

SCHOOLS FORUM
Wednesday, 18 September 2019 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 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 10 JULY 2019 & MATTERS ARISING

1 - 76

Recommended –

That the minutes of the meeting held on 10 July 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 GROWTH FUND ALLOCATIONS (a)** 77 - 78

Members will be asked to consider, in **Document KT**, newly proposed allocations to primary schools and academies from the established DSG Schools Block Growth Fund in 2019/20.

Recommended –

The Schools Forum is asked to agree the proposed Growth Fund allocations shown in Document KT.

(Andrew Redding – 01274 432678)

6. **SEND & ALTERNATIVE PROVISION REVIEWS - PROGRESS UPDATE (i)**

A progress update will be provided on the Authority's strategic reviews of SEND and Alternative Provision. This update includes continued discussion on matters presented to the Schools Forum on 10 July.

Recommended –

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

(Mariam Haque – 01274 431078)

7. **NATIONAL FUNDING FORMULA - UPDATE (i)** 79 - 84

The Business Advisor (Schools) will present a report, **Document KV**, which provides an update on the development and implementation of National Funding Formula.

Recommended –

The Schools Forum is asked to note the information presented and to begin to consider the implications for the 2020/21 DSG budget planning round.

(Andrew Redding – 01274 432678)

8. **OUTLINE - FORMULA FUNDING ARRANGEMENTS & CONSULTATIONS 2020/21 (i)** 85 - 92

The Business Advisor (Schools) will present a report, **Document KW**, which outlines the working principles that are being considered in the development of Bradford's formula funding arrangements for 2020/21. The Authority will present formal consultation reports, for the Schools Block, Early Years Block and High Needs Block, to the Schools Forum

at the next meeting, with these consultations being published immediately after. Following this timetable, responses to these consultations will be considered by the Forum at its December meeting. The Schools Forum will be required to make its final recommendations on 2020/21 DSG and formula funding arrangements at its January 2020 meeting.

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). 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 will be set out for consultation in October.

Recommended –

- (1) The Schools Forum is asked to consider the working principles.**
- (2) Members are invited to attend a 'Formula Funding Working Group' session.**
- (3) Members asked to discuss how best to communicate as early as possible this term with schools and other providers, and collect feedback, about arrangements for 2020/21 (in advance of more formal consultation beginning in October).**

(Andrew Redding – 01274 432678)

9. WORK PROGRAMME AND SCHEDULE OF MEETINGS 2019/20 ACADEMIC YEAR (i) 93 - 94

The Business Advisor (Schools) will present a report, **Document KX**, which outlines the School Forum's 2019/20 Academic Year work programme.

Recommended –

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

(Andrew Redding – 01274 432678)

10. 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

The Forum is asked to note the information provided.

(Andrew Redding – 01274 432678)

11. AOB / FUTURE AGENDA ITEMS

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

12. DATE OF NEXT MEETING

Please see the published schedule of meetings – the next Forum meeting is scheduled for Wednesday 16 October 2019.

13. EXCLUSION OF THE PUBLIC

The Schools Forum will be asked to consider if the agenda item relating to the funding of health services in schools should be considered in the absence of the public and, if so, to approve the following recommendation:

Recommended –

That the public be excluded from the meeting during the discussion of the following item (item *14) on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if they were present exempt information within Paragraph 5 of Schedule 12A of the Local Government Act 1972 (as amended) would be disclosed and it is considered that, in all the circumstances, the public interest in allowing the public to remain is outweighed by the public interest in excluding public access to the relevant part of the proceedings for the following reason: legal privilege."

(Andrew Redding – 01274 432678)

14. ***FUNDING HEALTH SERVICES IN SCHOOLS (i)**

The Schools Forum will be asked to consider further the matters raised by a school at the Forum's meeting on 10 July 2019 related to the funding of health services in schools.

At the meeting of 10 July, it was resolved that:

“Regarding the letter to the Schools Forum on the shift in the way health services are being delivered in schools (with increasing demands being placed on schools and school staff to provide healthcare to pupils with complex medical needs):

- (1) The Local Authority be asked to provide further information, which enables the Schools Forum to more closely consider the matters raised and their implications (including the financial implications on schools and on the High Needs Block). That this information includes an initial response, which sets out the Authority's 'legal opinion'.***
- (2) Full 'back to basics' discussions take place aimed at securing greater clarity on the respective responsibilities of schools and health services in meeting the costs of healthcare for pupils with complex medical needs.”***

*Note: The Schools Forum will have previously considered excluding the public from consideration of this matter under item 14 above.

(Andrew Redding – 01274 432678)

- (a) Denotes an item for action
- (i) Denotes an item for information

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Minutes of a meeting of the Schools Forum held on Wednesday 10 July 2019 in Council Chamber, City Hall - City Hall, Bradford

Commenced 0810, Adjourned 1005
Reconvened 1020, Concluded 1110

PRESENT

School Members

Ashley Reed, Brent Fitzpatrick, Carol Dewhurst, Dianne Richardson, Dominic Wall, Graham Swinbourne, Ian Morrel, Kevin Holland, Sir Nick Weller, Nicky Kilvington, Nigel Cooper, Sian Young, Sue Haithwaite, Tehmina Hashmi, Trevor Loft, Wahid Zaman

DIANNE RICHARDSON IN THE CHAIR

Nominated Sub School Members

Alison Kaye

Non School Members

Ian Murch, Donna Willoughby, Vivienne Robinson

Local Authority Officers

Andrew Redding	Business Advisor (Schools)
Asad Shah	Committee Services Officer
Dawn Haigh	Principal Finance Officer – Schools
Ian Smart	Head of Team (Pupil Planning/Transport) Place
Marium Haque	Deputy Director,
Raj Singh	Business Advisor (Financial)

Observers

Councillor David Ward

Apologies

Bryan Harrison, Deborah Howarth, Emma Hamer, Gill Holland, Helen Williams, Alison Kaye, Mark Douglas - Strategic Director of Children's Services, Councillor Khan - Deputy Leader of Council and Education, Employment and Skills Portfolio.

408. DISCLOSURES OF INTEREST

- 1) Brent Fitzpatrick, Dominic Wall, Ian Morrel, Sue Haithwaite and Trevor Loft for agenda item 8 "SEMH and SEND Reviews – Progress Report" (minute 414).
- 2) Dominic Wall, Sue Haithwaite and Ian Morrel for agenda item 10 "Report on PFI Costs in Schools" (minute 416).

ACTION: *City Solicitor*

409. MINUTES OF 22 MAY 2019 AND MATTERS ARISING

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

- **Item 399 (minutes of 13 March Meeting)** – The agreed amended Scheme for Financing Schools is now published. The Schools Forum meeting minutes are now scheduled to be published in draft within a week of the Forum meeting.
- **Item 400 (Matters Raised by Schools)** – Further discussion on the position / funding of the Primary Behaviour Centres, in response to the matter raised by a Member at the last meeting, will be picked up under item 8.
- **Item 401 (SEND / SEMH review)** – A further update is provided under agenda item 8.
- **Item 402 (DSG Update)** – As agreed at the last meeting, a drafted ‘start for ten’ response to the DfE’s SEND and Alternative Provision Call for Evidence is presented under agenda item 9.
- **Item 403 (Schools Outturn)** – The request for further statistical information to provide some context to the change in year end revenue balances held by maintained schools is still being looked at and we anticipate responding in the autumn term.
- **Previous meeting item – letter to the Secretary of State regarding SEND capital** – A letter was sent from the Chair to Lord Agnew on this matter and a copy of this is attached in the report packs.

Resolved –

- (1) **That progress made on “Action” items and Matters Arising be noted.**
- (2) **That the minutes of the meeting held on 22 May 2019 be signed as a correct record.**

ACTION: *City Solicitor*

410. MATTERS RAISED BY SCHOOLS

The Chair drew the attention of Members to the letter in the meeting papers pack, which has been received from the Executive Principal, Co-op Academy Southfield. The Executive Principal is also an Academies Member of the Schools Forum and the Chair invited him to address the Forum directly.

In his letter, the Executive Principal sets out the issue of the shift in the way health services are delivered in schools with increasing demands being placed on special schools and staff to provide healthcare to pupils with complex medical needs. The letter is submitted to raise with the Schools Forum the implications of this, in terms of the additional burden of the clinical duties now being taken on by the school workforce and associated concerns about the shift in costs that this represents to the High Needs Block,

and therefore to the DSG, through shifting roles previously undertaken by NHS staff onto those employed by schools.

In presenting this letter, the Executive Principal set out his expectation that the Local Authority will take advice and will come back to the Schools Forum in the autumn with a detailed response to enable a 'fundamental root and branch' discussion to take place. He stated that he has already been in dialogue with the Deputy Director, Education and Learning, who is supportive of the concerns that are raised. He also stated that the District Achievement Partnership has commissioned some research on this issue, which will also be available for consideration in the autumn. The key aim of this work and of further conversations is to be clear about who has what funding responsibility in Bradford. There are an increasing number of children in schools that have continuing care needs. The historic position has been that the costs of continuing care have been met fully by the NHS. Special schools however, are now experiencing situations where the NHS is seeking through 'negotiations' in various ways to shift cost onto schools. An example of this has been the recent decision to transfer responsibility for a part of physiotherapy support to schools. The absence of national guidance in this area is a significant hindrance to both clarity and consistency.

Following the introduction of the letter, the Forum engaged in a detailed conversation, which included further examples where costs of care are being shifted onto schools / onto the DSG High Needs Block, with both Members and Local Authority representatives recognising the significance of this issue and agreeing the importance of resolving it.

Resolved –

Regarding the letter to the Schools Forum on the shift in the way health services are being delivered in schools (with increasing demands being placed on schools and school staff to provide healthcare to pupils with complex medical needs):

- (1) The Local Authority be asked to provide further information, which enables the Schools Forum to more closely consider the matters raised and their implications (including the financial implications on schools and on the High Needs Block). That this information includes an initial response, which sets out the Authority's 'legal opinion'.**
- (2) Full 'back to basics' discussions take place aimed at securing greater clarity on the respective responsibilities of schools and health services in meeting the costs of healthcare for pupils with complex medical needs.**

Action: *Deputy Director, Education and Learning*

411. STANDING ITEM – DSG SCHOOLS BLOCK GROWTH FUND ALLOCATIONS

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

412. SCHOOLS FORUM MEMBERSHIP – CHAIR AND VICE CHAIR

The Business Advisor (Schools) reported that, as per the Forum's agreed management

procedures, the terms of office of the Chair and Vice Chair are for 1 year and both positions are now up for renewal. Members were asked to approve the proposed approach (by email) for the collection of nominations and for the election of the Chair and Vice Chair of the Schools Forum for 2019.

Forum Members did not have any comments and did not ask any questions.

Resolved –

That the established approach (email) be followed for the collection of nominations and for the election of the Chair and Vice Chair of the Schools Forum for 2019/20.

Action: Business Advisor (Schools)

413. SCHOOLS FORUM MEMBERSHIP

The Business Advisor (Schools) presented a report, **Document KM**, which provided 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.

Forum Members did not have any comments on this report and did not ask any questions.

Resolved –

- (1) That the information presented on the School Forum's membership be noted.**
- (2) That the Authority's proposal that the Forum's membership composition as it currently stands be retain for 2019/20 be supported.**

Action: Business Advisor (Schools)

414. SEMH AND SEND REVIEWS – PROGRESS UPDATE

Primary Behaviour Centres & District PRU

The Deputy Director, Education and Learning began this item by presented a report (tabled at the meeting), which responded to questions and concerns raised at the last meeting on future arrangements for the Primary Behaviour Centres and District PRU.

Regarding the Primary Behaviour Centres, the Deputy Director explained that the current funding arrangements will remain in place up to the end of the 2019/20 academic year, to support a transition to the future arrangements. From September 2020, the funding from the High Needs Block for Behaviour Centres, under their current delivery model, will cease. She explained that discussions have begun with the primary schools that have Behaviour Centres to look at the potential options going forward. In effect, there are 4 options for each of the primary schools to

consider individually depending on their circumstances.

Regarding District PRU, the Deputy Director explained that the current funding of 80 places - where the High Needs Block meets the cost of the £10,000 place element only (the BACs or individual schools using the places will be responsible for the top-up element associated with these 80 places) - will remain in place up to the end of the 2019/20 academic year to support a transition to the future arrangements. Discussions have begun with the BACS Heads and the District PRU to look at potential options going forwards, with the main focus for District PRU being to develop a financially viable “buy back” model for step out provision that secondary schools choose to invest in using a collaborative purchasing model. If a financially viable position is not developed then the Local Authority will need to consider the future viability of District PRU, which will involve discussions with the RSC, as District PRU currently has an Academy Order.

