

Schools Forum
Wednesday, 10 July 2019 at 0800
VENUE: Committee Room 1 - City Hall, Bradford

PLEASE NOTE

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

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

1. APOLOGIES FOR ABSENCE

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

2. DISCLOSURES OF INTEREST

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

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

3. MINUTES OF 22 MAY 2019 & MATTERS ARISING

1 - 10

Recommended –

That the minutes of the meeting held on 13 March 2019 be signed as a correct record (previously circulated).

4. MATTERS RAISED BY SCHOOLS

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

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

There are no new Growth Fund allocations presented for the Forum's consideration.

(Andrew Redding – 01274 432678)

6. SCHOOLS FORUM MEMBERSHIP - CHAIR AND VICE CHAIR (a)

Members will be asked to approve the proposed approach to the election of the Chair and Vice Chair of the Schools Forum for 2019.

(Andrew Redding – 01274 432678)

7. SCHOOLS FORUM MEMBERSHIP (i)

11 - 14

The Business Advisor (Schools) will present a report, **Document KM**, which provides an update on the Forum's membership composition. The Authority's calculation confirms that our School and Academy members composition should not be adjusted further at this time; the split of maintained and academies membership is in line with pupil numbers, where the calculation of pupil numbers incorporates a forecast of academy conversions to take place during 2019.

Recommended –

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

(Andrew Redding – 01274 432678)

8. 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.

(Mariam Haque – 01274 431078)

9. **RESPONSE TO THE DfE'S CALL FOR EVIDENCE - SEND AND ALTERNATIVE PROVISION (a)** 15 - 26

A drafted response to the DfE's call for evidence on SEND and Alternative Provision financial arrangements is presented, **Document KO**, for the Forum's consideration. This draft is intended to help Members agree their collective response, which will be submitted to the DfE alongside a response from the Local Authority. The deadline for responses to this call for evidence is 31 July 2019.

Recommended –

The Schools Forum is asked to agree its collective response to the DfE's call for evidence, using the draft as a starting point.

(Andrew Redding – 01274 432678)

10. **REPORT ON PFI COSTS IN SCHOOLS (i)** 27 - 30

A report will be presented, **Document KP**, which responds to the request made by Members at the meeting held on 13 March 2019 for a report, which examines the affordability of PFI costs in schools across the medium and longer terms.

Recommended –

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

(Ian Smart – 01274 431735)

11. **NATIONAL FUNDING FORMULA AND DEDICATED SCHOOLS GRANT 2020/21 (i)** 31 - 34

The Business Advisor (Schools) will present a report, **Document KQ**, which provides an update on matters relating to the future development of National Funding Formula and the 2020/21 Dedicated Schools Grant as well as an update on local formula funding review work.

Recommended –

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

- (2) **Forum Members are invited to attend a ‘Formula Funding Working Group’ session, on Tuesday 1 October (8am) or Wednesday 2 October (8am) or Tuesday 8 October (8am). As last year, these sessions will enable Forum Members to consider in more detail the impact of formula funding decisions and to explore and guide the proposals for 2020/21 that are anticipated will be set out for consultation in October.**

(Andrew Redding – 01274 432678)

12. SCHOOLS' FINANCIAL VALUE STANDARD (i) 35 - 36

The Business Advisor (Schools) will present a report, **Document KR**, which provides the Forum with an update on the compliance of maintained schools with the Schools' Financial Value Standard (the SFVS) at 31 March 2019.

Recommended –

The Forum is asked to consider & to note the information provided.

(Karl Pease– 01274 432249)

13. FINANCIAL CLASSIFICATION OF MAINTAINED SCHOOLS 2019/20 (i) 37 - 38

The Business Advisor (Schools) will present a report, **Document KS**, which provides the Forum with a summary of the categorisation of maintained schools within the Local Authority's Financial Classification of Schools for the 2019/20 academic year.

Recommended –

The Forum is asked to consider & to note the information provided.

(Andrew Redding – 01274 432678)

14. 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 High Needs Block Steering Group
- Update from the Schools Financial Performance Group (SFPG)
- Update on School / Academy Budgets

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

Recommended –

The Forum is asked to note the information provided.

(Andrew Redding – 01274 432678)

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

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

16. DATE OF NEXT MEETING

Please see the published schedule of meetings – the next Forum meeting is scheduled for Wednesday 18 September 2019.

The schedule of meetings of the Schools Forum for the 2019/20 academic year is as follows. All meeting are to be held at 8.00 am at City Hall.

- **Wednesday 18 September 2019**
- **Wednesday 16 October 2019**
- **Wednesday 4 December 2019**
- **Wednesday 8 January 2020**
- *Wednesday 15 January 2020, PROVISIONAL MEETING*
- **Wednesday 11 March 2020**
- **Wednesday 20 May 2020**
- **Wednesday 8 July 2020**

(a) Denotes an item for action

(i) Denotes an item for information

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Note: These minutes are subject to approval as a correct record at the next meeting of the Schools Forum on 10 July

Minutes of a meeting of the Schools Forum held on Wednesday 22 May 2019 in Council Chamber - City Hall, Bradford

Commenced 0805
Concluded 1020

PRESENT

School Members:

Ashley Reed, Brent Fitzpatrick, Bryan Harrison, Deborah Haworth, Dianne Richardson, Dominic Wall, Emma Hamer, Gill Holland, Ian Morel, Kevin Holland, Nicky Kilvington, Nigel Cooper, Sian Young, Sue Haithwaite, Tehmina Hashmi, Trevor Loft, Wahid Zaman

Non School Members:

Ian Murch and Vivienne Robinson

Nominated Sub

Alison Kaye and Jo Lynch

Local Authority Officers:

Andrew Redding	Business Advisor (Schools)
Asad Shah	Committee Services Officer
Dawn Haigh	Principal Finance Officer (Schools)
Marium Haque	Deputy Director Education and Learning
Raj Singh	Business Advisor
Helena Cassidy	Finance Officer
Debbie Cussans	Finance Officer

Observers:

Councillors Pollard and Ward

Apologies:

Carol Dewhirst, Helen Williams, Graham Swinbourne and Sir Nick Weller

DIANNE RICHARDSON IN THE CHAIR

398. DISCLOSURES OF INTEREST

The following declarations were received:

Brent Fitzpatrick, Dominic Wall, Emma Hamer and Trevor Loft for agenda item 6 "SEMH

and SEND Reviews – Progress Report” (minute 401).

ACTION: *City Solicitor*

399. MINUTES OF 13 MARCH 2019 AND MATTERS ARISING

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

- **Matters Arising – publication of draft meeting minutes:** The Business Advisor reported that the ESFA has published feedback on Forum practices, which it has collected from attending a number of Schools Forum meetings across the country. He reported that we follow already the vast majority of recommendations made about good practice. The feedback does suggest however, that the minutes of Forum meetings should be published, in draft, quickly after each meeting, rather than waiting until the next meeting. This is so that stakeholders and other interested parties can see in real time what the Forum is discussing and the action points. Therefore, it is proposed to begin to publish draft minutes within a week of each meeting for these minutes to then be ratified at the next meeting. Members agreed.
- **Item 388 Page 2 (Stronger Communities Board Nominations):** The Business Advisor reported that a request for nominations from interested Members was sent out as agreed and no responses were received.
- **Item 391 Page 5 (SEND and SEMH Reviews):** The Business Advisor reported that the follow up report requested by Members is presented at Document KI under agenda item 6. The letter from the Chair to the Secretary of State regarding the insufficiency of high needs capital / questioning the national methodology used is currently being drafted and will be actioned.
- **Item 392 page 5 (DSG Matters):** At the last meeting the Forum considered the uncertain position of various grant funding streams. The Business Advisor reported that further details have been published on the Teacher Pay Grant and Teacher Pensions Grant. The DfE has also confirmed that the PE & Sports Premium will continue in the 2019/20 academic year. This means that the only remaining significant uncertainty for immediate budgets up to March 2020 is the September 2019 teacher pay award. We would expect to begin to hear about this from the end of this month. The report under agenda item 7 reminds Members about the uncertainties that still remain on DSG funding after 2019/20.
- **Item 394 Page 6 (Scheme Consultation):** The Business Advisor reported that the consultation has been completed with no responses received (the consultation was on only very minor amendments, including wording amendments). A final version of the proposed amended Scheme, which is the same as the version consulted on, is presented to this meeting. Members were asked formally to approve the adoption of this Scheme from today’s date. Members agreed.
- **Item 396 page 7 (AOB):** The Business Advisor confirmed that the requested report on PFI costs will be presented to the Schools Forum on 10 July.

