a phase specific basis) agreed:

6.1 The structure of the Early Years Single Funding Formula (EYSFF), the detailed workings of which were set out in the Technical Statement, which formed part of the autumn 2017 consultation documentation, with the amendment to the proposal to adopt a monthly starters and leavers counting arrangement (set out in Document IM Appendix 4). In summary, to:

- a) Continue the policy of ring-fencing of the Early Years Block.
- b) Use the current technical, administrative, payment and counting arrangements, and timetable, as set out in the current 2017/18 Technical Statement i.e. retain the current termly headcount basis for the formula rather than moving, as originally proposed, to monthly starters and leavers counting.
- c) Simplify the processes for PVI providers, which will include no longer publishing a 'hard copy' pre-calculated Confirmed Indicative Budget 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.
- d) Continue to pass through the DSG funding rate for:
 - The 2 year old free entitlement. This will be £5.20 per hour and is the same rate as 2017/18. The simple universal rate of funding per hour for all types of provider, without supplement, will be retained.
 - The Early Years Pupil Premium (required by Regulations)
 - The Disability Access Fund (required by Regulations)
- e) Continue & increase the Early Years Block's contribution to Early Years SEN Inclusion funds. Early Years Inclusion monies to be 100% funded from the Early Years Block from 1 April 2018. The 2018/19 value of the fund will be £800,000.



- f) Establish a Universal Base Rate for the 3 & 4 year old offer, as required by the DfE, with this overridden for:
- Nursery Schools – with the allocation of the specific Maintained Nursery School factor, meaning that the funding rates for each nursery school (base and deprivation) will continue to be retained at their 2016/17 values.
 - PVI providers and nursery classes – through the allocation of additional one off monies on a transitional / temporary basis. PVI providers and nursery classes will be funded at the same enhanced base rate value.
- g) Continue the nursery school sustainability lump sum supplement using the current methodology, which now brings the 30 hours extended entitlement into the calculation.
- h) Continue our current deprivation supplement within the 3&4 year old EYSFF, using the 3 year average of Index of Multiple Deprivation (IMD) data, calculated at 9.5% of EYSFF (excluding one off monies).
- i) Not introduce any further supplements in 2018/19. To keep this position under review.
- j) Continue to charge the Early Years Block, on a pro-rata basis, for the cost of copyright licences. The 2018/19 value is £34,374.

7. PRIMARY AND SECONDARY FORMULA FUNDING AND PRO-FORMA 2018/19

Document IL Appendix 4, Document IM Appendix 2 and Document IL Appendices 1a, 1b, 1c, 1d and 1e.

Schools and Academies Members (by consensus on a phase specific basis) agreed:

7.1 The structure of the Primary & Secondary Funding Formula, the detailed workings of which are set out in the Pro-Forma Document IL Appendix 4. In summary, to:

- a) 'Move to National Funding Formula' (NFF) at April 2018, thereby using the NFF announced on 14 September 2017 to calculate individual formula funding budget shares for both the primary and secondary phases.
- b) Set the value of Minimum Funding Guarantee (MFG) at + 0.4%.
- c) Set the value of the Ceiling at + 3% per pupil (+ 3.0% cap, 100% scaling).
- d) Fully implement the £3,500 (primary), £4,800 (secondary) and £4,042 (all-through) minimums for eligible schools, discounting Building Schools for the Future and Business Rates from the calculation of these minimums.



- e) Continue our current formulae for the allocation of both split sites and pupil mobility.
- f) Continue to pass through the specific BSF DSG affordability gap values using our current method but with an adjustment to ensure that the amounts passed on to academies by the ESFA on an academic year basis are equivalent to the amounts that the Authority requires academies to pay back on a financial year basis.
- g) Calculate notional SEN for primary and secondary schools and academies on the basis set out in the autumn 2017 consultation (allowing the impact of national funding formula to flow into this). To benchmark our approach against that in other authorities under NFF, using the 2018/19 pro-forma information, to determine how our notional SEN calculation should develop from April 2019.

7.2 The value of the DSG's contribution to the Building Schools for the Future affordability gap for 2018/19 set at £6,969,574, which is the 2017/18 value plus an estimated 3.8% RPIX and adjusted for 7.1 g) above. This contribution will be split between relevant schools and academies on the same % basis as in 2017/18 (based on the school's unitary charge value). For Secondary schools and academies, this contribution is expressed as a formula factor. For Special schools and academies, this contribution is managed as a central item within the High Needs Block.

For Information – please note that the cost of business rates shown in the Pro-forma is still estimated and is subject to change during the year, including following the conversion of maintained schools to academy status.

304. ANY OTHER BUSINESS

The Chair notified Members that the Strategic Manager, SEND and Behaviour is leaving the Authority. Members offered their thanks to her.

The Chair notified Members that the Strategic Director, Corporate Services, is also leaving the Authority. Members thanked him for his welcome input and advice over the last 6 years and wished him well for the future.

No resolution was passed on this item.

305. DATE OF NEXT MEETING

The next meeting of the Schools Forum is Wednesday 14 March 2018

THESE MINUTES HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER
 committeesecretariat\minutes\SF\10Jan



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Ratification of the decision within the email to Members 17 January 2018

Dear Members,

I'm emailing to ensure you are aware of a revision to the indicative formula funding positions for primary and secondary schools and academies for 2018/19 – a revision on the modelling that was presented to the Schools Forum on 10 January - and to explain why this revision is necessary.

All local authorities received an email from the Education Skills Funding Agency on Thursday 11 January informing that, in their manipulation of the data from the October 2017 Census, an error has been made, the result of which is that FSM %s (the 'flat' FSM October 2017 position only) for many schools and academies have been overstated. The ESFA didn't go into detail about the nature of the error, but this is a error made at national level by the ESFA (not one made by Bradford LA or Bradford schools). In retrospect, the error is actually quite difficult to spot and changes to individual school %s can be (and were in our assessment of the data) plausibly explained by other factors.

The ESFA has sent a revised dataset, which we are now required to use to calculate 2018/19 formula funding allocations for schools and academies. Please see the attached, which shows the difference in FSM %, the clean cash difference that this change produces (highlighted in blue) and then what the material impact of this is on each school's & academy's total formula funding after the Minimum Funding Guarantee and ceilings are applied (highlighted in green). You will see that for many schools & academies the MFG / ceiling means that this error doesn't impact (the revised position is not different from the modelling presented to the Schools Forum on 10 January). The material impact in total is not substantial at £52k.