Members asked the following questions and made the following comments in response to this report:

- The Chair asked what is meant by ‘step out’ provision in terms of a length of time. The Deputy Director stated that it is for schools to agree the nature of the offer but national models typically operate on the basis of 6-12 weeks as these are seen to be the most successful for the pupil and also the most financially viable.
- Responding to the update on the Primary Behaviour Centres, a Member representing maintained primary school headteachers expressed his concern about the value that will be lost should these centres close; value in terms of respite and the part these centres currently play in supporting the duty of care that schools have to other pupils and to staff. The Member also asked how the future arrangements are going to be consulted on and how the Authority will ensure that the proposed changes are more widely understood.
- Responding to the update on District PRU, the Vice Chair expressed his concern, raised at previous meetings, that there is a significant amount of work to be undertaken to develop and implement a new collaborative delivery model. He explained his concern that District PRU will close due to ‘running out of time’ against the Authority’s planned timeline and that we will lose District PRU as a valuable provision that sits between supporting pupils that have been permanent excluded and those with EHCPs.

Reinforcing these comments, a number of Members expressed their concerns about the potential for growth in the numbers of permanent exclusions and that we could lose the support currently provided by the Behaviour Centres and by District PRU before we properly re-shape our provision model.

Members concluded from a quite detailed and wide-ranging discussion that a working party should be brought together with the remit of exploring the options for future arrangements, which should include the possibility of collaborative financing. It was agreed that this should be a cross-phase group. This resolution was supported by the Deputy Director. The Director re-stated a ‘non-negotiable’ part of this work, which is that, from September 2020, the High Needs Block will not be involved in the financing of these as alternative provisions. She added that the working group could however, for example, look at the options for how the Schools Block could be used to support collaborate financing.

Specialist Places Development and Sufficiency

The Deputy Director provided an update

verbally on the development of specialist places. She stated that the Executive yesterday received a report, which set out in detail the development of places. The places in academies have now largely been approved by the RSC and the places in maintained schools have been agreed by the Executive without 'call in' to enable capital works to take place over the summer. Across maintained schools and academies, in a mixture of additional DSPs, new ARCs and expanded special school places, it is expected that the capacity for 289 of the 354 places will have been developed by September 2019 and the remaining 65 places developed by January 2020.

Members asked the following questions and made the following comments in response:

- A Member asked the Deputy Director to confirm that the 40 additional places at Oastler School will be available from September. This was confirmed.
- A Member asked whether 354 places are sufficient. The Deputy Director responded that this is a 1st tranche to meet immediate need and that the Authority has previously stated that 354 does not provide future proofing. We know that we need more SEMH places especially.
- The Chair asked whether any final decision has been taken by the DfE on options for our SEMH Free School. The Deputy Director confirmed that this free school has been 'lost' as the DfE is not willing to give us a 3rd go at finding a sponsor. We currently await the details of the next wave of free schools and we will consider whether we submit a bid. Expressing her extreme disappointment, the Chair asked why we have lost the school. The Deputy Director explained that this was due to a lack of suitable sponsor and that we are not the only authority that has found itself in this position.
- An Academies Member stated that we must learn from mistakes that we have made in previously rounds of free school applications to ensure that we maximise our chances of securing essential capital investment.
- The Chair asked whether the capital investment in the new resourced provision was protected i.e. a school could not close its provision and use the capacity for something else. The Deputy Director confirmed that this capacity is protected and also that any proposed closure would need to pass the SEND improvement test (it isn't the case that a school could just close its resourced provision).
- A Member commented that schools hosting DSPs currently subsidise their costs. The Deputy Director agreed, adding that this is one of the reasons why the Authority is pursuing the development of the central managed ARC resourced provision, as the cost of this provision sits with the Authority not with the school.

Resolved –

- (1) That the information provided in the update be noted.**
- (2) That the briefing note on the development of the Primary Behaviour Centres and District PRU, tabled at the meeting, be published on Bradford Schools Online.**
- (3) That a cross-phase working party is brought together in September to discuss the options for the future development of the Primary Behaviour Centres and District PRU.**

Action: Deputy Director, Education and Learning

415. RESPONSE TO THE DfE'S CALL FOR EVIDENCE – SEND AND ALTERNATIVE PROVISION

A drafted response to the DfE's call for evidence on SEND and Alternative Provision financial arrangements was presented, **Document KO**, for the Forum's consideration. The Business Advisor (Schools) explained that this draft was intended to help Members agree their collective response, which would be submitted to the DfE. The deadline for responses to this call for evidence is 31 July 2019.

The Business Advisor added that he would wish to include in the response a clear comment about the necessity of resolving the funding of / responsibilities around the costs of continuing care (partnership working with health) and that he would use the communication to the Schools Forum presented under 'Matters Raised By Schools' to do this.

Some Members indicated that they would wish to reflect further on the draft and submit comments / additions after the meeting. It was agreed that a deadline of Wednesday 17 July be set for further comments to be emailed to the Business Advisor. The Business advisor will then collate a final response and submit this to the DfE.

Resolved –

That Members send to the Business Advisor (Schools) any additional comments they have on the drafted response (Document KM) by close of play Wednesday 17 July. A final draft of the Schools Forum's response will be circulated by email to Forum Members and this response will then be submitted on the Forum's behalf by the 31 July deadline.

Action: *Business Advisor (Schools)*

416. REPORT ON PFI COSTS IN SCHOOLS

A report was presented, **Document KP**, which responded 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.

The report was presented by the Head of Team (Pupil Planning / Trans) and the Business Advisor (Schools). In the discussion that followed Members made the following comments and asked the following questions:

- The Academies Member, who requested the report, welcomed its clarity. He stated that the 2 bullet points on page 29 are crucial (the impact of annual inflationary RPIX growth on the cost of the school's unitary charge and the affordability pressure resulting from the reduction in pupil numbers when the unitary charge remains fixed). He explained that these are the circumstances being faced by his MAT now and are also, more widely, interconnected with decisions being taken or considered by schools in respect of their 6th forms. Unless there a mechanism for dealing with these 2 factors PFI will

be unsustainable for individual schools and MATs going forward and the provision for children will continue to be detrimentally affected - the cost of the annual increase through the RPIX mechanism, for example, is the equivalent to the cost of a teacher. Schools and MATs already have to make significant curriculum planning decisions in order to accommodate PFI costs.

- These comments were supported and reinforced by the Member representing maintained secondary schools and the Member representing maintained special schools, both having declared their interests.
- Another Academies Member asked a 'theoretical' question, in the case of a MAT that might not be able to afford PFI payments, at what point this would be seen as a 'default' (where the ESFA would step in to cover PFI costs) rather than just a budget overspending for the MAT to recover.
- The Chair asked where we go next with this issue. Both the Head of Team and the Business Advisor responded that there is a clear role for the DfE's National Funding Formula in the resolution especially of the inflationary increase issue. The financial responsibilities for individual schools and MATs however, are contractually agreed and fixed in relation to the total cost of PFI, PFI credits from Government and the calculated affordability gap. So there a clear role for Government in this issue. The Academies Member, who requested the report, agreed that this is not an issue that the Schools Forum itself can resolve, but that the Forum needs to have a voice and, with the Authority, needs to continue to place pressure on the DfE, the ESFA and the RSC to find a resolution. The Forum also needs to be kept informed of discussions and developments on this issue.

Resolved –

- (1) **That the Schools Forum, at this stage, notes the issues set out in the report regarding the affordability of PFI at school level.**
- (2) **That the Forum continues to receive information on the development of PFI funding within the National Funding Formula as this progresses.**

Action: *Business Advisor (Schools)*

417. NATIONAL FUNDING FORMULA AND DEDICATED SCHOOLS GRANT 2020/21

The Business Advisor (Schools) presented a report, **Document KQ**, which provided 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.

He highlighted that announcements on the DSG settlement and formula funding arrangements for 2020/21 are still to be made and at this time we remain uncertain about the content of these and the actions that may be necessary from them. He also highlighted for Members the FFWG dates scheduled in October and requested that Members book themselves onto one of these.

Forum Members did not have any comments on this report and did not ask any questions.

Resolved –

- (1) That the information provided in Document KQ be noted.
- (2) That Forum Members be invited to attend a 'Formula Funding Working Group' session, on Tuesday 1 October (8am) or Wednesday 2 October (8am) or 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.

Action: *Business Advisor (Schools)*

418. SCHOOLS' FINANCIAL VALUE STANDARD

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

Forum Members did not have any comments on this report and did not ask any questions.

Resolved –

That the information provided in Document KR be noted.

419. FINANCIAL CLASSIFICATION OF MAINTAINED SCHOOLS 2019/20

The Business Advisor (Schools) presented a report, **Document KS**, which provided 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.

The Member representing PRUs highlighted that 50% of PRUs are in Category A (forecasting deficit budgets) and that this reflects the lack of sufficiency in the funding allocated to this sector. We should not lose sight of this.

The representative of the teacher trades unions commented more generally about the financial pressures facing school budgets, adding that the STRB has recommended to the DfE a pay award for teachers at September 2019 of 2.75%, which is above the 2% the DfE stated was affordable within the 2019/20 financial settlement.

Resolved –

That the information provided in Document KS be noted.

420. SCHOOLS FORUM STANDING ITEMS

No resolutions were made on this item.

421. AOB / FUTURE AGENDA ITEMS

No formal resolutions were made on this item.

The Chair requested that Mark Douglas (new Strategic Director of Children's Services)

attends the Schools Forum meeting in September.

422. DATES OF NEXT MEETINGS

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

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

minutes\SF100719

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



2019-0022032POTA

Lord Agnew Kt DL

Parliamentary Under-Secretary of State for the School System
Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT
tel: 0370 000 2288 www.education.gov.uk/help/contactus

Mrs Dianne Richardson
Chair of Bradford Schools Forum
Swain House Primary School
Radcliffe Avenue
Bradford
BD2 1JL

27th June 2019

Thank you for your letter of 4 June, regarding capital funding for pupils with special educational needs and disabilities (SEND) in Bradford. I am replying as the Minister responsible for this policy area.

The Government is committed to investing in school places for children with SEND. As you may already be aware, in March 2017, the Department announced local authority allocations from a £215 million investment in provision for pupils with SEND. The formula for these allocations was based principally on projected population growth for children and young people aged 2-18 between the years 2017-18 and 2020-21, for which we used the Office for National Statistics 2014-based sub-national population projections, available at: tinyurl.com/Y3codbce. This was the most up-to-date data available at the time of publication. In this data set for the category of 2 to 18-year-olds between 2017-18 and 2020-21, Bradford was forecast demographic growth of 1,301. Regional location factors from the Building Cost Information Service (BCIS) as at December 2015 were then applied to account for the varied costs of building in different regions. At this time, Yorkshire and the Humber's location factor was 0.91.

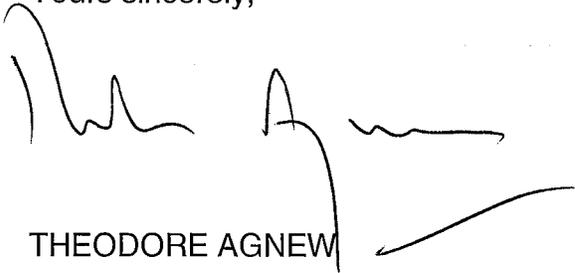
For each local authority, we multiplied the demographic growth by the location factor figures. The resulting figures from each local authority were added together to work out the national total for projected demographic growth, with location factors taken into account. We then calculated each local authority's contribution to this total as a percentage. The city of Bradford Metropolitan District Council's projected demographic growth by location factor value, as a proportion of the national total, was 0.318 per cent. Finally, we used this figure to calculate the local authority allocations, while also ensuring that no local authorities received less than £500,000.

The Department announced ~~£50 million additional grant funding in May 2018~~ and a further £100 million in December 2018. As explained in our guidance, we split this additional funding between local authorities. For the additional £50 million, we calculated this split by increasing every original allocation by 50/215ths and for the £100 million, we increased every original allocation by 100/215ths.

This additional funding takes our total investment to £365 million for the financial years 2018-19 to 2020-21, which will help local authorities to create new places and improve facilities for pupils with SEND. We will be looking carefully at capital funding in preparation for the next Spending Review, along with all our priorities for the education system. This includes funding for pupils with SEN.

Thank you for writing to me on this important matter.

Yours sincerely,



THEODORE AGNEW

Matters Arising Schools Forum 18 September 2019

Confirmation of DSG Balances held at 31 March 2019

Now inclusive of final Early Years Block allocation for 2018/19, which was confirmed by the DfE on 17 July 2019.

	Schools Block	High Needs Block	Early Years Block	Central Schools Services Block	Total DSG
Forecast (presented Jan 2019)	£6.393m	£4.114m	£3.643m	£0.000m	£14.149m
Initial confirmed reported to Forum 22 May 2019	£7.140m	£5.132m	£4.001m	£0.005m	£16.278m
Final including EYB confirmation 17 July 2019	£7.140m	£5.132m	£3.923m	£0.005m	£16.200m
Difference Between Final and Forecast	+ £0.747m	+ £1.018m	+ £0.280m	+ £0.005m	+ £2.050m
Difference as a % of DSG Block Value	0.2%	1.5%	0.3%	0.0%	0.40%
Value committed within 2019/20 Planned Budget	£1.716m	£0.515m	£0.648m	£0.000m	£2.879m

Within the Schools Block balance of £7.140m are the following confirmed 'ring-fenced' balances:

- Growth Fund £3.015m (vs. forecast of £2.952m; increase of £0.063m)
- De-Delegated Funds £1.247m (vs. forecast of £0.677m; increase of £0.570m mainly from the delay in the charging of conversion deficits)

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Financial transparency of local authority maintained schools and academy trusts

Government consultation

Launch date: 17 July 2019

Respond by: 30 September 2019

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1. Introduction

1.1 We are inviting interested individuals and organisations to comment on proposed new measures that aim to improve transparency of the financial health of LA maintained schools.