Resolved –

- (1) That the minutes of the meeting held on 9 January 2019 be signed as a correct record.**
- (2) That the Schools Forum agrees the amended Scheme for Financing Schools with this Scheme to be adopted from 22 May 2019.**
- (3) That the Schools Forum agrees for draft minutes of Forum meetings to be published within a week of each meeting and also sent to Forum Members by email. These minutes will then be formally ratified by the Forum at the next meeting.**

ACTION – Business Advisor (Schools)

400. MATTERS RAISED BY SCHOOLS

Two separate matters were raised.

The Chair asked the Deputy Director, Education and Learning, for the Council's plans for the replacement of the Education and Learning Strategic Manager who leaves at the end of the summer term. The Deputy Director confirmed that the Council was currently looking at options; the intention being that this post will be retained within the structure and will be recruited to in a timely way. It is hoped to be able to share further information with schools in the coming weeks. The Chair wished to record the Forum's thanks to the Education and Learning Strategic Manager for her years of service and dedication to Bradford's schools.

Primary Behaviour Centres

The Chair reported to the Forum the communication that has been received from the Headteacher Member representing Maintained Primary Schools setting out her concerns regarding the position of the Primary Behaviour Centres. This communication has been written on behalf of the four centres. The Chair invited the Member, who was in attendance at the meeting, to present her communication. Discussion on this matter extended into agenda item 6.

The Member reported that the Centres have been told by the Council that they will close and that dual registered pupils will not be funded from September; the Centres have not been consulted on this; this change produces a number of immediate vulnerabilities (financial, staffing, recruitment) for the Centres and the host schools; it appears to be assumed that the Centres will either convert to resourced provisions or will close; there are some pupils that do not fall into the permanent exclusion or EHCP categories, currently supported by the Centres, and it is not clear what will happen to these; in addition, there is confusion (and a lack of consistency of message) about any transition of pupils, financial support for the host schools to manage this change, timescales, and the strategy for provision for permanently excluded children going forward. Another Headteacher Member representing Maintained Primary Schools stated that he did not feel that he understands, or has been appropriately consulted on, these changes and that there needs to be fuller discussion on the strategy going forward for provision for primary-phase children that are permanently excluded.

The Deputy Director, Education and Learning, responded to accept that the Member raises some legitimate concerns and that

these need to be addressed quickly. The Council will meet with the Centres to do this (agreed before the headteachers of the four centres meet on 10 June). The Council is moving to the position where provision for permanently excluded pupils is delivered by the PRUs. The Strategic Lead – Admissions added that the plan is for the Centres to convert to resourced provisions if they wish to do so, but that there is no plan to leave the Centres as they currently operate. Funding is currently in place until March 2020 (so it is not planned for the Centres to 'close' at September). One of the key purposes of meetings with the Centres now will be to determine whether the Centres wish to convert to resourced provisions. Another will be to discuss transition.

At the end of the discussion (which was at the end of agenda item 6), Members continued to express concerns about lack of clarity of the Council's plans. The Chair asked that meetings are now quickly arranged to address these concerns and that the outcomes of these meeting be reported to the next Schools Forum meeting.

Resolved – That the actions, as recorded in the minutes, on the matters raised by the Primary Phase Maintained Schools Headteacher Member concerning the Primary Behaviour Centres be taken forward and reported back within the next SEND / SEMH progress update to be presented on 10 July.

401. STANDING ITEM – DSG SCHOOLS BLOCK GROWTH FUND ALLOCATIONS

No allocations were presented and no resolutions were passed on this item.

401. SEMH AND SEND REVIEWS – PROGRESS UPDATE

The Intelligence and Sufficiency Manager and the Deputy Director, Education and Learning, presented Document KI. Appendix 1 (provision diagram) was presented at the meeting.

The presentation reminded Members that the Council is working to ensure the sufficiency of SEND and AP places. Members were also reminded that the assessment of what is a 'sufficient' number is an iterative process. The Council is immediately working to create 354 additional places. Statutory notices relating to these places are to be published tomorrow for consultation and the details of this consultation will be emailed to Forum Members. As in previous updates, the Deputy Director offered her thanks to schools for their very positive interest and contribution to this places development work.

In response to questions asked by Members, the Deputy Director emphasised that the Council is actively working on wider SEND system changes across the District and that places creation needs to be viewed as part of a whole system that is currently being improved. She updated Members on work that is taking place behind the scenes to improve the Council's EHCP assessment processes, which has included increasing the capacity of the assessment team and re-shaping how this works. Panel chairing arrangements have been amended. A revised matrix of need document has recently been consulted on and positively received and is now to be rolled out. The Council is also looking at training to improve SENCOs' understanding of how to use this matrix. Schools will start to see system-wide improvements soon and certainly by September.

Members asked some questions about the detail of the 354 places where the Council responded that this could not be shared

until the publication of the consultation tomorrow. Members also made the following comments and asked the following main questions:

- The Council has done a very good job to create 354 additional places in the context of the lack of capital funding. As a District, we now need to press the DfE very hard on the issue of capital funding and free schools. The Deputy Director agreed with this statement.
- Following from matters raised by schools, the Vice Chair asked whether the Schools Forum could consider a transitional funding plan for the Primary Behaviour Centres to the end of the 2019/20 academic year. The Deputy Director responded that an academic year transition can be considered as part of the discussions with the Centres.
- Can further details be given about the proposed creation of 110 secondary SEMH places? The Intelligence and Sufficiency Manager responded that the proposal for 40 places will be published tomorrow (and anticipated available from September). The proposal for the 70 places cannot be published yet but it is anticipated these could be in place for January 2020.
- There is a continued need for close partnership working with schools. The Vice Chair expressed his concern about the capacity in the immediate short term to 'unblock' a currently 'blocked' AP system. Other alternatives, working in partnership with schools and running in parallel with the Council's plans, need to be considered so that pupils' needs are met in the short term.
- Appreciating that the Council is working quickly to secure additional places and system changes, the Chair emphasised that the impact of all plans on the High Needs Block must be closely considered.
- In the interests of resolving some of the uncertainties expressed by Members at today's meeting, the Chair suggested that it would be beneficial for the Council to present a single concise development plan. The Deputy Director emphasised the fast pace of change that is needed to secure immediate improvement but that the Council will dedicate time to resolve issues of communication and understanding.
- Does the new Matrix of Need document have immediate implications for funding? The Deputy Director responded that it only sets out strategies, wave interventions and information on the fully subsidised services available for schools.
- In response to a follow up question about the progress of the already identified development of a new high needs funding model, critical to the success of the system, the Deputy Director stated that this work will be take forward, starting with consideration of an existing best practice model and with the funding of the special school sector. A new model can then be tested and move across to be used for the funding of SEND in mainstream provisions.

Resolved –

- (1) That the information provided in Document KI be noted.**
- (2) That the next update to the Forum on 10 July includes responses to the Forum's discussion as recorded in the minutes.**

ACTION – Deputy Director Education & Learning

402. UPDATE ON MATTERS CONCERNING THE DEDICATED SCHOOLS GRANT

The Business Advisor (Schools) presented Document KJ, separating the report into four sections:

- A reminder (from the report tabled to the Schools Forum in March) about the DSG system uncertainty after 2019/20.
- The DfE's SEND & Alternative Provision 'Call for Evidence' and how the Schools Forum wishes to respond to this.
- The initial confirmation of DSG balances held at the end of 2018/19.
- The write off of the deficit balances held by 3 primary sponsored converters to the established primary phase de-delegated fund.

Responding to the presentation of the DfE's SEND and AP Call for Evidence, an Academies Member stressed that our response to this needs to include a strong point about the impact of the withdrawal of services funded by health so that this is understood at DfE level.

Responding to the presentation of balances, the Member representing the Teaching Unions asked about the plan to address the deficit budget of Hanson School and the cost of the support currently being provided by the Trust. Other Members asked follow up questions about the school's financial position, the SLA with the Trust, and the position of the RSC and Elected Members. The Deputy Director explained that the Council is in dialogue with the RSC and that we hope to be in a position to give a more informed update on Hanson School at the next meeting. The Deputy Director explained that school's SLA is agreed with the RSC not the Council but we understand that it has two elements to it; improving standards and performance and the position of the school's budget. The Vice Chair asked Members to register that the position of Hanson School is improving, with standards increasing and pupil numbers growing.