Having shared this analysis with the Chair and Vice Chair, we take the view that this required revision to the data doesn't materially affect the recommendations that the Schools Forum made for 2018/19 on 10 January i.e. had the FSM data been correct in the modelling presented to the 10 January meeting, the Schools Forum would have made the same recommendations. The result of the revision is that the cost of Schools Block formula arrangements is £52k lower than I set out in papers last week and this will be held within the Schools Block.

I hope this explanation is clear. If you have any queries, or would like to discuss further, please do not hesitate to come back to me on 01274 432678 or alternatively,

andrew.redding@bradford.gov.uk.

Regards

Andrew

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Matters Arising – Post 16 Funding (Adjustments for Closing Provisions)

The minutes of the 10 January meeting record the following request:

That further consideration is given to the relationship between DSG Growth Funding and ESFA Post 16 funding, and the knock on financial implications, where secondary schools and academies close their Post 16 provisions and increase their pre-16 numbers. This is with particular reference to the difference between the lagged Post 16 funding methodology and the funding of pre-16 provision in 'real time'.

There are 2 aspects to consider:

a) Pre-16 funding

Secondary schools and academies are funded on the number of year 7 to year 11 pupils recorded in the October Census.

For maintained schools, there is a 7/12ths 'lag' between the October Census and the start of the new financial year i.e. it takes 7 months for normal formula funding to catch up.

For academies, there is a full year 'lag' between the October Census and the start of the new academic year i.e. it takes a full year for normal formula funding to catch up.

However, where a maintained school or academy increases its PAN (year 7 intake) in September at the request of the Authority, the Authority allocates additional funding from the agreed DSG Growth Fund. For a maintained school, this is to cover the 7/12ths period September to March until the school's financial year formula funding catches up. For an academy, this is to cover the full academic year September to August until the academy's academic year formula funding catches up. This additional funding continues until normal formula funding is based on an October Census where the increased PAN is counted in all year groups 7 to 11.

Our Growth Funding is allocated at 80% of the £base amount per pupil x additional PAN x catch up time. For example,

A maintained secondary school that admits an additional 30 pupils into year 7 in September 2018 would receive £54,091 for the 2018/19 financial year ($80\% \times £3,863.62 \times 30 \times 7/12$).

An academy that admits an additional 320 pupils into year 7 in September 2018 would receive £92,727 for the 2018/19 academic year ($80\% \times £3,863.62 \times 30 \times 12/12$).

b) Post 16 funding

Secondary schools and academies are funded on the number of pupils recorded in the October Census. However, unlike for pre-16 funding, there is 1 year lag in normal funding formula for both maintained schools and academies e.g. October 2017's Census is used to calculate post 16 funding for the 2018/19 academic year in both.

For maintained schools, academic year funding is converted into financial years by taking 4/12ths of the previous academic year plus 8/12ths of the next academic year e.g. 2018/19 financial year is 4/12ths of the 2017/18 academic year + 8/12ths of 2018/19 academic year.

The ESFA has specific guidance for how funding allocations are adjusted where schools close their post 16 provisions. This guidance states:

9. When an institution closes, or stops ESFA-funded 16 to 19 provision, we will reduce the lagged numbers to reflect the planned decline in student numbers.

10. We will not allocate 16 to 19 funding to an institution that is completely stopping 16 to 19 provision. We will also reduce funding before that if the change in delivery is material – for example, a rundown of provision over 2 years.

11. For an institution such as a school or academy sixth-form, whose students are mainly on 2 year programmes, a typical trajectory for the reduction is half the lagged numbers in the year before closure and no funding in the year of closure.

12. When an institution notifies the ESFA after the start of the academic year that they have stopped offering ESFA-funded 16 to 19 provision, or when they do not recruit or enrol any students, we will withdraw the allocation. We will also action recovery of funds if we have already made any payments.

This guidance therefore, sets out that the ESFA’s approach, where a closure is planned in advance, is to move to a ‘real time’ methodology away from the lagged methodology.

Interpreting this using an example:

A secondary school / academy at October 2017 has 150 post 16 students, 100 in year 12 and 50 in year 13. The planned closure pattern is that the school / academy will not take year 12 students at September 2018 and will fully close at September 2019. The school / academy would therefore, record 50 students in October 2018 and 0 in October 2019.

Assuming an average £app value of £4,500, we would expect the school’s / academy’s academic year funding to be as follows:

2017/18	£675,000	(150 x £4,500)
2018/19	£337,500	(75 x £4,500; 75 is 50% of 150, but is greater than 50)
2019/20	£0	

c) Outline Conclusion

Both pre and post 16 funding methodologies include adjustments to reflect the changes in student numbers in real time. This should avoid any significant budget issues being created simply because of ‘lag’.

However, individual schools and academies will need to plan well in advance to adjust their spending:

- for the difference in formula funding values between pre and post 16 (post 16 values per pupil are typically higher)
- because the speed of loss of post 16 funding will typically exceed the speed of gain in pre 16 funding. Combining the examples above, this school would lose 150 lots of post 16 funding much quicker (over 2 years) than it would gain 150 lots of pre-16 funding (over 5 years) with a 1 FE PAN increase. The size of pressure would depend on the relative sizes of current sixth form vs. future pre 16 growth. The school may need to think more closely about how existing fixed costs are met e.g. buildings in transition when total pupil numbers may be lower.

The Local Authority's Monitoring Framework to Ensure Compliance with the Post 16 Participation Legislation

The information that must be reported to the Department for Education (DfE) by all local authorities (LAs) in England is set out in the NCCIS (National Client Caseload Information System) Management Information Requirement. Each LA must deploy a database that meets the NCCIS requirements, both for holding the correct data and for making monthly and annual returns in the correct formats via the NCCIS web portal.

The City of Bradford Metropolitan District Council uses a database called IYSS to meet the NCCIS requirement. IYSS is managed by a team of 3 officers based in the Education, Employment & Skills section of Children's Services. Data is collected via a combination of: direct inputting by database users (interacting directly with young people); and bulk data sharing processes linking the IYSS Team with national, regional and local data networks. Bulk starter, leaver and in learning data is pulled from various sources, eg: colleagues in Children's Services and other LA teams; colleagues in neighbouring LAs; the Education & Skills Funding Agency; the DWP; the NCCIS portal; and schools, training agencies and colleges attended by our young people.