1.2 The purpose of this consultation is to outline the current financial transparency arrangements for maintained schools, and to consider possible changes. In doing so, this consultation also outlines the current arrangements for academy trusts. While both academy trusts and maintained schools are now funded through DfE specific grants – the Dedicated Schools Grant (DSG) for maintained schools and General Annual Grant (GAG) for academy trusts – current financial transparency arrangements are different and provide different levels of assurance. Current arrangements for academy trusts therefore provide a useful comparison against which to consider maintained schools. We believe that the current transparency measures used in academies are generally stronger than those in the maintained school sector, which is why this consultation will focus on using or adapting existing academy measures to help change and improve maintained schools' financial transparency and financial health.

1.3 We would welcome views on the new measures that we are proposing to implement across the local authority maintained schools sector, as well as any other changes to financial transparency that you believe would be of benefit to maintained schools or local authorities. We are interested to hear views from local authorities on whether you believe any of the new measures would constitute a New Burden on authorities and, if so, how much the cost would be. The department will assess the New Burdens issue as part of considering how to go forward after the consultation.

1.4 The questions we would like answers to are set out in a separate online survey. Please respond using this as other forms of response will not be so easy to analyse. Before you respond to the online survey questions, please read the rest of this document. You don't have to answer all the questions, but it would be very helpful if you would answer the initial questions so we can see whether you are responding on behalf of a particular type of organisation.

Who this is for

1.5 This consultation is for:

- Local authorities
- Maintained schools
- Any other interested organisations or individuals

Issue date

1.6 The consultation was issued on 17 July 2019.

Enquiries

1.7 If your enquiry is related to the policy content of the consultation you can contact the team via email:

Lafinancialaccountability.Consultation@education.gov.uk

1.8 If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the DfE Ministerial and Public Communications Division by email: consultation.unit@education.gsi.gov.uk or by telephone: 0370 000 2288 or via the [DfE Contact us page](#).

Additional copies

1.9 Additional copies are available electronically and can be downloaded from [GOV.UK DfE consultations](#).

The response

1.10 The results of the consultation and the Department's response will be [published on GOV.UK](#) later in 2019.

2. About this consultation

2.1 Since the start of the academies programme there has been a significant focus on the financial transparency of the academy sector and the department has introduced a number of measures that have improved the transparency and accountability of trusts. It has been reported by a number of trusts that they feel more accountable for their academies' financial position, now that they are in the academy sector, than they did previously as a local authority maintained school. Transparency measures such as the requirement for them to publish independently audited accounts each year, with particular scrutiny on any related party transactions, provide public assurance of the financial health and probity of trusts.

2.2 Maintained schools, like academies, are funded by grant from the Department for Education (the Dedicated Schools Grant). Local authorities (LAs) are the accountable body for maintained schools and, in line with national frameworks and guidance set by the department, monitor and intervene in these schools to reduce the risk of financial failure or misuse of funds. Each local authority has a scheme for financing schools which sets out the financial relationship between it and its maintained schools, and the department publishes guidance setting out what is required or permitted in schemes.

2.3 The table in Annex A outlines current financial transparency arrangements for the academy and maintained school sectors. Current arrangements for academies are generally stronger than those in place for maintained schools. We recognise that many local authorities do a good job in overseeing the financial affairs of their maintained schools, but financial data collected in 2016-17 and 2017-18 showed that across England as a whole a larger percentage of maintained schools had an accumulated deficit compared to academy trusts, and the rise in 2017-18 continued to be higher in maintained schools. For this reason, we believe that there is a strong case to consider whether the current academy transparency measures can be adapted and successfully implemented across the maintained school sector, in order to strengthen the arrangements for maintained schools and so reduce the future likelihood of growing deficits or misuse of funds in those schools.

2.4 We recognise that some new measures may potentially create additional burdens on local authorities and schools, and we are including that aspect in the consultation. We will ensure that the benefits of any new measures introduced outweigh potential burdens on local authorities and schools.

2.5 This consultation outlines the measures we are proposing to implement. In identifying them, we have looked at the financial measures that are already successful in the academy trust sector. Where, following the consultation, new transparency measures are to be introduced, they will be implemented in the financial year 2020-2021.

3. Proposed new financial transparency measures

3.1 This chapter sets out proposals for what we might do to strengthen current maintained school financial transparency arrangements by bringing them more closely in line with the arrangements for academies.

3.2 **Issue 1: Making public where local authorities are failing to comply with deadlines for completing assurance returns and financial collections**

Background:

3.3 Local authorities, and maintained schools, are obliged to complete the following assurance returns and financial collections:

- Schools Financial Value Standard
- Dedicated Schools Grant

3.4 **Schools Financial Value Standard:** Schools complete the standard at the end of the financial year, with LAs submitting a signed Chief Financial Officer (CFO) statement of assurance to the department to show the number of schools that complied with the standard. For the financial year 2017 to 2018 0.20% of schools (29 out of 14,395) failed to complete/submit the SFVS. The 29 schools were across 11 LAs.

3.5 The Directed Revisions made in 2012 to the [Schemes for Financing Schools](#) make it a mandatory requirement for all LA maintained schools to complete the SFVS assessment form, other than in agreed exceptional cases – for example when a school is about to convert to academy status.

3.6 **Dedicated Schools Grant:** We require local authorities to provide an annual Dedicated Schools Grant (DSG) assurance statement signed by the chief financial officer (CFO). This is a key statement that forms part of our overall management of the DSG. The assurance statements are issued on the 31st July to coincide with the closing and publishing of LA accounts. However, 32 LAs for the 2017-18 collection failed to submit their assurance statement before the deadline of 14th September due to late internal audit.

3.7 In addition to the assurance statements above, we think that we should consider compliance over a range of other annual returns to more closely replicate the ESFA approach to academy trusts. This would include the statutory funding returns such as:

- Section 251 Budget/Outturn

- Consistent Financial Reporting

3.8 We have reviewed the approach to late returns that the ESFA has adopted this year for the academy sector, whereby they publish (on GOV.UK) the names of trusts who are late in submitting more than 2 out of 4 annual returns.

3.9 We have considered whether it would be appropriate to publish the name of schools that failed to comply with the SFVS without a good reason. As local authorities are the accountable body for maintained schools, however, we think it would be more appropriate to consider publishing compliance data at a local authority rather than school level.

Proposal 1:

3.10 Following the same principle as with academy trusts, if a local authority fails to comply with more than two deadlines from the following collections, we propose to publish the name of the local authority on GOV.UK:

- School Financial Value Standard (SFVS)
- Dedicated Schools Grant CFO assurance statement
- Consistent Financial Reporting
- Section 251 Budget
- Section 251 Outturn

This should not involve any cost burden to local authorities.

3.11 Issue 2: Strengthening DSG annual assurance returns

Background:

3.12 Local authorities can withdraw delegation from schools for financial reasons or issue a notice of financial concern. We do not currently collect this information. The department publishes notices of financial concern it issues to academies on the gov.uk website. It would be possible to require local authorities to publish equivalent information on their websites; however, we cannot mandate the format or structure of local authority websites and in practice it would not therefore be particularly easy for the public to find the information.

3.13 Currently, local authorities recover funds from fraud investigations but only publish the number and value of reported cases, not the value of money recovered.

Proposal 2a:

3.14 We propose to collect the number of schools with suspended budgets and notices of financial concern through the existing DSG assurance statement signed by the local authority CFO at the end of the financial year. This will enable the Department to devote further support to authorities that report a high number of suspended delegations or notices of financial concern.

Proposal 2b:

3.15 We propose to add a new section to the DSG assurance statement that captures the amounts that LAs have recovered from investigating fraud. Monies recovered from fraud reported in different financial years would be reflected in the statement. The Department would analyse responses and request further details from local authorities that reported the highest incidence/value of fraud. Further details would include the nature of the case, including the steps the LA has put in place to prevent further misuse of the DSG. We would also challenge those that we think have not made sufficient efforts to recover the DSG.

We do not think that these small additions to the DSG assurance statement would place any significant cost burdens on local authorities.

3.16 Issue 3: Maintained schools are not required to provide local authorities with 3-year budget forecasts

Background:

3.17 Local authorities are required to maintain schemes for financing schools, which set out the financial relationship they have with their maintained schools. These cover areas such as the submission of budget plans, loans and deficits, and procurement rules. We publish statutory guidance which authorities must have regard to when determining or revising their schemes. We can only require them to incorporate specific wording, however, by making a directed revision.

3.18 The scheme guidance currently allows authorities to require multi-year budget plans from maintained schools. Some already do so, and others provide modelling software as part of their traded finance service; schools should in any case be making their own plans over several years.

3.19 We have recently introduced a requirement for academies to send us a three-year budget plan and we propose to extend the requirement to maintained schools in the form of sending a three-year budget plan to their maintaining authority.

3.20 We understand that schools will not have complete information on future levels of funding. This is no different to other parts of the public sector, however, and schools should plan on a range of scenarios. For example, it is usually the case that changes in pupil numbers have a greater effect on budgets than changes in overall levels of per pupil funding, and schools should therefore be considering the range of likely changes to their intake in future years and planning accordingly.

Proposal 3:

3.21 We are proposing a directed revision of the schemes for financing schools to make it a requirement for maintained schools to provide local authorities with three-year budget forecasts. Whilst this might take maintained schools slightly longer to complete than a single year forecast we believe that any costs associated with this would be more than recouped by enabling LAs to have early sight of emerging financial issues, enabling preventive action which is almost always less costly than remedial action.

3.22 Issue 4: Strengthening Related Party Transaction arrangements in maintained schools

Background:

3.23 Academy trusts must report all Related Party Transactions (RPTs) to ESFA in advance of the transaction taking place, using ESFA's on-line form. This requirement applies to transactions made on or after 1 April 2019. Since April 2019, all academy trusts have had to seek approval from the ESFA for RPT payments of more than £20,000 and all transactions below £20,000 must be declared. These changes avoid unnecessary administrative burdens to the sector whilst strengthening accountability and transparency. Any transactions with related parties, over a de minimis level, must be "at cost" (i.e. must not involve any element of profit).

3.24 The arrangements for reporting RPTs in maintained schools are not as stringent as those in academy trusts. The 2019-20 version of SFVS contains only two specific questions in relation to RPTs, so we believe that it would be appropriate to strengthen the arrangements to bring them more in line with what is asked of academy trusts.

Proposal 4:

3.25 We are making a number of alternative proposals for comment that could be added separately or introduced in combination with each other.

Proposal 4a: Making schools append a list of RPTs to their response to the new question in the Schools Financial Value Standard (SFVS) about their arrangements for managing RPTs, so that the information goes to the local authority and can then be passed on to the department

3.26 This option is the least resource intensive for both schools and authorities, as the SFVS must be discussed and agreed by the Governing Body, so there should be little additional burden if a list of RPTs was attached to the completed SFVS. The local authority would then be in a position to analyse the RPTs submitted across all maintained schools, using this information to determine audit requirements.

3.27 We propose also to insert additional columns into the SFVS CFO Assurance Statement to request the number of RPTs and value for each.

Proposal 4b: Making a directed revision to the statutory Scheme for Financing Schools to require schools to report all RPTs, or RPTs above a certain threshold, directly to the local authority.

3.28 An alternative reporting option would be to amend the scheme for financing schools to require schools to report all RPTs, or RPTs above a certain threshold, directly to the local authority. The benefit of this option would be that local authorities would have immediate visibility of the RPTs as soon as they had been agreed, though it would be more difficult for authorities to police than if it was in the SFVS, which is an annual return with a set reporting deadline.

Proposal 4c: Making a directed revision to the statutory Scheme for Financing Schools to require schools to seek permission from the local authority to enter into RPTs above a certain amount.

3.29 Academies now have to gain approval from the department for RPTs above £20,000. To mirror this for maintained schools, we would amend schemes to require schools to seek permission from the authority to enter into RPTs above a threshold.

3.30 Issue 5: Maintained Schools internal audit is too infrequent

Background:

3.31 Schools are within the overall audit arrangements determined by the local authority's statutory section 151 officer (CFO). Authorities operate internal audit teams whose work is then relied on by their external auditors. Most audit plans use a risk-based approach with some themed audits.

3.32 We have learned in discussion with local authorities that the cycles for auditing-maintained schools vary a great deal and, in some cases, have fallen into disuse. Consequently, we think there is a case for action.

3.33 We would prescribe a minimum frequency of audit visits by making a directed revision to the scheme guidance.

Proposal 5:

3.34 Making a directed revision to the scheme guidance to require that every maintained school be subject to internal audit at least every 3 years.