Resolved –

- (1) **That the information provided in Document KJ be noted.**
- (2) **That the Forum agrees for a draft response to the DfE's Call for Evidence on the financial arrangements for SEND and Alternative Provision to be presented on 10 July to help the Forum format its response to this Call for Evidence.**

ACTION – Business Advisor (Schools)

403. SCHOOLS' OUTTURN (REVENUE BALANCES) 2018/19

The Business Advisor (Schools) presented the key messages from Document KL. He stated that the financial positions of most maintained schools at the end of 2018/19 were positive when recognising the challenging financial climate schools have faced. The vast majority of schools continue to take action, including in the use of balances, to manage tight budgets. That the financial climate remains very challenging continues to be evidenced by the 2019-2022 budget submissions that the Council has recently received. The Council is now engaging with individual maintained schools directly on a priority-led basis about their 2019-2022 budget positions.

Responding to this presentation, Forum Members engaged in a discussion about the continuing erosion in the real terms spending power of schools and the impact of this, emphasising that budgets are being balanced by actions that are impacting on standards (increasing class sizes, significantly reduced numbers of support assistants, reducing

pastoral support, reducing ICT). The Member representing Maintained Special Schools reported that she has been asked to record for the Forum that special schools are balancing their budgets at a cost to the quality of the local offer, in particular due to larger class sizes. An Academies Member asked the question 'at what point do schools say enough is enough'? The Business Advisor offered the view that the autumn 2019 spending settlement will be critical to how the Forum's view on this evolves. Members agreed it would be helpful to see if school balances information could be contextualised with the addition of / comparison against staffing / staffing ratios information. The Business Advisor offered that he would look at whether / how this could be done.

Resolved –

- (1) That the information provided in Document KL be noted.**
- (2) That consideration is given to the presentation of key statistics (such as staffing to pupil ratios) alongside school balances information to help inform our assessment of the financial positions of schools and also to highlight the re-structuring action that is being taken by schools in balancing their budgets.**

404. SCHOOLS FORUM STANDING ITEMS

No resolutions were passed on this item.

405. AOB / FUTURE AGENDA ITEMS

The Chair reported that Vivienne Robinson (Member representing Early Years Providers) is retiring and, after 9 years of service, is resigning from the Forum following the 10 July meeting. The Chair wished to record the Forum's thanks to her for her outstanding commitment to the Schools Forum and for her valued contribution in particular to the work of the Early Years Working Group over many years.

406. DATE OF NEXT MEETING

Please see the published schedule of meetings – the next meeting of the Schools Forum is scheduled for Wednesday 10 July 2019.

The schedule of meetings of the Schools Forum for the 2019/20 academic year is as follows. All meetings are to be held at 8.00 am at City Hall.

- **Wednesday 18 September 2019**
- **Wednesday 16 October 2019**
- **Wednesday 4 December 2019**
- **Wednesday 8 January 2020**
- ***Wednesday 15 January 2020, PROVISIONAL MEETING***
- **Wednesday 11 March 2020**
- **Wednesday 20 May 2020**
- **Wednesday 8 July 2020**

ACTION: City Solicitor

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

DRAFT

Our ref:
Your ref:

Lord Agnew
Parliamentary Under-Secretary of State for the School System
Sanctuary Buildings
Great Smith Street
Westminster
London
SM1P 3BT

Dianne Richardson
Chair of Bradford Schools Forum
Swain House Primary School
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3 July 2019

Dear Lord Agnew,

Bradford Schools Forum – High Needs Capital

I am writing to you as Chair of Bradford's Schools Forum and at the request of our Forum.

Responding to the significant increase in the number of children and young people with EHCPs, Bradford Council is currently working to significantly increase the number of specialist places available to meet the needs of children and young people in Bradford with SEND, through the development of resourced provisions and the expansion of special schools. The Council is immediately working to deliver an additional 354 places for September 2019.

The insufficiency of capital funds allocated from government to support the development of increased capacity is a matter of significant concern to Bradford Schools Forum. We are informed that Bradford Council has already needed to divert basic need capital to support the development of SEND capacity.

Bradford Schools Forum is extremely disappointed with the allocation of £0.3m that Bradford has received from the additional £100m of capital announced by the Secretary of State in his December letter. This brings Bradford's total allocation from the 'special provision fund' to £1.117m across 2018-2021. This is only 0.3% of the national pot of £365m.

I am writing to ask you to explain

- a) how Bradford has only been allocated £1.117m or 0.3% of a national pot. The guidance published alongside the allocations does not provide sufficient information to enable us to identify how Bradford could be so poorly funded in comparison with other local authorities. We believe that out of date ONS pupil projection data has been used. We wish to see the detailed methodology and data set.
- b) how the government will ensure going forward that sufficient capital resources are allocated to Bradford to support the continued expansion of SEND places capacity.

Thank you for your response on these matters.

Yours sincerely,

Dianne Richardson
Chair of Bradford Schools Forum



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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 the School Forum's membership composition.

Date (s) of any Previous Discussion at the Forum

The Forum's Conduct of Meetings document and membership arrangements are subject to annual review. Members agreed arrangements for the 2018/ 2019 academic year at the meeting held on 10 July 2018.

Background / Context

Within good practice guidance, the DfE has stressed to authorities that it is essential that Forum membership arrangements keep pace with the changing landscape, in particular the conversion of maintained schools to academy status. The Authority must consider annually how best to provide for responsive arrangements, to ensure the Forum remains representative and to avoid any unintended bias towards any one phase, whilst continuing to ensure stability of membership and effective decision making.

Details of the Item for Consideration

Appendix 1 summarises the current membership of the Schools Forum.

The Authority's calculation confirms that our School and Academy member composition should not be adjusted further at this time; the split of maintained and academies membership is in line with pupil numbers, where the calculation of pupil numbers incorporates a forecast of academy conversions to take place during 2019.

Therefore, of the 27 Schools and Academy members, 14 should continue to be from maintained schools and 13 from academies.

The Authority also does not propose to alter the composition of non-schools members. It is anticipated that review may take place as and when direction comes from the DfE on Schools Forum composition, which is anticipated in the light of national funding formula and the changing role of Schools Forums. The DfE has not yet announced any directed changes in the operation / composition of Schools Forums for 2020/21.

The Local Authority will continue to seek to fill the existing vacancies and also to refresh memberships as set out in the agreed Conduct of Meetings document.

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

No direct implications

Recommendations

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

List of Supporting Appendices / Papers (where applicable)

Appendix 1 – Schools Forum Membership July 2019

Contact Officer (name, telephone number and email address)

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

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Schools Forum Membership for 2019 (35 Members)

Document KM Appendix 1

	Member	Type	Substitute
SCHOOLS AND ACADEMIES MEMBERS (27)			
MAINTAINED SCHOOLS (14)			
Nursery Headteachers (1)	Sian Young	Community	Anne-Marie Merifield
Nursery Governors (1)	Vacant		
PRUs Representative (1)	Vacant		
Maintained Primary Headteachers (5)	Bryan Harrison	Community	
	Nicky Kilvington	Community	
	Dianne Richardson (Chair)	Community	
	Nigel Cooper	Community	
	Graham Swinbourne	Community	
Maintained Primary Governors (2)	Emma Hamer	Foundation	
	Sami Harz	Community	
Maintained Secondary Heads (1)	Ian Morrel (Vice Chair)	Community	
Maintained Secondary Governors (1)	Vacant		
Maintained Special Headteacher (1)	Sue Haithwaite	Community	
Maintained Special Governor (1)	Brent Fitzpatrick MBE	Community	
ACADEMIES (13)			
	Vacant	Academy	
	Vacant	Academy	
	Dominic Wall	Academy	
	Sir Nick Weller	Academy	
	Tehmina Hasmi	Academy	
	Helen Williams	Academy	Alison Kaye
	Kevin Holland	Academy	
	Wahid Zaman	Academy	
	Carol Dewhirst	Academy	
	Trevor Loft (AP)	Academy	
	Gill Holland	Academy	
	Deborah Howarth	Academy	
	Ashley Reed	Academy	Jane Tiller
NON - SCHOOLS MEMBERS (8)			
Roman Catholic Diocese	Vacant		
Church of England Diocese	Vacant		
Council for Mosques	Vacant		
Officer for Vulnerable Pupils	Vacant		
Trade Unions - Teaching	Ian Murch		Irene Docherty
Trade Unions - Non-Teaching	Donna Willoughby		Julie Horbury / Adele Robinson
Early Years PVI Providers	Vivienne Robinson		
Post 16 (High Needs) Providers	Anthony Smith		Nav Chohan
OBSERVERS (1)			
ESFA	To be named by the ESFA		

% Schools Members

77%

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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)

A drafted response to the DfE's call for evidence on SEND and Alternative Provision financial arrangements is presented for the Forum's consideration. This draft is intended to help Members agree their collective response, which will be submitted to the DfE alongside a response from the Local Authority. The deadline for responses to this call for evidence is 31 July 2019.