The cohort that we are required to report on is defined as all residents: of academic age 15; of academic ages 16 and 17; and of academic ages 18 to 24 with a current EHCP plan. For the academic age 15 group we collect data and report mainly on their intended destinations and whether they have an offer for a future place in learning. For the other groups we mainly report on their actual destinations – the educational, employment or training situations they are in.

The academic age 16 and 17 group is the focus of the Raising Participation Age (RPA) Act which requires that they continue in defined types of education or training until their 18th birthday. NCCIS data is the main tool for evidencing that young people are meeting the RPA duty and that LAs are meeting their responsibilities to implement RPA. The local database is a tool for LAs in its own right: it provides management information for the LA and local partners; and it helps us to support all young people to engage in learning and identify and offer extra support to those not participating in learning or likely not to.

The DfE uses NCCIS returns to monitor participation rates across all English LAs. It produces monthly LA tables via the NCCIS web portal and publishes public tables via Gov.uk. This allows LAs to benchmark their performance against others and enables local stakeholders to hold their LA to account. In addition, the DfE may take action if it feels the data is not being collected properly by the LA, or if the LA's NEET or Not Known rates are too high or the participation rate is too low. The DfE has never queried Bradford district figures like this. Each data return is error checked by the NCCIS web portal and only uploaded if errors are eradicated. The IYSS Team produces a monthly overview of the district's participation, NEET & Not Known figures for monitoring purposes. This summary is sent out by email to interested colleagues.

In general terms the participation/NEET/Not Known figures for Bradford district have in recent years been very close to the England average. In December 2017, 92% of our

academic ages16/17 cohort was in learning. The England average was 91.2%. In the same month, NEET plus (destination) Not Known was 6.8%; the England average was 6.7%.

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 provides the Schools Forum with analysis and further information on the allocation and impact of Pupil Premium Plus monies. This report also sets out the Authority's planned allocation of Pupil Premium Plus in 2018/19.

Date (s) of any Previous Discussion at the Forum

10 December 2014 (Document DY) and 7 January 2015 (Matters Arising Document 1)

Background / Context

The basis of the current distribution of Pupil Premium Plus monies was set out in the reports to the Schools Forum presented on 10 December 2014 (Document DY) and 7 January 2015 (Matters Arising Document 1).

The DfE's conditions of Pupil Premium Grant state that the LAC premium "must be managed by the designated virtual school head (VSH) in the local authority that looks after the child, and used without delay for the benefit of the looked-after child's educational needs as described in their personal education plan. The VSH should ensure there are arrangements in place to discuss how the child will benefit from pupil premium funding with the designated teacher or another member of staff in the child's education setting who best understands their needs. Processes for allocating funds to a child's education setting should be as simple as possible to avoid delay. Local authorities may not carry forward funding held centrally into the next financial year. Centrally-held LAC premium that has not been spent, or allocated to the child's education setting, by 31 March will be recovered."

The annual value of Pupil Premium Plus allocated per Looked After Child is currently £1,900. On the basis of the distribution set out for the Schools Forum in December 2014 and January 2015, £1,400 of this is allocated to the school or academy where the child is on roll. This is allocated on a termly basis at £466 a term. £500 is retained by the VSH to fund centrally managed support activities but also additional allocations for identified children (please see appendix 1).

Bradford Local Authority has received £1.353m of Pupil Premium Plus monies in 2017/18, based on 712 children recorded in the January 2017 Census who have been looked after for at least 1 day between 1 April 2015 and 31 March 2017. Notionally, £0.997m of this is allocated to schools and academies (712 x £1,400) and £0.356m is managed centrally (712 x £500).

From April 2018, the value of grant per LAC will increase from £1,900 to £2,300. On 2017/18 numbers, this will increase our allocation in total by £0.285m. As set out in Appendix 1, under a continued distribution set at 75% allocated to schools / academies and 25% centrally, the annual value of school allocation would be £1,725 and the value managed centrally would be £575.

Details of the Item for Consideration

Please see Appendix 1.

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

Pupil Premium Plus is a grant allocated in addition to, and separately from, the DSG.

Recommendations

The Schools Forum is asked to consider and to note the information provided in the report.

List of Supporting Appendices / Papers (where applicable)

Appendix 1 – Pupil Premium for Looked After Children from April 2018

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

Ken Poucher, Headteacher - Virtual School for Children Looked After
01274 439623
ken.poucher@bradford.gov.uk

Pupil Premium for Looked After Children from April 2018

Overview

- The National Funding Formula announcement made on 14/09/17 detailed an increase in the Pupil Premium Plus allocation for CLA to £2300 per child from April 2018.
- The local authority is responsible for paying PPP to all Bradford schools, including academies, and also to schools outside the authority that have Bradford CLA on roll.
- There were 925 children in our care at the end of March 2017 (0-18) and there were 1195 in our care at some point between April 2016 and the end of March 2017. In 2017, there were 494 children from Reception (age 4) to Year 11 (age 16) who had been looked after continuously for at least 12 months.
- Currently there are 596 CLA in year's reception to year 11; 456 are in Bradford, 140 are out of authority. There are 286 young people within this age range in the care of CBMDC who have a SEND. Of these, 114 have a statement of SEND/EHCP (19.1%), 172 have SEN Support (28.8%).

Roles and Responsibility of the VSH and the VS Team

- Strategic overview of all CLA, enabling the LA to fulfil its statutory duty in monitoring and reporting on educational outcomes for all Bradford CLA.
- Children's needs may vary over time and therefore a personalised approach is needed. For some children a significant amount will be need to fund the cost of the support they need.eg:
 - Children who come into care in an emergency with a fragmented home and education history who are behind academically
 - Children who move into or out of Bradford who may require additional support
 - Children with significant and often delayed reaction to abuse and neglect, which may present as complex emotional, social and/or challenging behaviour impacting on progress.

How has the LA used the retained 25% PPP.

- Employed and deployed 29 'Associates' (P/T teachers Learning Mentors and TA's) to provide additional capacity to meet the educational and pastoral needs of CLA in response to requests from schools and settings.
- Timely and swift intervention – e.g. Provided tuition in and out of LA, Play Therapy, Funding Placements and tuition for CLA who cannot attend mainstream schools.
- Provided additional financial support for individual CLA whose circumstances changed.