3.35 Issue 6: Strengthening arrangements to help schools that are in financial difficulty

Background:

3.36 The scheme for financing schools includes a requirement for schools to manage their resources effectively to maximise pupil outcomes. LAs are also required to have a deficit and a surplus policy within their scheme for financing schools and monitor their schools' compliance with these. Across the LA schemes, there is a variance in the levels of deficit that trigger the submission of a recovery plan to LAs. There is currently no requirement for LAs to report to the department their actions to address financial difficulty and effective resource management in specific schools. We consider that this evidence base would help us to increase visibility of best practice across the whole schools sector, highlight any inconsistencies in LAs' approach and target additional support from the department. The department's monitoring of schools' financial health to date has included approaching LAs directly to find out more about their approach to managing schools' financial health. Since the end of 2018 we have also offered LAs the support of a school resource management adviser where they agree that this would help them to support or challenge schools. We have not specified thresholds of deficit that would lead to contact with the department. To ensure we work consistently with LAs, we consider that it would be helpful to clearly communicate to authorities a more structured approach at the beginning of the year.

Proposal 6:

3.37 To strengthen the arrangements to help schools in financial difficulty we propose that we should introduce the following measures, either separately or in combination:

Proposal 6a: Make a directed revision to the scheme for financing schools requiring schools to submit a recovery plan to their maintaining authority when their revenue deficit rises above 5%.

Proposal 6b: Collect information on the number of recovery plans in each LA through the DSG annual assurance return from the CFO.

Proposal 6c: Formalise the approach to working with LAs and include a request for high level action plans from some LAs:

- **Data-sharing and monitoring:** share published data on the school balances in each LA - highlighting the number and proportion with a revenue deficit of over 5% - and the available support from the department.
Share published data with LAs on their schools' financial, educational performance and pupil/school characteristics.
Timing: after publication of Consistent Financial Reporting (CFR) data
- **Targeted monitoring and support:** use of the above data and evidence-based requests for help from LAs to ensure support is focused where it is most needed (including school resource management advice) and challenge from the department where it is needed most.
Timing – throughout the year
- **Action plan and increased monitoring:** Request high level action plans from LAs in which the number or proportion of school revenue deficits over 5% is above a certain level. We would review the thresholds each year, but an example might be LAs that had more than 10 schools or more than 10% of their schools with revenue deficits of over 5% in the previous year. We would consider contextual information - such as the school balances in the LAs in previous years - when deciding the LA action plans required.
Timing: after publication of CFR data

3.38 **Issue 7: There is not enough transparency when it comes to reporting high pay for school staff**

Background:

3.39 Currently there is a disparity between public access to information on high salaries within maintained schools and academies. Salary ranges within the national pay framework are published annually in the School Teachers Pay and Conditions Document – these apply to teachers and leaders in maintained schools and we know that the majority of academies tend to mirror these arrangements. Information on individual leadership salaries is collected annually

through the School Workforce Census and a national summary of salaries is published in the annual statistical release – however, the individual salary information is collected through the census on the understanding that it is not published at an individual level.

3.40 Academy trusts must disclose in their published financial statements information about each individual earning over £100k - specifically (i) their total FTE salary in £10k bandings, e.g. £100k - £110k, (ii) their job role and description and (iii) whether they are predominantly focussed on curriculum and education leadership or school business management leadership.

Proposal 7:

3.41 We propose that all LA maintained schools should be required to publish annually on their websites the number of individuals earning over £100K in £10K bandings.

3.42 Issue 8: There is not enough transparency when it comes to reporting maintained school income and expenditure

Background:

3.43 Local authority school accounts are part of the local authority statements of accounts that are published at a gross level for income and expenditure. .

3.44 While individual schools are not included on the LA balance sheet, individual maintained schools are required to produce annual income and expenditure statements, known as Consistent Financial Reporting (CFR), or else local authorities produce them on the schools' behalf. The department publishes all the information from CFR in a spreadsheet, but we believe it would add significantly to transparency if there were a requirement for individual schools to publish annually on their websites their latest CFR statements.

Proposal: 8:

3.45 We propose that all LA maintained schools should be required to publish annually on their website their latest Consistent Financial Reporting statement of income, expenditure and balances.

Academy Self-Assessment Tool and the Schools Financial Value Standard (SFVS)

4.1 There is one area in which arrangements for maintained schools are currently more rigorous than for academy trusts. Maintained schools are required to complete annually the Schools Financial Value Standard (SFVS) - signed by the chair of governors and returned to the local authority. The SFVS comprises 29 questions in relation to value and governance, and with effect from 2019-20 it also includes a dashboard enabling schools to look at where they stand on a range of measures compared to similar schools. The SFVS has been designed with local authorities and schools to help schools in managing their finances and to give assurance that they have secure financial management in place. In 2018 we launched a similar tool for academies, the Self-Assessment Tool for academy trusts. This has been widely used by academies but is currently not mandatory. We said publicly in the SRM strategy published in August 2018 that we would consider making the use of this tool mandatory for academies.

4.2 We have now decided to make the Self-Assessment Tool mandatory for academies with effect from the end of the academic year 2018/19. This will ensure that there is no area in which we are requiring a weaker accountability of academies than of maintained schools.

5. Annex A: Financial Transparency Comparison Table

	Local Authority Maintained Schools	Academies
Accountable body	<p>LOCAL AUTHORITY = ACCOUNTABLE BODY</p> <p>Departmental frameworks, guidance and conditions of funding agreements apply at LA level. LAs are then responsible for setting local frameworks for their schools. Required to maintain <i>schemes for financing schools</i> (School Standards and Framework Act 1998).</p>	<p>ESFA = ACCOUNTABLE BODY</p> <p>Academies Financial Handbook (AFH) and conditions of individual funding agreements apply.</p> <p>The prime responsibility sits with the board of trustees, but the Secretary of State (SoS) acts as charitable regulator and this regulation is communicated through the ESFA's Academies Financial Handbook and conditions of individual funding agreements apply.</p> <p>The funding agreements set out the overall relationship with the SoS and provide for the AFH to detail financial management and governance the requirements. The AFH is effectively an appendix to the FA.</p>
Annual Accounts	<p>LA submits annual accounts at LA level. These do not contain any details relating to individual schools.</p> <p>Maintained schools, or LAs on their behalf, make annual Consistent Financial Reporting returns to DfE giving details of their income, expenditure and balances.</p>	<p>All academy trusts must produce an annual report and accounts in a format prescribed by the ESFA in its annual Accounts Direction and based on accounting standards which reflect their status as companies and charitable trusts.</p> <p>Academy trusts are also required to submit an annual accounts return, which the ESFA will consolidate into an annual Sector Annual Report and Accounts (SARA).</p>

Annual assurance returns to Department	<p>LA Chief Financial Officers submit signed annual assurance statement and notes to accounts. They gain assurance from schools via the schools financial value standard (SFVS) described below.</p>	<p>The accounting officer must complete and sign a statement on regularity, propriety and compliance each year and submit this to ESFA with the audited accounts. The accounting officer must also demonstrate how the trust has secured value for money via the governance statement in the audited accounts</p>
Self-assessment	<p>The ESFA requires all LAs to return a signed CFO statement to confirm the number of schools that have complied with the SFVS.</p> <p>For the 2017/18 cycle LAs had until 31/5/2018 to return their SFVS assurance statements to the ESFA.</p> <p>From 2019 to 2020 the SFVS is being updated to match the academy school resource management self-assessment tool.</p> <p>The new version of the SFVS is split into two sections:</p> <ul style="list-style-type: none"> • A checklist, which asks questions in six areas of resource management to provide assurance that the school is managing its resources effectively. • A dashboard, which shows how a school's data compares to thresholds on a range of statistics that have been identified as indicators for good resource management and outcomes. 	<p>Academy trusts are required to submit Financial Management and Government Self-assessment (FMGS) in their first year followed by annual Accounting Officer value for money statements from there on.</p> <p>Tailored version of the revised self-assessment was developed this year for academies.</p> <p>The academy version of the school resource management self-assessment tool went live in September 2018 and is available here https://www.gov.uk/government/publications/school-resource-management-self-assessment-tool</p>

<p>Budget Setting and Monitoring</p>	<p>Our guidance states that the scheme of finance “should contain a provision requiring each school to submit a plan to the authority by a stipulated date showing its intentions for expenditure in the current financial year and the assumptions underpinning the budget plan. The provision may require the submission of revised plans throughout the year.”</p> <p>It also says the school’s formal annual budget plan must be approved by the governing body or a committee of the governing body.</p> <p>LAs may insert in their schemes a requirement that provisional budget plans be submitted by a certain date; but these should be differentiated from the formal budget plan which should not be required before 1 May.</p>	<p>Academies must set a balanced budget and must produce monthly management accounts which must be shared with the chair of trustees each month and other trustees at least six times a year</p>
<p>Forecasts</p>	<p>LAs submit annual forecasts of their planned spend on children’s services including schools. These are published in a statistical release.</p> <p>Our guidance for local authority schemes for financing schools states the LA “may require schools to submit a financial forecast covering each year of a multi-year period.” We ask LAs to consider and explain how forecasts will be used and to ensure requirements are “proportionate to need.”</p> <p>We don’t specify the timelines for forecasts or collect information on what is requested.</p>	<p>It is a requirement for academy trusts to submit three-year financial forecasts. The ESFA, using financial data supplied by trusts, is also generating wider improvements and delivering value for money for the taxpayer by working with trusts to support effective school resource management, three-year financial forecasting and developing buying hubs and national deals for all schools.</p>

Audit	<p><u>Internal Audit</u></p> <p>The LA will determine an annual risk-based audit programme by reviewing the SFVS. Therefore, not all maintained schools will be subject to internal audit each year. The period within which all schools would be audited at least once will vary between LAs.</p> <p><u>External Audit</u></p> <p>Maintained schools are allowed but not required to procure independent external audits. Maintained schools are included in the remit of the LA statutory external audit but will not be individually audited.</p>	<p>All academy trusts must have an audit committee or equivalent.</p> <p>Academies are required to have an annual independent external audit of their annual report and accounts.</p>
	<p align="center">Both academies and maintained schools have a duty to prevent and detect fraud</p>	
Fraud prevention and reporting	<p align="center">Both academies and maintained schools are required to have whistleblowing policies and procedures in place</p>	
	<p>The LA are required to report instances of fraud (no minimum threshold) to the ESFA on an annual basis via the assurance statement. They provide value and description of fraud and action taken to address the issue: they do not report amounts recovered. Amounts reported in the last 5 years are:</p>	<p>The trust must notify ESFA, as soon as possible, of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any academy financial year. They are required to provide full details of the event(s) with dates, the financial value of the loss, measures taken by the trust to prevent recurrence, whether the matter was referred to the police (and if not why), whether insurance or the RPA have offset any loss. Amounts reported in the last 5 years are:</p>

Year	Total (£ million)
2013-14	1.7
2014-15	2.8
2015-16	1.6
2016-17	1.4
2017-18	0.5

Fraud definition – included in footnote in the CFO assurance statement.

“We define fraud as an intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss. We include cases where management authorised action has been taken, including, but not limited to, disciplinary action, civil action or criminal prosecution. Further information about fraud can be found in Cabinet Office guidance”

Year	Total (£ million)
2013-14	2.8
2014-15	1.0
2015-16	1.4
2016-17	1.1
2017-18	0.9

ESFA may conduct or commission its own investigation into actual or potential fraud, theft or irregularity in any academy trust, and involve other authorities, including the police. ESFA will publish reports about its investigations and about financial management and governance reviews at academy trusts.

ESFA also publishes guidance on reducing fraud in academy trusts. Trusts are required to refer to this and to the findings from ESFA's investigation reports, as part of its risk management approach.

Proven fraud since 2012 totals £4.9m. This involved theft of money by a member of staff over a substantial period.