Date (s) of any Previous Discussion at the Forum

Information on the Call for Evidence (and sight of the questions asked) was presented on 22 May 2019.

Background / Context

The DfE launched on 3 May 2019 a 'call for evidence' on the financial arrangements associated with SEND and alternative provision. The DfE has indicated that responses will inform the DfE's discussions with the Treasury within the autumn spending settlement. Given the high priority that SEND and AP funding has, it is anticipated that Forum Members will wish to respond to this, alongside the Local Authority.

Details of the Item for Consideration

Please see Appendix 1, which is a response drafted by the Local Authority.

Members are asked to consider whether this response reflects the feedback Members would wish to give and, if it doesn't, to propose additions and amendments.

Members are also asked specifically to consider their responses to questions 17, 19, and 26 – 28. The draft currently does not have detailed responses to these questions. These are highlighted in red.

Members should identify that questions 7 and 11 – 15 have not been answered by the Authority in this draft as these are questions to be answered at school-level about how arrangements are communicated and how well schools understand them.

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

The DfE's response and action from the call for evidence is expected to inform the DSG High Needs Block allocation and National Funding Formula from April 2020.

Recommendations

The Schools Forum is asked to agree its collective response to the DfE's call for evidence, using the draft as a starting point.

List of Supporting Appendices / Papers (where applicable)

Appendix 1 – Drafted Call for Evidence response

Contact Officer (name, telephone number and email address)

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

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Formula Funding for SEND

1. What formula factors are most important in providing schools with enough money to ensure they meet the needs of their pupils with SEN? Please rank the following factors in order of importance with 1 as the most important.

AWPU	4
Low Prior Attainment	1
IDACI	2
FSM	2
Mobility	5
Lump Sum Other	6

We have welcomed under National Funding Formula the increased focus on low attainment. We support the view that this specifically targets funding to support children with special educational needs. However, we continue to have some reservations about the annual volatility of this measure. We are concerned that schools may see over the medium term life of the attainment formula the loss of the targeted funding that enabled the establishment of a stable basis for quality first teaching (a cycle of attainment reduces, funding increases; attainment increases, funding reduces). Bradford now uses the NFF at local level to calculate primary and secondary school budget shares. On the back of this, we have seen in the last year some significant swings in the levels of funding received by individual schools as a result of attainment data change. Schools require a secure base of funding year on year in order to develop high quality SEND provision. The more stable FSM and IDACI measures help to provide this base also recognising the correlation between SEND and measures of deprivation. So although supportive of current arrangements, we would guard against further increasing the value funding through the attainment factor where the proportions allocated via the FSM / IDACI measures are reduced to enable this.

We would see that FSM and IDACI are equally important measures behind prior attainment. This being said, however,

- The issue of the impact on FSM benefit registration in the primary phase as a consequence of the UIFSM policy must be addressed. Bradford's primary schools, despite active work to prevent this, have seen an erosion of FSM formula funding and Pupil Premium Grant as a consequence of this policy.
- We would strongly prefer the school's formula to use the full Index of Multiple Deprivation measure, rather than IDACI. This is a point we have made previously in NFF consultations. Prior to April 2013, we used the IMD as a more comprehensive measure of the full extent of pupil need from deprivation. The refresh of IDACI at 2015 indicated that Bradford's rank of deprivation vs. other local authorities is broadly comparable with that measured by IDACI 2010. IMD 2015 however, indicates that Bradford's pupils are comparatively more deprived than measured by IMD 2010.

Although we have recorded AWPU and lump sum funding as lower in priority, the NFF cannot resolve the issues currently present within SEND funding without looking at the base amounts of funding that schools receive. In this, it is not possible to remove the issue of the lack of response of the national SEND Place-Plus funding system –

the £6,000 threshold, the £10,000 place-element for specialist provisions and the High Needs Block and Schools Block settlements - to salaries (NI; pensions) increases and other inflationary pressures since 2012.

Reflecting on the questions that are asked later in this survey, about prescribing SEND funding floors and / or adjusting the operation of the thresholds for schools in different circumstances, we would expect that the DfE will conclude without doubt from this call for evidence that the SEND Place-Plus funding system, however it is constructed and whatever the values of thresholds are, cannot operate effectively when the quantum of funding running through it is not matched to true costs. The key point here is that the flaws of the current SEND system cannot be addressed simply by tinkering with the technical construct. SEND funding must be uplifted, within both the Schools and the High Needs Blocks, to reflect current costs, in particular of salaries.

We would like to make the point that this call for evidence appears to be mainstream focused and it does not seem to easily lend itself towards discussion about how the high needs model currently works for specialist SEND provisions. One of the most significant issues in the system as it currently applies to special schools is the retention of the place-element value at £10,000 without recognition of the increases in salaries costs since 2012. Appropriate attention needs to be given to the high needs funding model as it operates for specialist provisions.

So our general opening point about the SEND funding system is that the way the system is technically constructed is relatively workable albeit it is a very complicated system and we would not support changes that significantly add to this complication. However, one of the fundamental issues is that its key trigger points have not moved upwards in line with inflation and salaries cost. This has led to underfunding and an imbalance between the Schools Block and the High Needs Block. There are 4 critical aspects in the resolution of this:

- a) The £6,000 threshold is urgently uplifted to sufficiently reflect current salaries costs. That this threshold then continues to be uplifted on an annual basis going forward in line with inflation.
- b) SEND formula funding in mainstream budgets in the NFF is uplifted so that it is accurate to say that schools have the 'first £6,000' within their delegated budgets.
- c) The place-element for specialist provisions also must be uplifted from £10,000 as a priority and then increased annually in line with inflation.
- d) The High Needs Block is uplifted annually to enable authorities to fund both the increases in the place-element as well as, through top-up funding, the cost of the gap between the uplifted threshold and the true cost of provision.

Although this call for evidence is focused on revenue funding mechanisms, we wish to continue to highlight that the insufficiency of capital funds allocated from government to support the development of increased high needs places capacity is a matter of significant concern to Bradford Schools Forum. Bradford Schools Forum is extremely disappointed with the allocation of £0.3m that Bradford has received from the additional £100m of capital announced by the Secretary of State in his December 2018 letter. This brings Bradford's total allocation from the 'special provision fund' to £1.117m across 2018-2021. This is only 0.3% of the national pot of £365m. We do not understand how Bradford has only been allocated £1.117m or 0.3% of a national pot. The guidance published alongside the allocations does not provide sufficient information to enable us to identify how Bradford could be so poorly funded in comparison with other local authorities. We wish the government to set out how it will ensure going forward that sufficient capital resources are allocated to Bradford to support the continued expansion of SEND places capacity.

2. Would allocating more funding towards lower attainers within the low prior attainment factor help to better target funding towards the schools that have to make more SEN provision for their pupils?

We would need to see the modelling here before concluding our answer. There are pros and cons of such a weighting.

A weighting of this factor for the lowest attainers would push more funding in support of individual pupils with higher levels of SEND. Schools that have a larger number of these pupils would then receive more funding to build their support. But such a weighting might not be necessary where these schools already receive higher levels of FSM / IDACI funding.

The biggest pro may be that this weighting could mean that schools with lower numbers of higher needs pupils (that may also have generally lower levels of FSM / IDACI) are more appropriately funded for the additional costs of supporting individual pupils, reducing a reliance on SEND floor type arrangements. This is a very present stress in the current system. However, such a weighting may increase the annual volatility of funding allocated through this measure (schools will lose more funding when individual pupils with SEND move) and this might undercut the creation of a stable basis of funding universal provision.

3. What positive distributional impact would this change in approach (e.g. creating tiers of low prior attainment) create for mainstream primary and secondary schools?

Please see our response to question 2.

4. Would such a change in approach introduce any negative impact for mainstream primary and secondary schools?

Please see our response to question 2.

SEND Funding Floor / additional funding arrangements

5. Please indicate whether you agree or disagree with the statements below, and in the comments box give the advantages and disadvantages of your preferred approach.