Impact

- Use of associates has resulted in good attendance of CLA. The attendance of the CLA children is 96.1% over the last school year which is in line with the national average and is also a four year rising trend.
- Only one CLA has been permanently excluded from a school in the last 5 years and this is as a direct impact of the work of the VS and its timely intervention with key schools and key professionals
- Associate impact on attainment and progress for targeted CLA pupils
- Impact of timely interventions.

Overview of outcomes

Key Stage 1

- Unvalidated outcomes for our 7 year olds in 2017 are good and represent a continued improvement in performance for our Key Stage 1 CLA cohort. In all measures the percentage of pupils meeting national age-related expectations (EXS) and working at greater depth (GDS) in reading, writing and mathematics our children looked after out-performed children looked after nationally based on unvalidated 2017 figures and closed the gap on non CLA peers in the local authority.

		2016				2017			
		Nat	Bfd	Nat CLA	Bfd CLA	Nat	Bfd	Nat CLA	Bfd CLA
Reading	EXS	74%	69.6%	49.8%	57.7%	75.8%	71.6%	51.0%	59.1%
	GDS	23.5%	17.8%	9.6%	3.8%	23.5%	17.8%	9.0%	9.1%
Writing	EXS	65.5%	63.6%	37.0%	42.3%	65.5%	63.6%	39.0%	46.0%
	GDS	13.3%	11.0%	3.7%	0.0%	13.3%	11.0%	4.0%	4.5%
Maths	EXS	72.6%	70.1%	45.6%	42.3%	72.6%	70.1%	46.0%	50.0%
	GDS	17.8%	14.3%	5.5%	0.0%	17.8%	14.3%	6.0%	9.1%
Science	EXS	81.8%	75.8%	58.1%	69.2%	81.8%	75.8%	60.0%	81%
RWM	EXS	60.3%	58.2%	32.3%	34.6%	60.3%	58.2%	34.0%	36.4%
	GDS	8.9%	7.1%	2.0%	0.0%	8.9%	7.1%	3.0%	4.5%

Key Stage 2

- In 2017, based on unvalidated data 32% of looked after children nationally reached the new expected standard or above in the headline measure reading, writing and mathematics combined, this is a rise of 7 percentage points on the previous year. over the same period the combined measure in the CBMDC has improved by 11% to 28% and represents a closing of the gap to the national figure. Further improvements in boys reading, writing and maths are needed to help reduce this gap even further.

		2016				2017			
		Nat	Bfd	Nat CLA	Bfd CLA	Nat	Bfd	Nat CLA	Bfd CLA
Reading	EXS	66%	56%	41.0%	34.7%	71%	65.1%	45.0%	38.0%
	GDS	19%	12.1%	6.7%	10.2%	25%	19.1%	9.0%	6.0%
GPS	EXS	72%	68.2%	43.7%	49.0%	77%	74.4%	50.0%	45.0%
	GDS	23%	17.0%	7.1%	10.2%	31%	27.5%	12.0%	11.0%
Maths	EXS	70%	65.2%	41.0%	38.8%	75%	71.8%	46.0%	39.0%
	GDS	17%	12.9%	3.7%	8.2%	23%	19.2%	7.0%	6.0%
Writing	EXS	74%	73.5%	45.7%	44.9%	76%	73.7%	48.0%	36.0%
	GDS	17%	13.1%	3.4%	2.0%	18%	15.4%	6.0%	0.0%
RWM	EXS	53	45.7%	25.1%	17.4%	61%	56.0%	32.0%	28.0%
	GDS	5	3.1%	0.7%	2.0%	9%	6.5%	1.0%	0.0%

Key Stage 4

- Overall there were 65 pupils in the cohort who were in care for 12 months or more. Including all 65 in the cohort, 7 pupils (10.8%) achieved 5 A*-C (L4+) at GCSE including English and mathematics, this included 1 pupil with SEN. 10 (15.3%) pupils got 5 good (grade C – L4) GCSE passes.
- The overall Progress 8 score rose from 2016 to 2017, moving from -1.48 in 2016 to -1.02 in 2017. This score ranks Bradford's Virtual School above the progress for CLA nationally which is -1.14 indicating that from starting points CLA in Bradford make better progress than their peers nationally.
- At 18.9 the CBMDC's Virtual School Attainment 8 score is in line with all other Virtual Schools (National average 18.9) with a gap of -23.4 with all other Bradford non-LAC pupils. This gap is reduced when the effects of the proportion of children with SEND is removed. The average EBacc attainment score for Bradford CLA was 5.1, also the same as CLA nationally.

Recommendation

- The recommendation is to allocate the same proportion of the total amount of the PPP to the schools, retaining the same proportion for the VS to fund any support for Children Looked After as and when needed. Currently 75% of the PPP grant is allocated directly to schools and 25% retained by the LA to provide additional support for CLA. This will enable the VSH to provide additional support to schools and share more widely best practice for CLA as it has that critical overview of all children looked after in schools and setting both in and outside of Bradford.

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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 provides an update on a number of matters relating to the 2018/19 Dedicated Schools Grant. The report also includes the benefit vs. cost analysis of trade union facilities time, which the Schools Forum is requested to consider so that DSG / de-delegated funding arrangements for trade union facilities time for 2018/19 can be confirmed.

Date (s) of any Previous Discussion at the Forum

The Schools Forum made its recommendations on the 2018/19 DSG on 10 January 2018.

Background / Context

See the details for consideration below.

Details of the Item for Consideration

Short Updates on Various DSG Items (for Information)

The Executive proposed to Council on 22 February 2018, un-amended, the School Forum's recommendations on the allocation of the 2018/19 DSG. These recommendations were ratified by Council. Detailed budget information and guidance were published for maintained schools and early years providers on 23 February.

Members may wish to raise for the Forum's attention any significant feedback they have received directly on the 2018/19 DSG recommendations and / or budget information that has now been published.

At the time of writing this report, the Education and Skills Funding Agency (ESFA) has not yet formally confirmed its approval of our Schools Block Pro-forma for 2018/19 (the primary and secondary funding formula). We understand that this is due to the ESFA's delay in confirming rather than any compliance issue.

We currently await final confirmation of the 2018/19 High Needs Block allocation. An updated forecast of the spending position of the High Needs Block in 2018/19 will be presented to the Schools Forum in July.