Last year the value of reported fraud committed against academy trusts was **£778,894** and the amount recovered by academy trusts was £429,681

<p>Reporting of Related Party Transactions (RPTs)</p>	<p>The 2019-20 version of SFVS contains specific questions relating to RPTs:</p> <p>Question 4: “Are business interests of governing body members and staff properly registered and taken into account so as to avoid conflicts of interest?”</p> <p>Question 24: “Are there adequate arrangements in place to manage conflicts of interest or any related party transactions?”</p>	<p>Trusts must report all RPTs to ESFA in advance of the transaction taking place, using ESFA’s on-line form. This requirement applies to transactions made on or after 1 April 2019.</p> <p>From April 2019, all academy trusts have to seek approval from the ESFA for RPT payments of more than £20,000 and all transactions below £20,000 will be declared. These changes will focus on high-risk transactions, but will avoid unnecessary administrative burden to the sector whilst strengthening accountability and transparency.</p> <p>Any transactions with related parties, over a de minimis level, must be “at cost” (i.e. must not involve any element of profit).</p>
<p>Reporting on high pay</p>	<p>LAs are required to list the salaries of all senior officer posts by job title in their statutory accounts. They are also required to list the total number of salaries in pay bands from £50k.</p> <p>Maintained schools are not required to publish salary levels</p>	<p>Academy trusts are required to make an anonymised disclosure of any staff earning over £60,000 in their annual report and accounts. It should be noted that this is a charity accounting requirement rather than something the ESFA has imposed.</p> <p>Effective from the 2018/19 Accounts Return, academy trusts will be required to report the total salary expenditure, broken down into teachers, leadership, and administration and support. For individuals whose full-time equivalent emoluments exceed £100,000, the job title and role description should be disclosed per £10,000 bands; and whether the role is predominantly curriculum and education leadership, (e.g. improving pupil attainment and examination performance), or school business management leadership, (e.g. HR and facilities management functions).</p>

<p>Governance and personal liability</p>	<p>In all types of maintained school the governing body is responsible for selecting, appointing and holding the head teacher to account, and for overseeing the financial performance of the school and making sure its money is well spent.</p> <p>Individual maintained schools have autonomy over the use of their budgets and their governing bodies are responsible and accountable in law and in practice for all of their schools' major decisions.</p> <p>It is the overall governing body that in all cases remains accountable in law and to Ofsted for the exercise of its functions.</p>	<p>Academies differ in three key ways:</p> <ol style="list-style-type: none"> 1. trustees have additional duties under the Companies Act, which reflect their parallel status as company directors, including acting in the public interest, exercising independent judgement and avoiding conflicts of interest. 2. trusts must appoint a senior executive as accounting officer who is personally responsible for the proper stewardship of public funds, including the securing of propriety, regularity and value for money. This is personal responsibility which cannot be delegated. These arrangements ensure that there is a chain of accountability for public money. This chain runs from parliament to the Permanent Secretary as Principal Accounting Officer, through the Chief Executive and Accounting Officer of the Education and Skills Funding Agency to each individual accounting officer of an academy trust. 3. Academies have a greater degree of flexibility in determining the make-up of boards (governed by their Articles of Association) and the prime responsibility for determining the suitability of individuals joining academy trusts rests with trusts themselves.
	<p>The Department's Governor's Handbook applies to both academies and maintained schools and sets out in detail the responsibilities and required high standards, behaviours and skills for all members of governing bodies.</p>	
<p>Intervention and powers to remove governing bodies</p>	<p>Local authorities can:</p> <ul style="list-style-type: none"> - Issue a notice of concern which may place restrictions, limitations and prohibitions on the governing body. - Require the governing body to appoint additional governors. 	<p>Where an academy breaches its terms and conditions the ESFA may issue a Financial Notice to Improve (FNtI).</p> <p>The ESFA can require a trust to dismiss an individual. If the trust refuses to act on such requirements the ESFA ultimately reserves the right to withdraw the academy's funding agreement. Because academy trusts are a charity, they are subject to intervention by the Charity Commission in certain circumstances</p> <ul style="list-style-type: none"> • Number of FNtIs issued (Total): 79 • Number of live FNtIs (Total): 42

	<ul style="list-style-type: none"> - Suspend the delegated budget of a school. - Suspend a governing body and appoint an Interim Executive Board <p>The DfE does not collect data on how often LAs use these powers.</p>	<ul style="list-style-type: none"> • Number of FNtIs issued (since October 2013 – last 5 years): 76 • Number of live FNtIs (since October 2013 – last 5 years): 42
<p>Procurement</p>	<p>Both academies and LA schools operate within the public sector and are required to follow public sector procurement rules concerning free and full competition.</p>	

6. Annex B: Consultation Questions

About You

A) Please provide your name:

B) What is your email address?

C) Are you responding as an individual, or as part of an organisation? (Circle)

D) What is your role?

E) What is the name of your organisation?

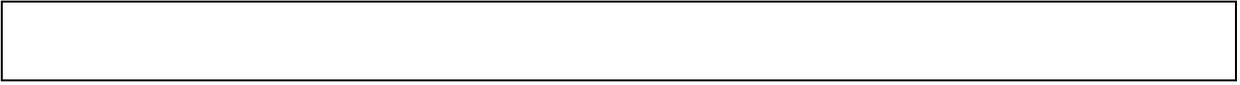
F) What type of organisation is this?

G) Which local authority are you responding from?

H) Are you happy to be contacted directly about your response?

Yes / No

I) How did you hear about the consultation?



Information provided in response to consultations, including personal data, may be subject to publication or disclosure under the Freedom of Information Act 2000, the Data Protection Act 2018 or the Environmental Information Regulations 2004.

If you want all, or any part, of a response to be treated as confidential, please explain why you consider it to be confidential.

If a request for disclosure of the information you have provided is received, your explanation about why you consider it confidential will be taken into account, but no assurance can be given that confidentiality can be maintained. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department for Education will process your personal data (name and address and any other identifying material) in accordance with the Data Protection Act 2018, and your personal information will only be used for the purposes of this consultation. Your information will not be shared with third parties unless the law allows it.

You can read more about what the DfE does when we ask for and hold your personal information in our [personal information charter](#).

I) Do you wish for your response to remain confidential?

Yes / No

Proposals

Proposal 1: Making public where local authorities are failing to comply with deadlines for completing assurance returns and financial collections

Please refer to **paragraphs 3.2 - 3.10** of the consultation document before responding to this proposal.

Local authorities, and maintained schools, are obliged to complete the following assurance returns and financial collections:

- Schools Financial Value Standard
- Dedicated Schools Grant

We have reviewed the approach to late returns that the ESFA has adopted this year for the academy sector, whereby they publish (on GOV.UK) the names of trusts who are late in submitting more than 2 out of 4 annual returns and believe similar measures could be used in the LA maintained schools sector.

- 1) Please indicate whether you agree or disagree with the proposal below.
Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
<p>We propose to publish the names of local authorities on GOV.UK who fail to comply in any financial year with more than two deadlines from the following collections:</p> <ul style="list-style-type: none">▪ School Financial Value Standard (SFVS)▪ Dedicated Schools Grant CFO assurance statement▪ Consistent Financial Reporting▪ Section 251 Budget▪ Section 251 Outturn			

Comments

Proposal 2a: Strengthening DSG annual assurance returns: Collecting the number of schools with suspended budgets and notices of financial concern through existing DSG assurance statement

Please refer to **paragraphs 3.11 - 3.14** of the consultation document before responding to this proposal.

- 1) Please indicate whether you agree or disagree with the proposal below.
Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
We propose to collect the number of schools with suspended budgets and notices of financial concern through the existing DSG assurance statement signed by the local authority CFO at the end of the financial year.			

Comments

Proposal 2b: Strengthening DSG annual assurance returns: Adding a new section to the DSG assurance statement that captures the amounts that LAs have recovered from investigating fraud

Please refer to **paragraphs 3.11 - 3.15** of the consultation document before responding to this proposal.

Currently, local authorities recover funds from fraud investigations but only inform DfE of the number and value of reported cases, not the value of money recovered

**1) Please indicate whether you agree or disagree with the proposal below.
Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
We propose to add a new section to the DSG assurance statement that captures the amounts that LAs have recovered from investigating fraud			

Comments

Proposal 3: Requiring maintained schools to provide local authorities with 3-year budget forecasts

Please refer to **paragraphs 3.16 – 3.21** of the consultation document before responding to this proposal.

Local authorities are required to maintain schemes for financing schools, which set out the financial relationship they have with their maintained schools. We have recently introduced a requirement for academies to send the department a three-year budget plan and we believe that this could be extended to maintained schools in the form of sending a three-year budget plan to their maintained authority.

**1) Please indicate whether you agree or disagree with the proposal below.
Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
We propose a directed revision of the schemes for financing schools to make it a requirement for maintained schools to provide local authorities with three-year budget forecasts			

Comments

Proposals 4 (a,b,c): Strengthening Related Party Transaction arrangements in maintained schools:

Please refer to **paragraphs 3.22 – 3.29** of the consultation document before responding to these proposals. The three proposals are alternatives to one another.

Academy trusts must report all Related Party Transactions (RPTs) to ESFA in advance of the transaction taking place, using ESFA’s on-line form. This requirement applies to transactions made on or after 1 April 2019. Since April 2019, all academy trusts have had to seek approval from the ESFA for RPT payments of more than £20,000 and all

transactions below £20,000 must be declared. The arrangements for reporting RPTs in maintained schools are not as stringent as those in academy trusts.

Proposal 4a: : Making schools append a list of RPTs to their response to the new question in the Schools Financial Value Standard (SFVS) about their arrangements for managing RPTs, so that the information goes to the local authority and can be passed on to the department

**1) Please indicate whether you agree or disagree with the proposal below.
Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
<p>We propose to make schools append a list of RPTs to their response to the new question in the SFVS about their arrangements for managing RPTs.</p> <p>In addition, we would insert additional columns into the CFO Assurance Statement, to request the number of RPTs and value for each to be disclosed.</p>			

Comments

Proposal 4b: Making a directed revision to the statutory Scheme for Financing Schools to require schools to report all RPTs, or RPTs above a certain threshold, directly to the local authority

1) Please indicate whether you agree or disagree with the proposal below.
Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
We propose to amend the scheme for financing schools to require schools to report all RPTs, or RPTs above a certain threshold, directly to the local authority.			

Comments

Proposal 4c: Making a directed revision to the statutory Scheme for Financing Schools to require schools to seek permission from the local authority to enter into RPTs above a certain amount.

Please indicate whether you agree or disagree with the proposal below. Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
We propose to amend schemes to require schools to seek permission from the authority to enter RPTs above a threshold.			

Comments

Proposal 5: Requiring maintained schools to be subject to internal audit at least every 3 years

Please refer to **paragraphs 3.30 – 3.34** of the consultation document before responding to this proposal.

Schools are within the overall audit arrangements determined by the local authority’s statutory section 151 officer (CFO). Authorities operate internal audit teams whose work is then relied on by their external auditors. Most audit plans use a risk-based approach with some themed audits. We have learned in discussion with local authorities that the cycles for auditing-maintained schools vary a great deal and, in some cases, have fallen into disuse. Consequently, we think there is a case for action.

- 1) Please indicate whether you agree or disagree with the proposal below.
Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
We propose to make a directed revision to the scheme guidance to require that every maintained school be subject to internal audit at least every 3 years.			

Proposals 6 (a,b,c): Strengthening arrangements to help schools that are in financial difficulty:

Please refer to **paragraphs 3.35 – 3.37** of the consultation document before responding to these proposals. These proposals are additive, and we could implement all three together.

There is currently no requirement for local authorities to report to the department their plans for addressing financial difficulty in specific schools. Local authorities include both a deficit and surplus policy within their scheme for financing schools and monitor their schools’ compliance with these. We have not previously collected information from authorities on the number of schools they intervene in but consider that this evidence base would help us to understand any variances in the level of support provided and target additional support from the Department.

Proposal 6a: Requiring schools to submit a recovery plan to their maintaining authority when their deficit rises above 5%

**1) Please indicate whether you agree or disagree with the proposal below.
Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
We propose to make a directed revision to the scheme for financing schools requiring schools to submit a recovery plan to their maintaining authority when their deficit rises above 5%.			

Comments

Proposal 6b: Collecting information on the number of recovery plans in each LA through DSG annual assurance returns from the CFO

**1) Please indicate whether you agree or disagree with the proposal below.
Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
We propose to collect information on the number of recovery plans in each LA through the DSG annual assurance return from the CFO.			

Comments

Proposal 6c: Writing to local authorities each year when the end-year data is published, specifying the threshold of deficit that would trigger contact with the Department

1) Please indicate whether you agree or disagree with the proposal below. Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
<p>We propose to formalise the approach to working with LAs and include a request for high level action plans from some LAs. This will be achieved by:</p> <ul style="list-style-type: none"> • Sharing published data on the school balances in each LA • Use this data and evidence-based requests from LAs to ensure support is focused where it is needed • Request high level action plans from LAs in which the number or proportion of school revenue deficits over 5% is above a certain level. 			

Comments

Proposal 7: Increasing transparency in the reporting of high pay for school staff

Please refer to **paragraphs 3.38 – 3.41** of the consultation document before responding to this proposal.

Currently there is a disparity between public access to information on high salaries within maintained schools and academies. Salary ranges within the national pay framework are published annually in the School Teachers Pay and Conditions Document – these apply to teachers and leaders in maintained schools.

Academy trusts must disclose in their published financial statements information about each individual earning over £100k - specifically (i) their total FTE salary in £10k bandings, e.g. £100k - £110k, (ii) their job role and description and (iii) whether they are predominantly focussed on curriculum and education leadership or school business management leadership. We believe that this measure should be introduced for LA maintained schools and would require them to publish annually on their websites the number of individuals earning over £100K in £10K bandings.

- 1) Please indicate whether you agree or disagree with the proposal below.
Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
We propose that all LA maintained schools should be required to publish annually on their websites the number of individuals (if any) earning over £100K in £10K bandings			

Comments

--

Proposal 8: Increasing transparency in reporting maintained school income and expenditure

Please refer to **paragraphs 3.42 – 3.45** of the consultation document before responding to this proposal.