Local authorities should retain the flexibility to develop, in consultation with their schools, their own method of targeting extra SEN funding to schools that need it. **Disagree (on balance)**

Central government should provide more guidance for local authorities on how they should target extra SEN funding to schools, but local authorities should remain responsible for determining the amounts in consultation with their schools. **Agree (on balance)**

Central government should prescribe a consistent national approach to the targeting of additional funding to schools that have a higher proportion of pupils with SEN and/or those with more complex needs. **Agree (on balance)**

There absolutely needs to be some mechanism and / or flexibility within the system to enable sufficient funding to be allocated to meet the needs of pupils in all circumstances.

We would hold the view that, under hard National Funding Formula arrangements, where the national high needs funding system uses prescribed thresholds, there should be a consistent approach to SEND funding floor / additional funding arrangements. This is especially so in the interests of managing complexity and understanding including where multi academy trusts operate across different local authorities areas. This being said, there perhaps will always still need to be some allowance for local authorities to respond to circumstances not identified by a national approach.

We would be very interested to consider a further consultation from the DfE on how a national approach could work.

We have recently carried out some research on arrangements for SEND Funding Floors and the variability of these arrangements across authorities is significant. So, at the very least, we would see that further guidance, and a move to promote consistency, would be helpful.

We would also expect SEND Floor arrangements to be appropriately funded within the High Needs Block (or Schools Block) NFF, rather than being funded by local top-slice of existing funds. Currently the Floor arrangements employed by local authorities are to some extent compensating for the weaknesses in the national system and this is for the national system to resolve. The modelling around the weighting of the attainment factor comes into this (our response to question 2) but so does the Schools Block formula settlement and the extent to which schools are accurately funded for salaries costs, which uplift each year. We would see the need for SEND Floor arrangements to be exceptional rather than widespread. The quality of the NFF approach is critical to this.

Notional SEND

6. Is it helpful for local authorities to continue to calculate a notional SEN budget for each school, and for this information to be published, as now?

Yes this is an essential part of the dialogue between local authorities and schools around responsibilities.

7. For those responding from a school, who in your school(s) is involved in decisions about spending from the school's notional SEN budget?

- Governors
- Head teacher / principal
- Senior leadership team
- SENCO
- Teachers

No response - this is a Schools Forum / Local Authority level response

8. Should the national funding formula for schools include a notional SEN budget, or a way of calculating how much of each school's funding is intended to meet the costs of special provision for pupils with SEN?

Similar to our response to question 5, we would hold the view that, under hard National Funding Formula arrangements, where the national high needs funding system uses prescribed thresholds, there should be a consistent approach to the definition of notional SEND. This is especially so in the interests of managing complexity and understanding.

We have recently carried out some research on arrangements for notional SEND and the variability of these arrangements across authorities is very significant. So, at the very least, we would see that further guidance, and a move to promote consistency, would be helpful.

The £6,000 Threshold

9. Please indicate whether or not you agree with the following statements.

The level of the threshold makes little or no difference to the system for making special provision: it is the level of funding available to schools and local authorities that is crucial.

Mostly Agree - it is the value of the threshold in relation to the true cost of SEND provision and the sufficiency of funding within the Schools Block and High Needs Block that are more important than its absolute value.

Please also see our opening response to question 1 - We would expect that the DfE will conclude without doubt from this call for evidence that the SEND Place-Plus funding system, however it is constructed and whatever the values of thresholds are, cannot operate effectively when the quantum of funding running through it is not matched to true costs. The key point here is that the flaws of the current SEND system cannot be addressed simply by tinkering with the technical construct. SEND funding must be uplifted, within both the Schools and the High Needs Blocks, to reflect current costs, in particular of salaries.

This being said, a change to reduce the £6,000 would push more pressure onto the High Needs Block. A change to increase the £6,000 would push more pressure onto the Schools Block (and SEND Floor arrangements).

Prior to the introduction of the national £6,000 threshold Bradford used a threshold value of £5,000, so we saw some consistency with our previous arrangements. Unlike the national threshold however, we uplifted our threshold for inflation / salaries costs annually in order to keep the system in balance.

The £6,000 threshold should be lower, so that schools do not have to make as much provision for pupils with SEN from their annual budgets, before they access top-up funding from the local authority.

__deselected__rov

Disagree - unless this change is accompanied by additional funding into the High Needs Block, we would strongly disagree with the statement.

The £6,000 threshold should be higher, so that schools have to make more provision for pupils with SEN from their annual budgets, before they access top-up funding from the local authority.

Disagree - unless this is accompanied by additional funding into the Schools Block, and additional funding in support of more nationally consistent SEND Floor arrangements, we would disagree with the statement.

The operation of the £6,000 threshold should take account of particular circumstances.

Disagree – high needs funding arrangements are already complicated. A system whereby the threshold could be adjusted for different circumstances would add to this. We would see that the route for allowance for different circumstances, and the protection of schools that may have disproportionately large numbers of pupils with EHCPs, should be the SEND Funding Floor. An SEND Floor that is re-calculated during the year (we update ours monthly) for the movement of pupils between schools, for the intake of new pupils with EHCPs, or review of EHCPs, will allow such arrangements to remain responsive.

10. If you have agreed with the final statement in question 9, please indicate below which circumstances you think would be relevant for a modified threshold or different funding arrangement.

Schools that are relatively small.

Schools that have a disproportionate number of pupils with high needs† or EHC plans.

When pupils with EHC plans are admitted to a school during the year, which may create unintended consequences.

Other (please specify below)

No response – we do not agree that the modification of the thresholds for different circumstances would be a positive addition to the funding system.

Understanding / Communication

No response drafted for Qs 11 – 15.

11. If you are responding on behalf of a school, do you have a clear understanding about what provision is “ordinarily available” to meet pupils’ special educational needs in your school?

12. How is this determined?

- On a school-by-school basis
- As part of a multi-academy trust
- Part of a whole-local authority approach
- Part of a cluster of schools

13. How is this offer communicated to parents?

- School’s published SEN information report
- Published local offer,
- Discussions between teacher(s) and parents
- Discussions between SENCO and parents
- Other (please specify)

14. Does your local authority make it clear when a child or young person requires an education, health and care (EHC) plan?

15. How is this articulated?

- Published local offer,
- School’s published SEN information report
- Other publicly available document
- Unpublished local authority policy

Funding Alternative Provision

16 Please indicate your agreement or disagreement with the following statements.

The current funding arrangements help schools, local authorities and AP to work together and to intervene early where such action may avoid the need for permanent exclusion later. **Agree – there is sufficient flexibility within the current arrangements to enable this. However, in the absence of root and branch review of financial responsibilities between schools and local authorities, we would press for strengthening of the regulations to enable local authorities to enforce a ‘local agreement’ whereby both maintained schools and academies can be ‘charged’ for permanently excluding pupils. This will help ensure a balanced system.**

The current AP funding arrangements help schools and AP to reintegrate children from AP back into mainstream schooling where this is appropriate. **Agree – there is sufficient flexibility within the current arrangements to enable this.**

17. How could we encourage more collaboration between local authorities, schools and providers to plan and fund local AP and early intervention support?

Request that the Schools Forum specifically considers its response to this.

18. What changes could be made to improve the way that the AP budget is spent, to better enable local authorities, schools and providers to use the local AP budget to provide high quality AP, intervene early to support children at risk of exclusion from school, or reintegrate pupils in AP back into mainstream where appropriate?

We would press for strengthening of the regulations to enable local authorities to enforce a ‘local agreement’ whereby both maintained schools and academies can be ‘charged’ for permanently excluding pupils. This will help ensure a balanced system.

19. Please use the box below to share any examples of existing good practice where local authorities, schools and AP settings have worked together effectively to use the AP budget to provide high quality AP, intervene early to support children at risk of exclusion from school, or reintegrate pupils in AP back into mainstream where appropriate.

Request that the Schools Forum specifically considers its response to this.

Students with SEND in Further Education

20. Are there aspects of the operation of the funding system that prevent young people from accessing the support they need to prepare them for adult life?

The Element 2 funding is allocated on a pseudo lagged model, and whilst this allows for flexibility and negotiation between the Local Authority (LA) and providers in year, it has led to some colleges refusing a place for young people with an Education Health and Care Plan (EHCP) until the LA has “agreed” to the additional Element 2 funding. This has on occasion delayed the transition between provisions and had a detrimental impact on the young person’s education.