The reconciliation of one off monies, following the 2017/18 year end closedown, will also be presented to the Schools Forum as usual in July. Members are reminded that, as a result of the error made by the ESFA in the processing of FSM data, a sum of £0.052m is unallocated within the 2018/19 Schools Block. Members are also made aware that the cost to the DSG in 2018/19 of business rates in schools and academies is currently estimated to be £0.64m lower than the initial forecast included within the Schools Block figures presented to the Schools Forum on 10 January 2018. The main reason for this reduction is the final confirmation of the lower business rates cost for schools that converted to academy status during 2017.

As Forum Members will be aware, development work is currently taking place in the following areas for expected implementation in 2018/19:

- The basis of allocation of the £0.8m Early Years Inclusion Fund (EYIP) within the Early Years Block for supporting low need high incidence SEND in early years settings.
- The delivery of the agreed cessation, from 1 September 2018, of the High Needs Block's funding of top up for placements of non-EHCP pupils in alternative provisions.
- The establishment / refinement of local agreements to enable and control the flow of monies where pupils are permanently excluded from mainstream schools and academies, in support of the SEMH review.

We now await DfE announcements on changes to DSG and formula funding requirements for 2019/20. We do not expect further significant change. Now that we have fully moved to National Funding Formula within our Schools Block, as well as having established an Early Years Single Funding Formula that is compliant with the DfE's requirement for a universal base rate, the amount of 'directed' change that we need to manage for the 2019/20 cycle should be limited. We have identified areas of DSG funding that we wish to review locally for 2019/20 and we will progress these within the normal review cycle, with any proposals for changes being presented to the Schools Forum in early autumn in advance of wider consultation. It is anticipated that the value of the Minimum Funding Guarantee for primary and secondary schools will again be a key decision. Most formula review for 2019/20 is likely however, to focus on High Needs Block matters, both the mechanisms for allocation and affordability.

Details of the Item for Consideration

We still await the DfE's consultation on the future funding of maintained nursery schools (the DfE stated that it would further consult following its initial publication of the national early years funding reforms in autumn 2016). 2019/20 is the final year of currently announced specific additional funding support within the DSG for maintained nursery schools.

As signalled in the High Needs Block consultation, published in autumn 2017, the Authority plans a holistic review of our High Needs Block 'top up' funding arrangements. The original stated intention is for the outcomes of this review to be brought into the 2019/20 DSG cycle. Top up funding is under significant pressure, which is increasing as the levels of need of children and salaries costs continue to grow. In the context of this, and the planned review, the District Achievement Partnership (DAP) has asked the Authority to more urgently look at the position of top up funding for the special schools sector and has asked for a closer assessment of whether the children currently in special schools in Ranges 4D - 4A (mainstream ranges) have been placed in the funding bands appropriate to their needs. This is an evidence-based piece of work. It is anticipated that a report on the outcomes of this work will be presented to the Schools Forum in May or July.

For wider awareness, the Government has published its response to its consultation on eligibility for FSM, Early Years Pupil Premium and the 2 year old offer under Universal Credit. Changes to regulations and revised earnings threshold are planned to come into force from April 2018. School colleagues are encouraged to read the outcomes document as it will prove helpful when undertaking eligibility checks and offering advice to parents. To access the document on the GOV.UK website click [HERE](#).

Trade Union Facilities Time

Please see Appendix 1.

Following their review of this statement, Members are asked

- For their final view on whether the cost per pupil of de-delegation for trade union facilities time for the 2018/19 financial year should be amended from the current £5.26 per pupil.
- If it should be amended, what the revised £per pupil figure should be.

If the Schools Forum wishes to amend the figure a report will be presented to the May meeting, which sets out the action that will need to be taken, including any transition, to implement this amendment.

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 consider and to note the information provided in the report.

The Schools Forum is asked to give its response to the benefit vs. cost analysis of trade union facilities time so that DSG / de-delegated funding arrangements for 2018/19 can be confirmed.

List of Supporting Appendices / Papers (where applicable)

Appendix 1 – Trade Union Facilities Time Benefit vs. Cost Analysis

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Trade Union Facilities Time – Benefit v. Cost Analysis

Introduction

The School Forum's recent consideration of the funding of schools trade union facilities time was initiated by a communication from BDAT Trust, which was presented in July 2017. The minutes of the Schools Forum meeting 6 December 2017 record that Forum members requested a cost vs. benefit analysis. In allocating the 2018/19 DSG on 10 January 2018, the Forum agreed to continue de-delegation at existing per pupil values pending consideration of this analysis. Members agreed that the purpose of this review is to assess the value delivered by current arrangements rather than the cost per se.

Trade Union Facilities Time

There is a legal obligation (under The Trade Union and Labour Relations (Consolidation) Act 1992) for an employer to provide facilities for recognised trade unions to function within the workplace, including an obligation to grant time off with pay. The recognised unions in schools are:

- Teacher Trade Unions - NUT, NASUWT, ATL, ASCL, NAHT, VOICE, and
- The Trade Unions representing support and other professional school staff – UNISON, GMB and UNITE

To meet this obligation, Bradford Council has agreed to release a number of staff for part or all of their time from their school duties to carry out their duties as elected lay officials. This applies to the recognised trade unions in schools with significant memberships. Historically the agreed ratio for facility time has been 1 day per 400 members, which has been used as a mutually acceptable, in principle, starting point for the joint management and trade union discussions. Current facility time arrangements with respect to school employees provide a total of 7.3 FTE as follows:

- NUT has 2.1 FTE lay officials (10.5 days per week)
- NASUWT has 1.8 FTE lay officials (9 days per week)
- ATL has 1 FTE lay official (5 days per week)
- NAHT has 0.4 FTE lay official (2 days per week)
- UNISON has 1.3 FTE lay officials (6.5 days per week)
- GMB has 0.6 FTE lay officials (3 days per week)
- ASCL has 0.1 FTE lay official (1 day a fortnight)

In addition, in order to comply with the letter and the spirit of the Health and Safety Regulations, Bradford Council and the Trade Union Health and Safety Lay Representatives in Bradford made a Health and Safety Agreement in 1989. Nominated accredited Trade Union and lay Health and Safety representatives continue to carry out Health and Safety inspections in schools, with the aim being to inspect each school once a year, and are released for all or part of their time from their school responsibilities to carry out these duties. Safety Representatives also carry out site management visits in relation to building work and work with the Council's Health and Well Being Team on occupational matters and undertake the role of investigating accidents, disease and other medical matters. A total of 6 days per week (1.2 FTE) of facilities time is currently funded within the DSG for these purposes.