Local authority school accounts are part of the local authority statements of accounts that are published at gross level for income and expenditure. While individual schools are not included on the LA balance sheet, individual maintained schools are required to produce annual income and expenditure statements, known as Consistent Financial Reporting (CFR), or else local authorities produce them on the schools' behalf. The department publishes all the information from CFR in a spreadsheet but we believe it would add significantly to transparency if there were a requirement for individual schools to publish annually on their websites their latest CFR statements.

Please indicate whether you agree or disagree with the proposal below. Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
We propose that all LA maintained schools should be required to publish annually on their websites their latest Consistent Financial Reporting statement of income, expenditure and balances.			

Comments

New financial burdens on local authorities

Local authorities are invited to fill in the table below to indicate and quantify any new burdens they believe would arise from the proposals in this document. Please specify in as much detail as possible what costs you believe would arise and provide figures.

Proposal	Yes/No	Details and quantification of cost
2a		
2b		
3		
4a		
4b		
4c		
5		
6a		
6b		
Other proposals (please specify)		

Additional costs for schools

Respondents are invited to fill in the table below to indicate and quantify any additional costs they believe would arise for schools from the proposals in this document. Please specify in as much detail as possible what costs you believe would arise and provide figures.

Proposal	Yes/No	Details and quantification of cost
3		
4a		
4b		

4c		
5		
6a		
7		
8		
Other proposals (please specify)		

7. Respond Online

7.1 To help us analyse the responses please use the online system wherever possible. Visit www.education.gov.uk/consultations to submit your response.

Other ways to respond

7.2 If for exceptional reasons, you are unable to use the online system, for example because you use specialist accessibility software that is not compatible with the system, please email or write to the addresses below and we will send you a word document version.

By email

- LAFinancialTransparency.CONULTATION@education.gov.uk

By post

LA Financial Transparency Measures
Department for Education
5th Floor
2 St Pauls Place
125 Norfolk Street

Sheffield
S1 2JF

Deadline

7.3 The consultation closes on 30 September 2019



Department
for Education

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Department
for Education

Extending the Academies Risk Protection Arrangement (RPA) to Local Authority Maintained Schools (LAMS)

Government consultation

Launch date: 9 September 2019

Respond by: 4 November 2019

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Introduction

The Department is considering extending the risk protection arrangement (RPA) currently operational for academy trusts (ATs) to the local authority maintained school (LAMS) sector, so that sector can benefit from financial savings such as ATs have attained through membership of the RPA.

This public consultation exercise seeks views on extending the RPA to LAMS provision and will allow those with comments, views or concerns to express them. The Government will then make a decision on whether the RPA should be extended to LAMS in England.

Who this is for

- Local Authorities in England
- Governing bodies of local authority maintained schools in England
- Academy trusts
- Church and other foundation and trust bodies
- The insurance industry and suppliers of insurance services including relevant insurance trade bodies and associations

Issue date

The consultation was issued on 9 September 2019.

Enquiries

If your enquiry is related to the policy content of the consultation you can contact the team via email:

RPA.consultation@education.gov.uk

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the DfE Ministerial and Public Communications Division by email: Consultations.Coordinator@education.gov.uk or by telephone: 0370 000 2288 or via the DfE contact us page.

The response

The results of the consultation and the Department's response will be [published on GOV.UK](#) in December 2019.

About this consultation

Context

The department commenced the risk protection arrangement (RPA) on 1 September 2014, for academies, on an opt-in basis, as an alternative to commercial insurance.

The RPA project was initiated in order to help reduce the cost to the public purse of protecting academies against risk (an outline of the risks covered by the RPA is at Annex B). In 2014 the average cost of commercial insurance for academies was £49.93 per pupil. The RPA launched in September 2014 at a cost of £25 per pupil. In the light of claims experience to date, the RPA has been able to reduce its cost to £18 per pupil in 2019/20.

We are now looking at the potential to extend the RPA to LAMS in England in order to help reduce the cost of protecting them from risk.

It is not possible to be precise about the cost of insurance for LAMS. However, the statistical release (SR) on local authority and school expenditure in 2017/18, drawing on Consistent financial reporting (CFR) returns from LAMS, shows £46m spend on staff insurance and £140m on premises and other insurance¹. The SR counts 4,244k pupils in LAMS, indicating an average annual commercial insurance spend per pupil of £44. Some of this would actually be spent by local authorities to insure LAMS and some by LAMS themselves.

To date the RPA has realised significant savings to the Academies sector for the areas of risk it covers, which has allowed the savings to be used for other purposes.

We believe that the LAMS sector is similar to Academies in its need for risk cover, since the operations of the schools are similar, and that extending the RPA to LAMS can also realise savings.

Academies are classified by the Office for National Statistics (ONS) as public bodies belonging to the central government sector. Governing bodies of LAMS are also public bodies and are regarded as part of the local government sector. Governing bodies spend money delegated to them by a local authority from their schools budget as the agent of the local authority (section 49(5) of the School Standards and Framework Act 1998). Consequently we believe that it is appropriate to consider extending the RPA to LAMS.

¹ <https://www.gov.uk/guidance/consistent-financial-reporting-framework-cfr#consistent-financial-reporting-framework-2017-to-2018>

The proposal

We propose that in principle the coverage of the LAMS arrangement and the cost per pupil should be the same as for the current RPA, since we believe the risks faced by LAMS are similar to those faced by academies. As in the academy arrangement, cost for special schools and alternative provision (pupil referral units) would be expressed per place rather than per pupil. A summary of proposed coverage, corresponding to the academy arrangement, is in the table at Annex B.

The arrangement rules set out the basis of membership, the risks covered and the process for making claims. We propose to have a modified set of rules for LAMS with Trustees, as we do already for Church academies. The academy and Church academy rules can be found at <https://www.gov.uk/government/publications/risk-protection-arrangement-rpa-for-academy-trusts-membership-rules>

We recognise that for other LAMS where the LA owns the premises and employs the staff there will need to be adjustments to the wording of the rules so that the coverage of risks works in the right way. We intend to discuss this with the Local Government Association and local authority representatives. We would also appreciate your views about what adjustments you think will be needed (see the questions in Annex A).

Academy trusts in membership of the RPA contribute to the RPA by having an amount deducted from their General Annual Grant before it is paid to them. In line with this approach, we propose that where individual governing bodies of LAMS join the RPA the financial mechanism will be an adjustment to their budget share and a corresponding adjustment to the local authority's Dedicated Schools Grant (DSG). In order to achieve this the Department proposes to amend Parts 2 and 3 of the new School and Early Years Finance Regulations to introduce a new formula factor of membership of the RPA which will result in a negative adjustment to the school's budget share. Local authorities would be required to use this factor. The Department would then make an equivalent negative adjustment to the local authority's DSG.

We propose that it will also be possible for all LAMS in a LA to join collectively by agreeing through the Schools Forum to de-delegate funding, as they currently can for purposes including insurance. In that case we propose the LA would apply for membership on behalf of all of the schools, though LAMS would become individual members and make individual claims. In order to facilitate that we intend to add the RPA to the current paragraph in Part 6 of Schedule 2 to the Regulations that allows

schools to de-delegate funding from their budget share for insurance. In that case the LA will be holding the money and only an adjustment to its DSG will be needed.

We propose also to make directed revisions to local authorities' schemes for funding schools so that wherever the scheme refers to insurance it also refers to membership of RPA for LAMS as an alternative.

Respond online

To help us analyse the responses please use the online system wherever possible. Visit www.education.gov.uk/consultations to submit your response.

Other ways to respond

If for exceptional reasons, you are unable to use the online system, for example because you use specialist accessibility software that is not compatible with the system, you may download a word document version of the form and email it or post it.

By email

RPA.consultation@education.gov.uk

By post

Risk Protection Arrangement for Academies Team
Schools Commercial Team
Piccadilly Gate
Store Street
Manchester
M1 2WD

Deadline

The consultation closes on 4 November 2019.

Annex A: consultation questions

Preliminary Questions

1. What is your name? (Where you wish to remain anonymous, please leave blank)

2. What is your email address?

If you enter your email address then you will automatically receive an acknowledgement email when you submit your response.

3. Are you responding as an individual or as part of an organisation?

- a. Individual
- b. Part of an organisation

4. What is the name of your organisation (if applicable)?

5. What type of organisation is this (if applicable)?

- a. Mainstream local authority maintained school
- b. Special local authority maintained school
- c. Academy or free school
- d. Multi-academy trust
- e. Independent school
- f. Independent special school
- g. Non-maintained special school
- h. Sector organisation
- i. Charity
- j. Local Authority
- k. Commercial Insurance Provider
- l. Insurance Body/Organisation
- m. Other – Please provide organisation details

6. What is your role?

- a. Governor
- b. Multi-academy trust member
- c. Headteacher/ Principal Teacher
- d. Parent
- e. Local authority councillor
- f. Local authority finance officer
- g. School Business Professional
- h. Insurance Company Employee
- i. Industry Expert
- j. Other – Please provide role details

7. Which local authority are you responding from? (where applicable)

8. Are you happy to be contacted directly about your response?

- a. Yes
- b. No

Questions on the consultation

(Please use the comments box to give more details for each question where relevant)

9. Does the proposed RPA cover of Local Authority Maintained Schools impact you or your organisation directly or indirectly? Please let us know what the impact would be, and if this would cause any concerns or issues.
 - a. Yes
 - b. No
 - c. Unsure
 - d. Comments

10. In principle, do you or your organisation support the proposed extension of RPA cover to Local Authority Maintained Schools?
 - a. Yes
 - b. No
 - c. Unsure
 - d. Comments

11. Have you any comments on what adjustments you think would be needed to the rules of the RPA to cover the circumstances of Local Authority Maintained Schools?
 - a. Yes
 - b. No
 - c. Unsure
 - d. Comments

12. Have you any comments on the proposed arrangements for adjusting budget shares and DSG and amending the regulations in respect of the RPA?
 - a. Yes
 - b. No
 - c. Unsure
 - d. Comments

13. Do you wish for your response to remain confidential?
 - a. Yes
 - b. No

Annex B: the proposed RPA LAMS membership rules - what the scheme will cover

The risk protection arrangement for LAMS will cover:

Type of risk	Limit
Material damage	Reinstatement value of the property
Business interruption	£10 million any one loss
Employers' liability	Unlimited
Third party liability	Unlimited
Governors' liability	£10 million any one loss and any one membership year
Professional indemnity	Unlimited
Employee and third party dishonesty	£500,000
Money	Various, including cash on premises or in transit £5,000
Personal accident	Death and capital benefits £100,000
United Kingdom travel	Baggage and money £2,000 per person. Cancellation £1,000 per person
Overseas travel including winter sports	Includes: baggage £2,000 in total per person (inner limits apply), money £750 per person, medical expenses £10,000,000, cancellation £4,000 per person..
Legal expenses	£100,000 any one loss and any one membership year
Cultural assets	£10,000 on any one cultural asset or £250,000 any one multiple loss



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for Education

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Response ID ANON-G377-XSXR-W

Submitted to **Funding for SEND and those who need AP: Call for evidence**
Submitted on 2019-07-29 13:56:14

Introduction

A Name

First name:

Andrew

Last name:

Redding

B What is your email address?

Email:

andrew.redding@bradford.gov.uk

C Response type

Are you responding as an individual or as part of an organisation?:

Part of an organisation

What is your role?:

Local authority finance officer

What is the name of your organisation?:

City of Bradford MDC - Schools Forum (this is a response on behalf of the Schools Forum)

What type of organisation is this?:

Local Authority

D Which local authority are you responding from?

Local Authority:

Bradford

E Are you happy to be contacted directly about your response?

Yes

Confidentiality

F Do you wish for your response to remain confidential?

No

If you wish for your response to remain confidential, please tell us why.:

Funding for pupils with SEN in mainstream schools

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.

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. - Age-weighted pupil unit of funding:

4

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. - Low prior attainment†:

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. - IDACI†† – a measure of area deprivation:

2

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. - Eligibility for free school meals – a measure of deprivation relating to

individual children:

3

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. - Mobility – additional funding for schools that have a high proportion of pupils who start at a school mid-year:

5

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. - Standard lump sum – intended to reflect fixed costs of a school, however many pupils and teachers are required:

6

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. - Other (please add below any other factors you think are important for ensuring that schools get an annual budget that enables them to provide appropriate SEN support):

7

Further comments:

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.

Funding for SEN through the schools funding formula

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?

Unsure

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?

Comments:

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.

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

Comments:

Please see our response to question 3

Targeted funding and support for SEN provision in schools

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.

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.:

Neither agree nor disagree

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. - 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

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. - 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

Comments:

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 SEN Budget

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?

Very helpful

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?

Other (please comment):

n/a - this is a Schools Forum 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?

Yes

Do you have any further comments on the notional SEN budget?:

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.

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.:

Agree

Please indicate whether or not you agree with the following statements. - 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.†:

Disagree

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

Please indicate whether or not you agree with the following statements. - The operation of the £6,000 threshold should take account of particular circumstances.:

Disagree

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.