21. Notwithstanding your views about the sufficiency of funding, please describe any other aspects of the financial and funding arrangements that you think could be amended to improve the delivery of provision for young people with SEN.

Complexity of the system – FE colleges in large urban centres are dealing with multiple systems of allocating Element 3 funding. There are multiple providers, and several local authorities placing High Needs Students across LA boundaries, which imposes an additional administrative burden on providers.

Real time budgets and planning of provision – The real time nature of Element 3 and the pseudo lagged nature of Element 2 allocations causes uncertainty in levels of funding to support additional needs in FE, and can have a detrimental impact on staffing and capacity in the sector. This is not about the level of funding, but the unpredictability of budgets, which impacts on their ability to plan provision effectively with a variability in funding caused by the fluid nature, and education choices, of the cohort in large urban areas.

22. If you are able to provide any examples where local authorities and colleges have worked together effectively to plan provision to meet the needs for SEN support and high needs, please describe these below.

The LA has worked with year 10 and 11 students in local alternative provision and FE colleges to start transition to college early. The young people spend some, or all of their time, in the college, and the result in year 12 is a smooth and sustained transition to full time provision in college. This approach has shown a sustained reduction in this group becoming NEET over the previous three years it has been in operation.

Early Intervention

23. Are the current funding or financial arrangements making early intervention and prevention more difficult to deliver, causing costs to escalate?

Request that the Schools Forum specifically considers its response to this.

24. If you can you provide examples of invest-to-save approaches with evidence that they can provide value for money by reducing the costs of SEN support, SEN provision or other support costs (e.g. health or social care) later, please describe these below.

Request that the Schools Forum specifically considers its response to this.

25. If you think there are particular transition points at which it would be more effective to access resources, please indicate below those you believe would be most effective to focus on.

<input type="checkbox"/>	<input type="checkbox"/>	The transition from early years provision to reception class in primary school
<input type="checkbox"/>		The transition from Year 6 in primary school to Year 7 in secondary school
<input type="checkbox"/>		The transition from secondary school to further or other tertiary education

Request that the Schools Forum specifically considers its response to this.

Effective Partnership Working

26. Please describe as briefly as possible below changes that you think could be made to the funding system nationally and/or locally that would foster more effective collaborative approaches and partnership arrangements.

Request that the Schools Forum specifically considers its response to this – Forum Members have previously expressed their significant concerns regarding the lack of input / retreat of previous input of health to meet the medical needs of pupils (and the costs of these needs).

Other

27. Are there any aspects of the funding and financial arrangements, not covered in your previous responses, that are creating perverse incentives?

Does the Schools Forum have anything to add in its response here?

28. What aspects of the funding and financial arrangements are helping the right decisions to be made, both in securing good provision for children and young people with additional needs, and in providing good value for money?

Does the Schools Forum have anything to add in its response here?

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BRIEFING NOTE - Schools Forum

Subject: Bradford PFI Contracts – Background & Key Issues	Confidential - No
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1. Purpose

To brief the Schools Forum on the background to the Bradford PFI contracts and current key issues. This report responds to the request made by Members at the meeting held on 13 March 2019 for a report, which examines the affordability of PFI costs in schools across the medium and longer terms.

2. Decisions Required

None – this report is presented for information only.

3. Background

3.1 The Council has two PFI contracts awarded under the Building Schools for the Future (BSF) Programme.

The Phase 1 contract went live in 2008 and includes Tong Leadership Academy, Titus Salt School and Buttershaw Business and Enterprise College.

The Phase 2 Contract went live in 2011 and includes Grange School, Hanson School, University Academy Keighley and Beckfoot School together with the special schools of Hazelbeck, Beechcliffe and Southfield.

Each contract runs for a period of 25 years and includes the provision of services through the PFI contracts such as building cleaning, grounds maintenance and building maintenance.

As at 1 June 2019, seven of the ten schools within the two PFI contracts are academies.

3.2 The day to day PFI operation is run by the Local Education Partnership (LEP), which is part of the PFI structure. The key parties in the structure are:

Phase 1 Funders are Sumitomo Mitsui Banking Corp. Europe, Bacchus 2008-2 plc, DEPFA Bank plc Landesbank Hessen – Thuringen Girozentrale, HSBC Bank plc, IKB Deutsche Industriebank AG London and KFW – IPEX Bank GMBH.

Phase 2 Funders – Landesbank Hessen – Thuringen Girozentrale, Sumitomo Mitsui Banking Corporation Europe Ltd and European Investment Bank Hypo Noe Gruppe Bank AG JP Morgan Asset Management UK Ltd.

PFI SPV – Integrated Bradford SPV One Limited and Integrated Bradford SPV Two Limited.

Local Education Partnership - Consortium including the Authority, Amey, Costain Pension Fund, Infrared, Amber Infrastructure.

Construction Company – Educo (consortium of Costain & Ferrovial)

FM Company – Amey.

4. Key issues

4.1 Funding of the PFI Contracts

The BSF PFI contracts in Bradford, as with all similar contracts nationally, are funded through a unitary charge contribution the Authority pays to the PFI SPVs each month. This charge is made up of the PFI credits the Authority is allocated by the Treasury as well as the monthly contributions the PFI schools make from their delegated budgets.

The unitary charge payments cover the repayment of the cost of constructing the schools, the loan repayments, the Facilities Management (FM) services provided under the contract (Hard and Soft FM) and the costs of lifecycle required under the 25 years of each contract.

Under the contract the unitary charge contributions can increase in two ways:

- The costs rise each year by the RPIX benchmark and are applied from April.
- Every five years the FM contract is subjected to Benchmarking against other similar contracts, which can also increase costs.

The monthly contributions from the PFI schools contain the school's own contribution as well as, in the case of the seven mainstream secondary schools, the proportion of the cost met by the DSG (the "affordability gap"), which is passed through their delegated budgets on an in-out basis. Academies are invoiced in order to recover their proportions.

The DSG supports the cost of the PFI contract by covering the cost of the agreed "affordability gap". This was agreed with the Schools Forum at the time the financing of each of the contracts was established. The cost of this for the seven mainstream secondary schools is charged to the Schools Block; at £6.348m in 2019/20. The cost for the three special schools is charged to the High Needs Block; at £0.764m in 2019/20.

The charge to the High Needs Block remains a 'topslice' as we are not funded additionally for it. Prior to the introduction of the National Funding Formula (NFF) in 2017/18, the charge to the Schools Block was also a 'topslice' against the primary and secondary school budget. Under the new NFF arrangements however, our Schools Block is additionally funded for our PFI costs. Currently, we receive the value of spend on PFI in the Schools Block that we recorded in the previous year plus RPIX. The DfE has indicated that it is seeking to develop a NFF for the funding of PFI costs moving forward. The timescales for this are currently unclear. This a development that we must closely monitor as a new formula approach may change the level funding we receive in the DSG for already determined PFI affordability gap contributions. The uncertainty that this NFF review brings also means that we must be cautious about how we may think about any possible adjustment to the distribution of PFI costs within the DSG (between the DSG and individual schools) now or in the future.

The contributions the ten schools make from their delegated budgets were originally negotiated on an affordability basis towards the unitary charge payment, rather than on a defined payment against the delivery of specific services. The Dedicated Schools Grant (DSG), and school formula funding, regimes are now different in certain respects from those in place when the contracts were entered into. The DSG has moved further towards

the adoption of a National Funding Formula and this has amended some aspects of how schools are funded. For example, lump sum funding for secondary schools has reduced and funding on the basis of the buildings area of a school has ceased. The special school funding formula has been significantly simplified under the Place-Plus system to remove the previous separate buildings, site and fixed-cost related factors. Protections, such as the Minimum Funding Guarantee and fixed place-led funding, have ensured that schools have not lost significant values of funding in absolute terms. However, these system changes have come over a period when the annual settlement for schools has remained basically cash flat per pupil but costs, especially staffing costs, have significantly increased.

This general pressure being understood, there are two main additional factors that will influence change in the affordability position of the PFI contracts at individual school level.

- Unlike the NFF's funding of the affordability gap element at DSG Schools Block level, the annual inflationary increase on the unitary charge payments made by individual schools is not separately and additionally funded within our funding formula. This means that the annual cost of the RPIX increase on the school's unitary charge must be absorbed by the school's existing budget.
- Whilst the unitary charge contribution is a significant sum for all the schools in the PFI contracts, those schools that do not have a full cohort of children will clearly struggle more with affordability issues. There is no mechanism in the contractual PFI funding arrangements, which gives relief from contributions due to falling pupil numbers. As with all BSF PFI contracts, the funding mechanisms are set when the contract is signed and these remain in place for the 25 years of the contract period

4.2 Governors' Agreements

When the contracts were entered into, each school signed a Governors' Agreement, which set down each school's obligations under the contract; in the main around payment of contributions.