Current DSG arrangements therefore, provide for a total capacity of 8.5 FTE representatives for a total schools / academies population (early years to year 11) of 92,000 and workforce of 13,200 FTE (November 2016). This gives roughly 1 FTE for every 10,800 pupils and 1 FTE for every 1,550 FTE school employees, but noting that not all academies buy into arrangements.

The vast majority of local authorities operate collective arrangements for schools and academies funded within the DSG. Collective arrangements have benefits and efficiencies, including the development and deployment of

experienced representatives that work across a number of employers. It should be noted however, that there is an alternative and individual schools and academies can develop effective arrangements with unions outside of a collective framework, with the cost of these arrangements (in covering time off for nominated staff) being managed within the school's or academy's delegated budget. Relying on release at school level is likely to increase aggregate costs because representational work on employment matters requires training and more staff would have to be trained.

Bradford's Current Spending / Cost

The 2 sources of DSG funding of Bradford's current schools facilities time arrangements are:

- De-delegation from all nursery schools and all maintained primary and secondary schools.
- Trading with high needs providers (PRUs and special schools) and academies that wish to buy into the Council's arrangements. The Council trades at the same per pupil rate as de-delegation.

The charge per pupil in 2017/18 (currently repeated for 2018/19) was £4.56 for the main facilities time and £0.70 for health and safety time; a total of £5.26. This is levied on early years to year 11 pupil numbers. Typically then a 1 FE primary school is charged £1,105; and 8 FE secondary school is charged £6,312.

These charges have remained cash flat for a number of years. The charge for health and safety time was reduced significantly at April 2015 in response to the Forum's request for review and reduction in cost.

Allowing for the conversion of maintained schools during 2017/18, it is forecasted (estimates) that the total of funding for arrangements will be c. £392,000; £247,000 (63%) from de-delegation and £145,000 (37%) from trading. The trading figures are based on 8 maintained high needs providers (89%) and 51 academies (64%) buying into the arrangements. Year on year, the proportion of funding collected through de-delegation reduces and through trading increases as more schools convert to academy status. We expect this trend to continue.

The 3 main variables that affect the cost of arrangements and the position of the budget are:

- The salaries of union representatives, linked to their levels of experience, noting that the same pressure that is currently within school budgets (the requirement to absorb the reduction in the real terms value of funding as salary costs increase) is present here.
- The amount of facilities time provided (the 8.5 FTE).
- The number of high needs providers and academies that buy into the Council's arrangements and the 'economy of scale' factor that this produces.

Comparative / Reference Information

The benchmarking information presented to the October 2017 meeting (Document HZ Appendix 1), which was based on 2017/18 planned budget information, shows how Bradford's spending compares with that in other local authorities where these other authorities show de-delegation spending in their S251 Budget Statements:

- | | |
|---------------------------------|----|
| • Bradford's spend per pupil | £5 |
| • Statistical Neighbour average | £4 |
| • Met Districts Average | £4 |
| • National Average | £2 |

This comparison is limited as it does not include the value of spend in authorities that have collective facilities time arrangements financed by trading only.

We would expect the spend per pupil on facilities time to be higher in authorities with higher levels of Additional Educational Needs as the levels of DSG and formula funding per pupil are higher in these authorities and there are more staff employed in schools. It is perhaps unhelpful therefore, to compare the position in Bradford against the

national average. A comparison based on % of salaries spend would be more useful. This is difficult to complete due to data availability. However, from 2016 workforce statistics data, published in June 2017, Bradford's total pupil to teacher ratio was 17.2 and teaching assistant to teacher ratio was 0.7. The national averages were 17.6 and 0.6. The averages for the Yorkshire and Humberside region were 18.2 and 0.6. These figures, on a simple level, evidence that Bradford schools employ more staff per pupil.

The DfE's advice published in 2014 and updated in March 2015 stated, "The department's review found that many local authorities and other employers have already reduced spending to approximately 0.1% of the pay bill, and others have made further reductions to 0.05% or less. This should include funding for all trade union representatives based in schools; representing support staff, classroom teachers and school leaders...Whilst recognising the need for flexibility, we believe that employers can reduce spending in line with these amounts and still support effective facilities time arrangements in their school(s)."

Bradford's value of de-delegation in 2017/18 as a % of the forecasted spending of maintained nursery, primary and secondary schools on salaries is calculated to be 0.13% (on a pay bill of £181m).

Benefit Data

The funded representatives:

- Give advice to their members on matters relating to their employment.
- Represent or accompany individual members in meetings and hearings – "casework".
- Take part in collective negotiations and discussions with employers.

The main matters the representatives support are:

- Restructures and redundancies – managing changes in the workforce.
- Development and review of school and employer policies.
- Health and Safety – buildings, emergencies, well-being etc.
- Pay – individual issues and collective negotiations.
- Pensions and retirement – advice and individual negotiations.
- Ill health – including absence monitoring, return to work and leaving the profession.
- Capability – support and advice at different stages of the processes including "difficulties" meetings.
- Allegations against staff, including from parents and outside sources.
- Discipline – representation and advice in disciplinary processes including investigations.
- Negotiating exits in a variety of circumstances.
- Career advice and support for teachers who may need to change.
- Changes to staff terms and conditions – collective negotiations.

The current financial and structural landscapes have increased / are increasing the calls on facilities time capacity. Meetings on school or broader employer policies have multiplied with the growth of Multi Academy Trusts (and the growth in the number of individual employers across the District). The representatives are requested to attend an increasing number of consultations on restructures and redundancies as a result of budget pressures as well as recording increasing numbers of requests for representation and negotiation on other matters.

Schools Forum Considerations (Conclusions)

Within the current financial climate, and the amount of re-structuring activity this has created in schools and academies, effective trade union facilities time arrangements are unlikely to be provided going forward where these are funded at lower than the statistical neighbour or met district averages. This would set a contribution 'floor' of £4 per pupil if this was accepted as a starting principle. However, £4 per pupil would mean a reduction of £1.26 per pupil, which would reduce the cash budget available by an estimated £95,000; this would reduce capacity by an estimated 2 FTE.