If you have agreed that the £6,000 threshold should be modified so that particular circumstances are taken into account., please indicate below which circumstances you think would be relevant for a modified threshold or different funding arrangement. - Schools that are relatively small.:

If you have agreed that the £6,000 threshold should be modified so that particular circumstances are taken into account., please indicate below which circumstances you think would be relevant for a modified threshold or different funding arrangement. - Schools that have a disproportionate number of pupils with high needs† or EHC plans.:

If you have agreed that the £6,000 threshold should be modified so that particular circumstances are taken into account., please indicate below which circumstances you think would be relevant for a modified threshold or different funding arrangement. - When pupils with EHC plans are admitted to a school during the year, which may create unintended consequences.††:

If you have agreed that the £6,000 threshold should be modified so that particular circumstances are taken into account., please indicate below which circumstances you think would be relevant for a modified threshold or different funding arrangement. - Other (please specify below):

Comments:

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: 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.

Provision for pupils with SEN in mainstream schools

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?

Not Answered

Comments:

no response (this is Schools Forum level response)

12 How is this determined?

Not Answered

13 How is this offer communicated to parents?

If the offer is publicly available, please provide a web link.:

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

Not Answered

15 How is this articulated?

If this is publicly available, please provide a web link.:

Funding for pupils who need alternative provision (AP) or are at risk of exclusion from school

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

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:

Somewhat agree

Please indicate your agreement or disagreement with the following statements. - The current AP funding arrangements help schools and AP to reintegrate children from AP back into mainstream schooling where this is appropriate:

Somewhat agree

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

Comments:

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.

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?

Comments:

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.

Comments:

Funding for students with SEN 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?

Yes

Comments:

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.

Comments:

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.

Comments:

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.

Improving early intervention at each age and stage to prepare young people for adulthood sooner

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

Not Answered

Comments:

no response

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.

Comments:

no response

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.

Please indicate below any other transition points that you think we should look at.:

no response

Effective partnership working to support children and young people with complex needs

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.

Comments:

<http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/education-committee/special-educational-needs-and-disabilities/written/85259.html>

We would refer to section 1 and the 1st recommendation in the written evidence to the Select Committee (link above), which was presented in response to the now critical issue of the distribution / definition of financial responsibilities for children with continuing care needs between local authorities, schools and health agencies:

1.11 The National Institute for Health and Care Excellence is given a commission to review the medical and health services provided to children with NHS care plans in specialist educational settings, and produce guidance about national standards in the commissioning and delivery of health and care services to children in these sub-clinical settings.

this is a matter that requires urgent attention

Other aspects of the funding and financial arrangements

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

Comments:

no response

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?

Comments:

no response

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SCHOOLS FORUM AGENDA ITEM

For Action



For Information



Brief Description of Item

Members are asked to consider and agree newly proposed allocations to primary schools and academies from the established DSG Schools Block Growth Fund in 2019/20.

Date (s) of any Previous Discussion at the Forum

The criteria for funding expanding schools and bulge classes in 2019/20 were included as part of the consultation on Primary and Secondary funding in 2019/20, and were agreed by members prior to submission of our final Schools Block pro-forma to the ESFA in January 2019.

Background / Context

As was the case in 2018/19, the School and Early Years Finance (England) Regulations 2019 allow for a Growth Fund to be held and managed centrally within the Schools Block of the DSG. The Regulations require that this fund is:

- ringfenced i.e. cannot be spent on any other purpose. Any unspent growth funding remaining at the year-end should be reported to the Schools Forum. Funding may be carried forward to the following funding period, and can be used again specifically for growth if the authority wishes.
- available to be accessed by both maintained schools and academies across the District (with both maintained school and recouplement academy budgets contributing to the cost of this fund).

The Regulations also require that local authorities consult their Schools Forum before incurring any expenditure. How the Growth Fund operates is still currently for local determination but is currently under review within the National Funding Formula transition.

The criteria and mechanisms for allocating funding from the Growth Fund in Bradford were agreed by Forum members following the consultation held in October 2018, and were part of our final Schools Block APT (pro-forma) submitted to the ESFA in January 2019. Funding has already been allocated and agreed for existing primary expansions and bulge classes in 2019/20; this funding was included in 2019/20 Section 251 Budget statements for maintained schools and in Authority payments to academies.

The agreed criteria and mechanisms for allocating growth funding to primary schools / academies in 2019/20 are the same as in 2018/19 and are, in summary, as follows:

- Where a school / academy is expanding or admitting a bulge class for the first time in September 2019, the school / academy is allocated 80% of the value of the 2019/20 base amount per pupil for the additional planned intake number, for the remaining proportion of the year i.e. $80\% \times \text{£Base APP} \times \text{additional planned intake number} \times 7/12$. In the following financial year, funding is then allocated as follows:
 - A permanently expanding school / academy would receive funding calculated on the difference between the October Census pupil numbers and a calculation of the composite $5/12 + 7/12$ numbers, based on an estimate of the following year September intake. The school / academy will then be allocated 80% of the value of the additional base amount per pupil, for the additional number of calculated pupils.
 - No additional funding is necessary or allocated for a school / academy that has a bulge class of 30 pupils from the previous year; this additional class is automatically funded within the normal budget as the full class will be included in the October Census.
 - Additional funding is allocated, however, for a school / academy that has a half bulge class in each year for the lifetime that half class is at the school / academy. An additional sum is allocated based on 80% of the value of the base amount per pupil for the difference between 30 and the actual number of children in the half class. E.g. For an existing half class of 15 pupils the funding would be calculated as $(30-15) \times \text{£Base APP} \times 80\%$.

Details of the Item for Consideration

This paper asks members to consider allocations from the Primary Growth fund to 2 primary schools that are expanding in September 2019; the funding will support an increase in provision as follows:

- **Low Ash Primary School** will admit a bulge class of 30 pupils at September 2019, resulting in an allocation of **£38,465** in 2019/20.
- **Dixons Music Academy** will increase its year 6 number from 30 to 60 at September 2019 in the final step to its full establishment. This expansion was missed in the APT calculations and should have been funded through a full adjustment to pupil numbers as a newly establishing school. As such, the allocation from the growth fund for the period September 2019 – March 2020 is **£65,622**.

Please note that allocations for expansions in the secondary phase at September 2019 will be presented to the Schools Forum for agreement in December (following the confirmation of October Census numbers). Indicative values will be provided to schools and academies prior to this for their planning purposes.

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

The Forum has set aside the following values of Growth Fund for new expansions during 2019/20:

- Primary £200,000
- Secondary £645,000

The remaining balance of the Primary Growth Fund in 2019/20, after the 2 allocations set out above, will be £95,913. No allocations have yet been formally agreed by the Schools Forum from the Secondary Growth Fund (will be presented in December).

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

The Local Authority has a duty to ensure that sufficient high-quality provision is available to meet the needs of all Bradford District children.

Allocations of funding from the Growth Fund are necessary to support schools and academies throughout their expansion in order that the District meets the demands of the local population.

Recommendations

Primary Forum members are asked to agree to allocate a total of £104,087 from the Primary Growth Fund to the following schools in 2019/20:

- **Low Ash Primary School £38,465**
- **Dixons Music Academy £65,622**

List of Supporting Appendices / Papers

None.

Contact Officer (name, telephone number and email address)

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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 development and implementation of National Funding Formula.

Date (s) of any Previous Discussion at the Forum

The Schools Forum made its recommendations on the 2019/20 DSG on 9 January 2019. Updates, which included areas of review, were presented to the Schools Forum in March and July.

Background / Context

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.

In our update in July, we outlined what we knew at this time from announcements previously made:

- 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 also indicated that:
 - NFF composition changes may be implemented for 2020/21 irrespective of decisions to be taken about levels of funding.
 - 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.
- 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.

Details of the Item for Consideration

The Secretary of State made a statement on education funding to Parliament on Tuesday 3 September. This was followed by the Chancellor's Autumn Spending Round statement on Wednesday 4 September.

At time of writing this report for the Schools Forum, the DfE has not yet published the detailed information on the DSG settlement or National Funding Formula, or its operational guidance on formula funding arrangements, which are necessary for us to set out a full assessment of the position and options for 2020/21. This detailed information is expected between now and early October. Any further information that is published between the writing of this report and the Forum meeting will be summarised verbally.

Although what has been announced so far does allow us to begin to think about options, there are three critical DSG announcements that have not yet been made:

- The position of the funding of maintained nursery schools for the full 2020/21 financial year.
- How the additional £700m for high needs is to be allocated and how much more Bradford will receive in 2020/21.
- The extent to which any changes as a result of the DfE's Call for Evidence on the financial arrangements for SEND and alternative provision (place-funding value, notional SEND, £6,000 threshold etc) will be brought into high needs funding arrangements in 2020/21.

Combining the two statements to Parliament on 3 and 4 September:

- This is a 3 year funding settlement for schools, which increases the national schools budget by £7.1bn to £52.2bn by 2022/23 (£4.6bn above inflation).
- The intention to move to a 'hard' NFF in the Schools Block "as soon as possible" is "re-affirmed", but no explicit timeframe is yet given.
- The settlement for primary and secondary schools and academies is calculated so that funding for all schools and academies can rise at least in line with inflation in 2020/21. The inflation figure used in the Autumn Spending Round statement is 1.8%.
- The damping within the Schools Block National Funding Formula will be fully removed (releasing all NFF gains in the Schools Block). For schools already on their NFF allocations, "the per pupil values in the formula will increase by at least 4% in nominal terms in 2020/21".
- At school level, the secondary phase minimum formula funding per pupil value will be increased from £4,800 to £5,000 in 2020/21. The primary phase minimum will be increased from £3,500 to £3,750 in 2020/21 and then to £4,000 in 2021/22. It is unclear whether these are required or optional increases.
- This settlement is in addition to the continuation of additional funding over the next 3 years to cover the increased cost of employer contributions to teacher pensions.
- The national budget for early years is increased in 2020/21 by £66m, which is c. 1.8% on 2019/20 (so covering inflation).
- "Over" £700m is additionally allocated for high needs in 2020/21.
- An additional £400m is allocated for 16-19 funding - £190m to raise core funding (base rate funding) from £4,000 to £4,188 in 2020/21 and £210m focused on targeted interventions such as high cost programmes, English and Maths resits, T levels, the Advanced Maths Premium and workforce investments.
- The announcements also included:
 - The intention to lift the inspection exemption on outstanding schools.
 - The intention to work with Ofsted to develop "utilisation of funding" judgements for inspections.
 - Additional funding to allow strong academy trusts to expand.
 - Funding to increase the NLE level of support available to some of the most challenging schools that require improvement (those that have been RI for a decade).
 - Funding to continue to expand the Resource Advisors programme.
 - The aim of increasing the starting salary of teachers to £30k by 2022/23.
 - The intention to launch an "ambassador schools" programme to pilot teacher flexible working.
 - £10m to establish national behaviour hubs led by Tom Bennett.
 - The intention to consult on revised behaviour and exclusion guidance.

Details of the Item for Consideration

- In addition to the three critical missing pieces of detail, the announcements so far have also not yet provided information on:
 - The Central Schools Services Block (NFF damping and historic commitments funding).
 - Capital funding for high needs.
 - The position of the teacher pay grant in 2020/21.
 - The position of other main school grants (Pupil Premium Grant, PE& Sports Premium, UIFSM, Year 7 Catch Up), including the extent to which these grants (and also the funding for teacher pensions) may remain separate or may be 'mainstreamed' into formula funding.
 - The position of the discrete allocation within the High Needs Block for medical / hospital education, where the intended consultation has been 'parked'.
 - Whether the Schools Block NFF will extend as expected in 2020/21 to cover pupil mobility.
 - What the continued approach is within the Schools Block to the funding of PFI costs.
 - The level of flexibility permitted to transfer Schools Block funds to the High Needs Block.

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

Direct and significant - as set out in the report (this is an item for information)

Recommendations

Recommended – The Schools Forum is asked to note the information presented and to begin to consider the implications for the 2020/21 DSG budget planning round.

List of Supporting Appendices / Papers (where applicable)

None

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Statement to Parliament 9 September

Today I am confirming detailed aspects of schools and high needs funding arrangements for 2020-21. This follows a statement by the Secretary of State for Education on 3 September, which confirmed to Parliament that the funding for schools and high needs will, compared to 2019-20, rise by £2.6 billion for 2020-21, £4.8 billion for 2021-22, and £7.1 billion for 2022-23.

In 2020-21, this funding will be distributed using the Schools and High Needs National Funding Formulae (NFF). We will be publishing provisional NFF allocations at local authority and school level in October, including local authorities' final primary and secondary units of funding for the Schools Block. Alongside this, in the usual way, we will publish technical documents setting out the detail underpinning the formulae. We will then publish final schools and high needs allocations for local authorities in the Dedicated Schools Grant (DSG) in December.