Seven out of the ten schools in Bradford's two PFI contracts are now academies and when each school converted the Governors' Agreement was replaced by a Schools' Agreement and a Principle Agreement; standard parts of the documentation, which the DfE puts in place when BSF PFI maintained schools convert to academy. As academies are no longer under Council control, the Principle Agreement mandates that the DfE must step in to make unitary charge contributions for any academy, which stops making payments. This was a key part of securing the approval of the PFI funders to enable PFI schools to convert to academy status.

4.3 Cost of Utilities

The Council has been in dispute with the PFI SPVs over the volume of utilities, which the schools should use and how this should be dealt with through the contract. An adjudicator has looked at the issues and decided in the Council's favour with regards to which utilities benchmarks should apply under the contract. A further adjudication is being prepared to allow the final part of the dispute to be finalised.

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

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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 matters relating to the future development of National Funding Formula and the 2020/21 Dedicated Schools Grant as well as an update on local formula funding review work.

Date (s) of any Previous Discussion at the Forum

The Schools Forum made its recommendations on the 2019/20 DSG on 9 January 2019. An update, which included areas of review, was presented to the Schools Forum on 13 March.

Background / Context

See the details for consideration below.

Details of the Item for Consideration

DSG & National Funding Formula Development April 2020

We have previously highlighted the uncertainty of arrangements for 2020/21 concerning the shape and value of our DSG and the National Funding Formula (NFF). We normally begin to receive detailed information from Government on the following's years DSG and formula funding arrangements in June / July, which enables us to formulate plans for consultation, which we can then begin to discuss with schools and providers early in the autumn term. The critical DSG announcements are expected cover:

- Early Years Block overall settlement.
- Early Years Block nursery school protection after August 2020.
- Schools Block overall settlement.
- Schools Block development of National Funding Formula at factor level including mobility, growth and PFI.
- Schools Block Minimum Funding Guarantee.
- Schools Block permitted framework for de-delegated funds.
- Schools Block flexibility for the movement of funds to the High Needs Block.
- High Needs Block overall settlement and release of damping.
- High Needs Block uplift of the Place-Plus thresholds.
- High Needs Block funding of education in hospital and medical home tuition.
- High Needs Block national re-definition of notional SEND.
- High Needs Block outcomes of the national alternative provision review.
- Central Schools Services Block historic commitments funding.
- The status of / merger ('mainstreaming') of grant streams e.g. teacher pay grant into the DSG and the impact on baselines and protections.

We know from what the DfE / ESFA has said so far that:

- The hard primary & secondary National Funding Formula (NFF) will not be implemented until April 2021 at the earliest. The Local Authority, with the Schools Forum, will set Bradford's formula arrangements for 2020/21.
- The current protected level of funding for maintained nursery schools is in place until at least Sept 2020.
- The autumn 2019 spending review will determine most of the matters listed above. Announcements concerning levels of funding however are unlikely to be made prior to this review.
- The DfE is currently conducting a 'call for evidence' on financial arrangements for SEND and Alternative Provision, with the stated expectation that views collected in this exercise will inform the autumn 2019 spending review and may mean changes to high needs funding, including to Place-Plus thresholds and the definition of notional SEND budgets.
- There are some specific areas of the primary & secondary NFF that may be adjusted in 2020/21, including a new NFF for pupil mobility. ESFA representatives at a recent regional meeting also indicated that:
 - NFF composition changes may be implemented for 2020/21 irrespective of decisions to be taken about levels of funding. Announcement on technical NFF change may be made in July.
 - NFF 'baselines' may be updated to reflect 2019/20 spending & DSG distribution.
 - It is a "safe assumption" that there will be flexibility in 2020/21 to transfer Schools Block monies to the High Needs Block.

Details of the Item for Consideration

- As in 2019/20, we may reasonably expect the DfE to make small adjustments to the primary & secondary NFF weightings and variable values to maintain the same distribution of funding at national level when using updated October 2019 Census data e.g. to maintain the same proportionate spend within the NFF on deprivation factors.

Locally we have already recently:

- Moved to mirror the DfE's NFF for primary and secondary mainstream formula funding. We expect to continue to do so in 2020/21 in the run up to the 'hard' NFF.
- Identified how significant decisions about the Minimum Funding Guarantee will be going forward for the formula allocations received by individual mainstream schools and academies, especially in the primary phase. This is likely to be a key recommendation for the Forum for 2020/21.
- Identified issues related to falling rolls and under-subscription. The Schools Forum has a sub-group to discuss these issues and has established a primary-phase Falling Rolls Fund in the Schools Block. First allocations from the Falling Rolls Fund are scheduled to be presented to the Schools Forum in spring 2020.
- Identified the funding of PFI (BSF) as an area to watch in the development of the Schools Block NFF. The Forum has received a report on the affordability of PFI at school level (presented to this meeting).
- In 2019/20, enacted a transfer of £2m (0.48%) from the Schools Block to the High Needs Block. We would expect to repeat this transfer in 2020/21 where there is no significant release of the damping within the High Needs Block and no significant uplift in high needs funding. The Authority has previously presented how the 5 year forecast for the High Needs Block shows a sharpening deficit where funding is not substantially increased.
- Begun to review and re-shape responsibilities between the High Needs Block and schools in respect of the funding of alternative provision. We expect to continue this work.
- In 2018/19 and 2019/20, used scope within the Central Schools Services Block and the Early Years Block to support high needs provision costs and release some of the pressure on the High Needs Block.
- Identified the need, and made a commitment, to review our high needs funding model to ensure that this 'enables' the re-structure of SEND provision and alternative provision and works to support the continuum of provision. We are currently progressing the first stage of this review with the District Achievement Partnership, building on the work begun in 2018.
- Identified the significance going forward of approaches that will ensure the correct minimum level of SEND / AEN funding in schools. This is a key part of the DfE's 'call for evidence' and this will be crucial in our development of our 'SEND Funding Floor' arrangements, which we have previously indicated we will review.
- Completed our 3 year strategy for the funding of early years provision, which we developed in response to the DfE's early years NFF reform in 2016. This strategy has included the use of one off monies to protect the value of the 3&4 year old universal base rate in 2018/19 and 2019/20. We have identified that we now need to holistically review our rates of funding and, in this specifically, the relationship between universal base rate and deprivation funding for 3&4 year olds. We expect to shortly bring together the Early Years Working Group to progress this review with a mind to getting some information out to providers as soon as possible to help then plan.
- Identified the significance of pending DfE decisions concerning the continuation or cessation of the Maintained Nursery Supplement. We have begun work with the nursery schools on assessing the impact of different scenarios.

As set out, we expect that our recent decisions and actions will influence / inform how we will respond to announcements concerning 2020/21 DSG and formula funding arrangements and changes.

This report has been written in advance of any announcement from the DfE made late June / early July. Any further information, if available, will be presented verbally.

We anticipate at this time following the timetable that we have used in previous years for the development consultation, and decision making on DSG formula funding arrangements for 2020/21. This begins by inviting Forum Members to attend one of 3 Formula Funding Working Group sessions that have been arranged for Tuesday 1 October (8am), Wednesday 2 October (8am), Tuesday 8 October (8am). These sessions will enable Forum Members to consider in more detail the impact of formula funding decisions and to explore and guide the proposals for 2020/21 that are anticipated will be set out for consultation in October.

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

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

Recommendations

- (1) The Schools Forum is asked to consider and to note the information provided.
- (2) Forum Members are invited to attend a 'Formula Funding Working Group' session, on Tuesday 1 October (8am) or Wednesday 2 October (8am) or Tuesday 8 October (8am). As last year, these sessions will enable Forum Members to consider in more detail the impact of formula funding decisions and to explore and guide the proposals for 2020/21 that are anticipated will be set out for consultation in October.

List of Supporting Appendices / Papers (where applicable)

None

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SCHOOLS FORUM AGENDA ITEM

For Action

For Information

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

To update Schools Forum members on the Schools Financial Value Standard for 2019.