The Forum will likely wish to maintain, at the very least, the principle already established that the cost per pupil does not increase above the current £5.26. This principle has been in place across the last 3 years when the reduction in the value of funding in real terms has been c. 5.3%. On current estimates, it is anticipated that the current budget will be required to absorb in the region of a further 10% salaries cost increase over the next 3 years. This is approximately £40,000 in cash terms i.e. where we keep the current contribution at £5.26 per pupil the amount of time provided will need to reduce in order to absorb the increased cost of salaries. In 3 years, effective capacity may need to have reduced by c. 1 FTE purely because of this, unless the cost per capita of the representatives reduces. Reducing the per pupil contribution at the same time as managing this absorption may mean that the actual reduction in capacity is much greater than perhaps initially intended (£95,000 + £40,000 = £135,000 or 3 FTE). Retaining the current cost in this financial climate will naturally drive efficiencies and value for money.

The Schools Forum should carefully consider the cost and value of current arrangements in this context.

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 matters concerning to school and academy budgets. This includes an update on the position of the conversion of maintained schools to academy status and on the anticipated cost pressures within school and academy budgets over the 2018-2021 period.

Date (s) of any Previous Discussion at the Forum

The Schools Forum received reports on school balances and implications of academy conversions on 15 March and 5 July 2017.

Background / Context

The financial year runs from 1 April to 31 March. At the end of each financial year, maintained schools are required to 'closedown' their accounts and to finalise the values of balances held at this point. This information is forwarded to the DfE and is publicly published. The Authority's Deficit Budget Protocol is in place to manage maintained schools that hold (or forecast to hold) deficit balances.

Maintained schools are permitted to carry forward surplus revenue balances. Currently, schools with revenue balances in excess of 4% (Secondary) or the greater of £60,000 or 6% (all other schools) of funding must comply with the Authority's Surplus Balances Protocol, which requires schools to assign the value of excess balances to spend on permitted schemes.

Academies and Free Schools are responsible to the Education and Skills Funding Agency (the ESFA) for their financial reporting. As such, the Local Authority does not have a direct view of academy financial positions. The ESFA sets monitoring and reporting requirements and has oversight of academy balances. A key 'intervention tool' used by the ESFA is the issuance of a 'Financial Notice to Improve'. These Notices are posted on the ESFA's website for public record / scrutiny.

Deficit budgets on the closure of a maintained school revert back to the Local Authority and may be charged to the DSG if de-delegated arrangements operate to enable this. Surplus balances are credited to the DSG. Any claw back of surplus balances from maintained schools through the Intended Use of Balances process increases the amount of funding available for the Schools Budget in the DSG.

On the conversion of a maintained school to academy status:

- A surplus balance is typically transferred to the academy trust (so there is no benefit to the Local Authority nor the DSG), although there is provision for the Authority to retain surplus balances held by sponsored academies.
- A deficit of a maintained school that is a 'converter' academy is also transferred to the academy trust (so there is no liability on the Local Authority nor the DSG).
- A deficit of a maintained school that is a 'sponsored' academy reverts back to the Local Authority and may be charged to the DSG if de-delegated arrangements operate to enable this.

Forum Members are reminded:

- That an identified sum of £0.65m is held within the DSG (within one off monies) to support the cost of the deficit of a secondary school converting to academy status.
- That within the recommendations that were agreed by Council on 22 February is the continuation of the de-delegated fund of £150,000 for deficit provision for sponsored conversions for the primary phase.
- Of the information that has previously been presented to the Schools Forum on how the Local Authority (School Funding Team) supports and challenges schools on their budget positions and works to identify and resolve issues early. The Authority also has published a detailed guidance document for schools, which sets out expectations in preparation for financial close on academy conversion.
- That the deadline for the submission of governor approved budgets for 2018-20201 from maintained schools is 15 May 2018. It is these submissions that give the Authority a clearer view of the position of school budgets. Report on budget positions and balances held by maintained schools at the end of the 2017/18 financial year will be presented to the Schools Forum on 16 May and 11 July 2018.

Background / Context

- That the timing of conversion is an important factor in the potential for liability related to deficit budgets of sponsored academies. For example, a school that has an in year deficit budget in 2018/19, and converts on 1 September 2018, may respond to this in year, but savings from staffing restructure may only be implemented at the start of the new academic year. So, although the school's budget will balance in the full year, it is the academy's budget post 1 September that will benefit from these savings. The maintained school's budget may fall into cumulative deficit if the value of the school's balance held at the end of 2017/18 is not sufficient to meet the value of overspending in the first half of the year.
- That an update on the position of academy conversions is a standing item on Schools Forum agendas.
- That, as a result of expectations on the speed of academy conversions in Bradford, the Authority effectively ceased last year to offer the capital loans scheme to maintained schools, which is funded by the DSG reserve.
- That the Forum has previously established "a formal 'Panel' of Forum Members with the remit to discuss in detail the financial implications of academy conversions and requests for financial support from the DSG that may be made. That, following an initial 'scoping' meeting, the Panel recommended criteria that should be used in the consideration of requests that may be made to the Schools Forum for financial support related to academy conversion. The Forum agreed these criteria on 20 July 2016.
- Of the warnings previously given that the opportunity for liabilities to arise relating to deficit balances is greater due to the expected larger number of academy conversions and as budgets become tighter following the continued fall in the real terms value of funding. As reported to the Forum, the National Audit Office, in its report published in December 2016, calculated an average 8.7% reduction in the value of school funding in real terms over the period 2016-2020. The Institute for Fiscal Studies (IFS), in its report published on 27 February 2017, calculated that spending per pupil is expected to fall by 6.5% in real terms between 2015-16 and 2019-20. The assumptions behind these national studies need refreshing for recent announcement and funding changes, but the pressure in school and academy budgets resulting from the reduction in the value of funding per pupil in real terms is very present over the 2018-2021 financial period.

Details of the Item for Consideration

Financial Positions of Maintained Schools and Academy Conversions

The following information is provided in advance of the final closedown of accounts for maintained schools for the 2017/18 financial year and receipt of 2018-2021 approved budgets. As such, this is an interim position statement. Further updates on confirmed figures will be provided in May (March 2018 balances) and July (2018-2021 budget forecasts).

- The Local Authority has completed the financial close of 3 more maintained schools that have converted to academy status between April 2017 and March 2018. 1 of these has closed with a small deficit balance. This is a converter academy and the Authority has processed this as such with the ESFA and expects the value of this deficit to be repaid. At the time of writing this report, the Local Authority is processing the financial closures of 3 more conversions; 2 converters and 1 sponsored academy. All 3 of these schools are expected to close with surplus balances.
- There have been 46 conversions in total since September 2015. The number of conversions in 2017/18 (6) was substantially lower therefore, than the number that took place in the previous year.
- We have 125 maintained schools at 1 March 2018. We have immediate sight of around 20 schools that are planning conversion / may convert / are likely to convert over the next 12 months. The position is moving regularly. We would expect 5 of these 20 to be regarded as sponsored academies. On current information, there is risk of small values of deficits in 3 of the potential sponsored conversions (these are 3 primary sponsored academies).
- In terms of the financial positions of currently maintained schools, more generally, at March 2017, 8 schools held deficit revenue balances. We currently forecast that 10 schools will be in revenue deficit at March 2018, which is 8% of our total number of maintained schools. We continue to see a reduction in the total value of revenue balances held. The schools that are still maintained on 1 March 2018 held total net revenue surpluses of £9.1m at March 2017. These schools currently forecast to hold £4.5m at March 2018. Although we would assess that £4.5m is an underestimation, as schools have historically underestimated their balances in their prior-year end forecasts, this does identify that the values of balances are continuing to reduce. 63% of our maintained schools forecast to have in year deficits in 2017/18 (where in year spending exceeds in year income and the school's budget is supported by the use of carry forward balances). The Schools Forum will receive a full report on 2017/18 final balances, deficits and surpluses, on 16 May 2018.

Details of the Item for Consideration

2018-21 Budget Challenge

The Forum has received information in previous reports on the level of financial challenge that is created for schools and academies from the reduction in the real terms value of funding per pupil as well as other significant changes in funding streams (including the ESG, National Funding Formula and reform of early years funding). The Local Authority has recently published guidance to support maintained schools in their budget setting for 2018/19.

The vast majority of schools and academies have taken positive action so far to manage their budget positions. However, schools may find that the action they have already taken and / or have agreed to take based on their previous indicative 5 year planning is now not sufficient to deliver a balanced budget across 2018-2021. Critically, schools must now look again in detail at their budgets, focusing especially on their 'in year' positions i.e. the extent to which their expenditure in year may exceed their income in year. To add to the difficulty, there is uncertainty at this time about increases in some significant costs in 2018/19, and then across 2018-2021, including pay awards and staff pension costs. Schools will need to regularly review their budget assumptions and forecasts. Financial pressure across all sectors has been driven by salary costs rising whilst values per pupil of formula funding, high needs funding, and other grants have remained broadly static. This is a pressure that school budgets must absorb before responding to other changes, such as changes in pupil numbers, the impact of national funding formula and early years funding reform, and the growth in the needs of children. This is also a pressure that is expected to continue to increase across 2018-2021 as salary costs continue to rise.

The outlook across 2018-2021 for some of the funding assumptions that we have previously made for budgeting purposes has improved, most noticeably:

- Primary & secondary schools will be allocated a minimum 0.4% increase in formula funding per pupil in 2018/19. It is reasonable for schools at this stage to broadly estimate to receive a cash flat per pupil position in 2019/20; this may be improved upon for schools on the MFG, up to 0.5%, depending on the overall 2019/20 settlement. The position from April 2020 is not yet clear and will depend on Government decisions about the full implementation of the National Funding Formula (NFF). However, 0.4% in 2018/19 is an improvement. A school that is funded on the MFG in 2018/19 will see a 0.4% increase in formula funding per pupil rather than a 1.5% reduction.
- Bradford has moved to adopt the NFF at April 2018. The schools that gain from this will see up to a 3% increase in their funding per pupil in 2018/19 with the vast majority of gaining schools being funded at their full higher NFF value in 2019/20. This is especially significant for the secondary phase.
- The value of PE and Sports Grant for primary schools was significantly increased at September 2017 and this higher level of funding will continue in 2018/19.
- The value of Pupil Premium Plus for Post-LAC children is increase at April 2018 to £2,300 from £1,900.

The outlook across 2018-2021 for a number of expenditure assumptions however, is more challenging:

- The local government employer's pay offer for 2018/19 and 2019/20 for NJC scale (non-teaching) staffing, currently being consulted on, effectively means that the cost of non-teacher staffing salaries will increase by in excess of 2% in 2018/19 and 2% again in 2019/20, which is more than the 1% most schools and academies may have previously forecasted. The overall weighted cost to school budgets (perhaps generally between 3.5% and 4.5%) will vary depending on the number of staff employed on lower scale points that are proposed to increase more in % terms. The cost will also be greater if the final agreed pay award exceeds the employer's current offer.
- The national STRB has still to provide its recommendation to the Secretary of State on the teacher's pay award for the 2018/19 academic year. As at September 2017, the implementation of a general recommendation is likely to include some element for local determination. Schools will be aware that the award for the Main Pay Scale was agreed in Bradford at 2% at September 2017. It appears reasonable for schools to plan on the basis that the pay award for teachers from September 2018 will exceed the previously assumed 1%.
- The outcome of the next review of the rate of contribution by employers to teacher pensions is due to be implemented in 2019/20. The current contribution rate is 16.48%. The new rate is still to be announced (likely in the Chancellor's Spring Budget). However, we anticipate that the rate will increase at April 2019.
- The outcome of the next review of the rate of contribution by maintained school employers to the local government (West Yorkshire) pension scheme for non-teaching staffing is due to be implemented at April 2020. The current contribution rate is 17.5%. The actuary has not yet given an indication of the possible change at April 2020 but it is reasonable to begin to plan on the basis that this will increase above 17.5%.
- Inflation is currently running at around 3%. Although broadly the rate of inflation is expected to reduce on its current position over time there is a great deal of economic uncertainty.

Details of the Item for Consideration (continued)

Intended as an estimated guide only for discussion - using the expenditure profiles recorded in the 2016/17 outturn positions *and making some assumptions about funding levels and salaries costs increases (based on what is said above)*, it is estimated *on a very general basis* that the average basic pressure on expenditure in schools and academies across 2018-2021 could fall around 10% (between 8% - 11%). This excludes the impact of changes in pupil numbers and increases in pupil need and other specific / local factors that may impact on individual schools and phases differently. In cash terms, on this basis, every £1m of budget that a school or academy has now could buy £100,000 less (between £80,000 and £110,000 less) activity in 2020/21.

This continued pressure comes in the context of schools and academies already having responded to the reduction in the real terms value of funding since 2015 and as revenue reserves are now much smaller in value.

These are matters that the Schools Forum will wish to further consider and monitor.

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

As set out in the report.

Recommendations

The Schools Forum is asked to consider and to note the information provided in the report.

List of Supporting Appendices / Papers (where applicable)

None

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