Date (s) of any Previous Discussion at the Forum

July 2018

Background / Context

The Schools Financial Value Standard (SFVS) was introduced by the Department for Education to assist maintained schools in managing their finances and to give assurance that schools have secure financial management in place. It currently consists of 25 questions and on an annual basis the Governing Body of every maintained school must formally discuss each question with their senior staff and complete the self assessment, identifying remedial action and a timescale for completion where appropriate. All maintained schools, excluding those falling within listed exceptions were required to complete and submit a return by 31 March 2019, which for most schools was their eighth year of submission.

Details of the Item for Consideration

Summary of the Position as at 31 March 2019 and Summary of the Analysis of Returns

As at 31 March 2019 SFVS returns were submitted by 94 of the Council's eligible 105 schools. This year 18 schools met the exemption criteria for SFVS. The returns received for 2019 continue to show a high standard of completion and action plan quality. The number of late returns was ten, an increase of five on the 2018 position, however, it should be noted that 31 March was a Sunday and nine of the ten late returns were subsequently received during the first five days of April 2019. There is one school yet to provide a return, which is the same position as last year. The high level of prompt returns provides continuing adequate assurance that schools are engaging with the SFVS process.

Overall Level of Compliance with SFVS Questions

In 2019, 45% of the 94 schools providing a return by 31 March gave a 'Yes' response to every question indicating that they fully complied with the standard. This is deterioration from 2018 when it was 57% of 116 returns. This reduction should be considered in the context of a fall in maintained school numbers because of academisation, but also that the schools remaining are acknowledging that they don't fully comply with all requirements of the standard and identify actions to improve. Accepting that SFVS be an honest process is a significant message of Internal Audit's SFVS training.

Approach to the analysis of returns received

Returns are analysed based on a rolling sample of approximately a third of returns received. This year 40 were analysed and those selected were representative of the types of schools providing a return but also included those who had indicated they would experience financial difficulty by year end.

Standard of Completion

During the analysis each return was graded either 'good', 'average' or 'poor'. This grading is subjective, however a comparison of the standard of completion between years highlighted that the proportion of 'good' continues to be a material proportion of those tested, which is indicative of schools consistently being familiar with the requirements of SFVS, and the positive impact of the training taking effect.

Summary of Action Plan Findings

Of the 40 schools sampled, 18 schools (45%) were required to produce an Action Plan to identify remedial actions to ensure compliance with all SFVS requirements. The analysis of the Action Plans considered whether they demonstrated SMART principles: specific, measurable, achievable, realistic and timely. It was pleasing to note that 13 returns in the sample (72%) did demonstrate SMART principles.

SFVS requires that all action points are addressed prior to the next submission of the SFVS return. Therefore, consideration was given to whether returns showed evidence of action points from the 2018 return being addressed. Of the 20 sampled with an action plan from 2018, 14 (70%) had addressed fully their action points, which was a significant increase in performance on the 50% achieved in 2017. In respect of the 6 schools that had not fully addressed their 2018 action points, Internal Audit has emailed them to enquire as to how they intend to action these items as a matter of priority. For the three sampled schools who indicated a deficit position at the year end, Internal Audit ensured that the action plan and the SFVS assessment made reference to the deficit and included plans to address it going forward.

Analysis of the impact of full school audits on SFVS

Of the 40 returns which were analysed, five had been subject to a full school audit during 2018/19 out of a possible eight full school audits completed in that year. During the analysis, consideration was given whether any recommendations raised in the audit report that related to SFVS, had been addressed prior to submission. The results of this analysis showed positive results and all recommendations relating to SFVS requirements had been addressed.

Analysis of the impact of SFVS training

Internal Audit continued to offer SFVS training to all governors and school staff during 2018/19. The aim of the training was to equip Governing Bodies with the skills needed to produce a good quality SFVS return. It was pleasing to note that improvement continued to be evident in the returns provided by schools that had attended the SFVS training. The training also included additional material in preparation for the introduction of a new SFVS scheme from 1 April 2019.

As reported in previous years, the SFVS training has replaced the specific SFVS audits with the intention of achieving a wider coverage of schools to demonstrate efficiency and effectiveness in the deployment of audit resources. This approach has been successful with over 100 of the City's schools being represented at the training since it began in 2015, coverage which would be impossible to achieve through the traditional SFVS audit process.

Internal Audit has allocated time in the 2019/20 audit plan for further SFVS training and will monitor the number of schools becoming exempt from SFVS due to having an academy order in place, to ensure that any training offered is commensurate with need.

ACTION TAKEN TO MEET LOCAL AUTHORITY OBLIGATIONS FOR SFVS DURING 2018/19

- **Confirmation that SFVS returns are used to inform the programme of financial assessment and audit**
- **A system of audit is in place to give adequate assurance over the standard of financial management and the regularity and propriety of spending within schools**
- **The requirement to make the Governing Body, management committee and the LA aware of any major discrepancies in judgements when carrying out an audit and ensure that all actions have been addressed before an SFVS review takes place**

The risk model used to prioritise schools for inclusion in the audit plan includes non submission of SFVS as one of a number of risk factors via the inclusion of the Light Touch Financial Monitoring bandings. As part of the analysis of returns, Internal Audit also considers the contents of each SFVS return and if there are any comments that raise concerns, this will further inform audit planning for the schools audit programme for the coming year.

The audit testing programme for schools requires auditors to review a school's SFVS return as part of the planning process prior to an audit and compare the schools self assessment judgements to their findings during the audit. The auditor then makes an assessment on the level of correlation that can be identified between the SFVS assessment and the audit findings and advises the school to review their responses to specific questions where necessary. This position is highlighted to the school, Chair of Governors and authority recipients in the ensuing audit report.

Audit recommendations that are linked to the SFVS have been tracked as part of the audit follow up process, thus ensuring that schools are taking necessary action on all recommendations to improve their control environment and financial management practices in a timely manner.

Conclusion

The results of the full school audits and SFVS analysis supports that the level of audit coverage of schools is appropriate. The system of audit in place for the year was sufficient to give the Chief Finance Officer adequate assurance over the standards of financial management and the regularity and propriety of spending within schools.

The SFVS submission for 2018/19 was signed off by the Interim Director of Finance on the 24 May 2019 and uploaded to the Department for Education website the same day.

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

None

Recommendations

That the information in this report be noted.

List of Supporting Appendices / Papers (where applicable)

None

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SCHOOLS FORUM AGENDA ITEM

For Action

For Information

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

To provide the Forum with a summary of the number of maintained schools in each category, within the “Financial Classification of Schools”, for the 2019/20 Academic Year.

Date (s) of any Previous Discussion at the Forum

The Financial Classification of Schools was last presented to the Schools Forum on 11 July 2018.

Background / Context

The Classification is a set of criteria used by the Local Authority to identify maintained schools in greatest need of financial support and to carry out a programme of annual detailed budget discussions with these schools. The Classification is calculated on an academic year basis and is updated each year. The Classification is an alpha-numeric system with Categories A (highest level of support) B, C and D (lowest levels of support). A school is placed into a category based mostly on the information taken from its approved 3 year budgets and its outturn from the previous financial year.

Details of the Item for Consideration

This information is presented annually to the Schools Forum and in the context of the information previously presented on school balances, the level financial challenge faced by schools and academies, and the liabilities that may crystallise with a school’s conversion to academy status. The table below shows the initial calculation of number of maintained schools in each category in the 2019/20 Academic Year Financial Classification. This assumes that no further conversions of maintained schools to academy take place.

	Category A	Category B	Category C	Category D
Nursery	1	1	2	3
Primary	9	3	50	21
Secondary	3	1	1	1
Special	0	0	2	1
PRUs	3	0	1	2
Total	16	5	56	28

Category A: School in deficit, recently in deficit or vulnerable to deficit, closing / opening schools (highest level of support)

Category B: Schools with excess surplus balances / trigger the forecasting accuracy criteria

Category C: Schools forecasting deficits or vulnerability to deficit in 2nd or 3rd year budgets

Category D: Normal level of support

The table below shows the change in the number of schools in each category from the 2018/19 Academic Year Financial Classification (on an equivalent basis i.e. removing schools that have converted to academy).

	Category A	Category B	Category C	Category D
Nursery	+1	+1	+1	-3
Primary	-4	+1	+13	-10
Secondary	-1	+1	-1	+1
Special	0	0	-1	+1
PRUs	+3	-3	0	0
Total	-1	0	+12	-11

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

None

Recommendations

The Forum is asked to consider and to note the information provided in this paper.

List of Supporting Appendices / Papers (where applicable)

None

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