The Schools NFF for 2020-21 will continue to have the same factors as at present, and we will continue to implement the formula to address historic underfunding and move to a system where funding is based on need. The key aspects of the formula for 2020-21 are:

- The minimum per pupil funding levels will be set at £3,750 for primary schools and £5,000 for secondary schools. The following year, in 2021-22, the primary minimum level will rise to £4,000.
- The funding floor will be set at 1.84% per pupil, in line with the forecast GDP deflator, to protect per pupil allocations for all schools in real terms. This minimum increase in 2020-21 allocations will be based on the individual school's NFF allocation in 2019-20.
- Schools that are attracting their core NFF allocations will benefit from an increase of 4% to the formula's core factors.
- There will be no gains cap in the NFF, unlike the previous two years, so that all schools attract their full core allocations under the formula.
- As previously set out, we will make a technical change to the mobility factor so that it allocates this funding using a formulaic approach, rather than on the basis of historic spend.
- Growth funding will be based on the same methodology as this year, with the same transitional protection ensuring that no authority whose growth funding is unwinding will lose more than 0.5% of its 2019-20 schools block allocation.

The Secretary of State confirmed on 3 September the government's intention to move to a 'hard' NFF for schools – where budgets will be set on the basis of a single, national formula. We recognise that this will represent a significant change and we will work closely with local authorities, schools and others to make this transition as smoothly as possible.

In 2020-21 local authorities will continue to have discretion over their schools funding formulae and, in consultation with schools, will ultimately determine allocations in their area. However, as a first step towards hardening the formula, from 2020-21 the government will make the use of the national minimum per pupil funding levels, at the values in the school NFF, compulsory for local authorities to use in their own funding formulae.

In addition, two important restrictions will continue:

- Local authorities will continue to set a Minimum Funding Guarantee in local formulae, which in 2020-21 must be between +0.5% and +1.84%. This allows them to mirror the real terms protection in the NFF, which is the Government's expectation.
- Local authorities can only transfer up to 0.5% of their School Block to other blocks of the DSG, with schools forum approval. To transfer more than this, or any amount without schools forum approval, they will have to make a request to the Department for Education, even if the same amount was agreed in the past two years.

The High Needs NFF for 2020-21 will also have the same factors as at present. With over £700 million of additional funding, the formula will:

- Ensure that every local authority will receive an increase of at least 8% per head of 2 to 18 population through the funding floor. This minimum increase in 2020-21 allocations will be based on local authorities' high needs allocations in 2019-20, including the additional £125 million announced in December 2018.
- Above this minimum increase, the formula will allow local authorities to see increases of up to 17%, again calculated on the basis of per head of population.

The teachers' pay grant and teachers' pension employer contributions grant will both continue to be paid separately from the NFF in 2020-21. We will publish the rates that determine the 2020-21 allocations in due course.

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 outlines the draft working principles that are being considered for the development of Bradford's formula funding arrangements for 2020/21.

Date (s) of any Previous Discussion at the Forum

These principles have not yet been considered specifically for 2020/21 but follow from principles established in the Forum's DSG previous decision making.

Background / Context

This report follows from Document KV (National Funding Formula). These principles are considered prior to the finalisation of the Authority's formal proposals for formula funding arrangements for 2020/21.

The Authority expects consultation reports, for the Schools Block, Early Years Block and High Needs Block, to be presented to the Schools Forum at the next meeting, with these consultations being published immediately after. Following this timetable, responses to these consultations will be considered by the Forum at its December meeting. The Schools Forum will be required to make its final recommendations on 2020/21 DSG and formula funding arrangements at its January 2020 meeting.

As we set out in July, 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. 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 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 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.
- 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 and complete 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.
- 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. It has also included the adoption of a new holistic SEND Inclusion model. 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.
- Identified the significance of pending DfE decisions concerning the continuation or cessation of the Maintained Nursery Supplement.

Details of the Item for Consideration

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

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

As shown in Document KV, the development of the National Funding Formula (NFF) for the Schools and High Needs Blocks is critical to our medium to longer term DSG financial planning as well as how we shape formula funding decisions for 2020/21.

The purposes of this report are to set out the principles that are being developed for formula funding and DSG Block management for 2020/21, to check with the Schools Forum that ‘we are on the right lines’ and to allow Forum members to provide feedback and direction in advance of more formal consultation documents being presented to the next meeting.

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). 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 will be set out for consultation in October.

Early Years Block & the Early Years Single Funding Formula 2020/21

For important reference, we explained within our consultation published for 2019/20 arrangements that:

- 2019/20 is the final year of our three year strategy, which we initially set out in autumn 2016. Our strategy has included the allocation of reserves brought forward within the Early Years Block to soften the reduction in the 3 & 4 year old Universal Base Rate that has come from the national reform. Our strategy has also included an initial reduction in the proportion of the 3 & 4 year old EYSFF that is allocated via our Deprivation and SEND supplement.
- The Authority’s review of the options for our EYSFF from April 2020 will need to take account of the following as these become clearer:
 - Further directed changes from the DfE on the operation of the EYSFF.
 - The specific outcomes of the DfE’s consultation on the funding of nursery schools.
 - The position of the High Needs Block and the relative responsibilities (between the High Needs Block and the Early Years Block) for the funding of centrally managed support services for high needs children in early years settings.
 - The impact of our new holistic Early Years SEND Inclusion Fund (EYIF) and the role this has in supporting providers and children with additional needs. The positive impact that access by 2 year olds to this Inclusion Fund has, or would be lost if access was removed, recognising that access by 2 year olds to EYIF is non-statutory.
 - At the point we have ‘exhausted’ Early Years Block reserves, where we continue to spend 9.5% of our EYSFF for 3 & 4 year olds on the Deprivation & SEND supplement, our 3 & 4 year old Universal Base Rate could be lower than £4.00 per hour. This could be uplifted by reducing the proportion of the EYSFF spent on the Deprivation & SEND supplement. Benchmarking indicates that the national average spending on supplements in 2018/19 was 4.4%, and the average of our statistical neighbours was 5.7%, compared against our current 9.5%.

We indicated this time last year that it was likely, if the maximisation of the Universal Base Rate is viewed to be the main priority for our EYSFF going forward, that our Deprivation and SEND supplement rates would need to reduce to these averages in order to protect our Universal Base Rate at least at the current £4.11.

Details of the Item for Consideration

We are developing our proposed approach for 2020/21 on the basis that:

- We are exploring the introduction of a new single Bradford Provider Gateway for all providers to use to submit all their entitlement delivery information to the Authority.
- We will continue our current termly headcount methodology (and 2nd headcount for the 2 year old offer). Although we do not propose to revisit for 2020/21 the option suggested previously to move to a monthly counting arrangement (a 'starters and leavers' approach), the possible / planned introduction of a single Gateway for the collection of delivery information, will provide further opportunities for us to explore with providers the pros and cons of moving at a point in the future to a counting arrangement that is more sensitive to the movement of children and fluctuations in numbers during the year.
- In response to provider feedback, we will make a small adjustment to the payment profile for PVI providers for the spring term 2021.
- We aim to go ahead with the planned increase in the contribution from the Early Years Block to early years high needs activities. We transferred £0.3m of cost from the High Needs Block to the Early Years Block in 2019/20. We plan to transfer £0.6m in 2020/21.
- Regarding the Early Years SEND Inclusion Fund (EYIF):
 - EYIF will continue to be fully funded from the Early Years Block.
 - We will continue to apply to all providers the Inclusion Fund approach we established in 2019/20, which will be further informed by the pilot and by feedback from providers that have been a part of this.
 - 2 year olds will continue to be eligible for EYIF. We indicated in last year's consultation our intention that, where EYIF continues to be extended to eligible 2 year olds going forward, we could top-slice the 2 year old flat rate of funding of £5.20 per hour to provide for this. We do not propose however, to enact a top-slice in 2020/21; the cost of 2 year old access to EYIF will continue to be met from the 3&4 year old Early Years Block budget supported by one off monies.
- Regarding the 2 year old entitlement, providers in 2020/21 will continue to be funded on a single flat rate per hour with no additional supplements. This rate was £5.20 in 2019/20, which meant that 100% of the rate of funding the Authority receives from the DfE for the 2 year old entitlement is passed on to providers. The DfE has not yet confirmed Bradford's rate of funding for 2 year olds in 2020/21. We might expect however, following the Chancellor's announcement, that this will be increased in line with inflation and we would anticipate passing this uplift onto providers if this is the case.
- Regarding funding the 3 & 4 year old entitlement, whilst recognising that reserves / one off monies are still currently available and will be deployed in 2020/21, we are currently considering the proposal to take incremental action, which is aimed at both reducing the reliance on one off monies and maximising the value of our Universal Base Rate over the medium term. To this end, we are currently considering a reduction of the proportion of our 3 & 4 year old EYSFF that is allocated via the Deprivation & SEND supplement, with the intention to reduce this down to the average of our statistical neighbours over time. In this:
 - We would continue to employ one off monies to help maximise the 3 & 4 Year Old Universal Base Rate (UBR). Our UBR in 2019/20 was £4.11. The DfE has not yet confirmed Bradford's overall rate of funding for 3 & 4 year olds in 2020/21. We might expect however, following the Chancellor's announcement, that this will be increased in line with inflation and we would anticipate passing this uplift onto providers if this is the case.
 - We would not to introduce any more supplements (in addition to deprivation) into our 3 & 4 year old EYSFF. These supplements would dilute further both the Universal Base Rate and the Deprivation & SEND rates at a time when we see our priority to be to maximise the value of the UBR for all providers.
- We are currently still waiting for information on the position of the funding of maintained nursery schools, which is needed in order for us to consider and to develop a full formula funding response for the 2020/21 financial year. To date the DfE has announced the continuation of protection until the end of the 2019/20 academic year. We anticipate being in a position to present a fuller picture for 2020/21, and a work-through of options and proposals, to the Forum in October.

Details of the Item for Consideration

High Needs Block - the Place Plus System

The financial position of the High Needs Block, and financing high needs provision, is likely again to dominate decisions about DSG Block management (the transfer of budget and costs between blocks) in 2020/21.

It is also the case that our funding model may be required to respond to changes in the national methodology that is set by the DfE. For example, if the value of place funding changes from £10,000 or the value of the threshold is changed from £6,000.

At this stage, in terms of our high needs funding model in 2020/21 - our 'Place-Plus' mechanism for the calculation of delegated allocations supporting high needs pupils in mainstream and specialist settings:

- The Authority has committed to a full review of our model (known as the 'Ranges Model') for funding EHCPs in both mainstream and specialist provisions. This review is currently taking place and the new model it produces is anticipated will be in place for April 2020. This being said, the timescale for the further development of, and consultation on, this model is likely to extend beyond the autumn term. How top-up funding for individual pupils currently with EHCPs is protected will also need close attention. The new EHCP funding model will replace the current Ranges Model for all specialist SEND settings (special schools, DSPs, ARCs, EY Enhanced Provisions) as well as for pupils within EHCPs in mainstream primary and secondary schools. It will also change the basis of the funding of students with EHCPs in the post 16 further education sector. It is anticipated that a fuller update on the progress of this review will be presented to the next Forum meeting.
- The Authority has also committed to the review of the top-up funding arrangements for the PRUs, aligning with the clarification of the PRU offer (for pupils that have been permanently excluded) and the transition from current arrangements. The Authority has developed a fairly simple 'day-rate' mechanism for Primary PRU and Bradford Central Alternative Provision Academy, which is being piloted from this September. There is still a need during 2019/20 to provide for stability as change progresses and for protections to remain in place. Separate discussions are taking place with respect of the funding of District PRU and the Primary Behaviour Centres. As recorded in Forum minutes – the Authority has set out that the High Needs Block will cease its funding of District PRU and the Primary Behaviour Centres at August 2019. Forum Members have asked for a working group to be established to explore alternative options (including alternative non-High needs Block based collaborative financing options).
- The DfE's Call for Evidence on the financial arrangements for SEND and alternative provision, conducted in summer 2019, and the DfE's announcement at the beginning of September of a larger SEND system review, are now important factors in our consideration of our notional SEND and SEND Funding Floor arrangements going forward. For example, the DfE's Call for Evidence asked specific questions about whether the Regulations should be more prescriptive about how local authorities define notional SEND budgets and provide minimum levels of SEND funding in mainstream schools. Generally, at this stage, the Authority is possibly minded not to propose any local amendments to our existing notional SEND and SEND Floor arrangements in 2020/21 and until the outcomes of the DfE's reviews are known. We do not feel that it is productive to potentially implement new arrangements in these two important areas for these to be immediately overridden by new Finance Regulations. Also, as we expect our high needs funding consultation to set out proposals for changes to the banding model used for funding EHCPs, which will have knock on implications for the SEND Floor in particular, we also feel that it may be more beneficial to have a new model agreed and in place before seeking then to develop and adopt any new Floor mechanism.

Central Schools Services Block

Our strategy in the Central Schools Services Block (CSSB) in both 2018/19 and 2019/20 has been to use the headroom available within this Block, present as a result of National Funding Formula gain, to support the financial position of the High Needs Block. We have retained existing CSSB allocations cash flat in order to maximise this headroom.

As CSSB budgets have not increased for inflation and pay award for 2 years and, given that there now expected to be an inflationary increase in the overall DSG settlement in 2020/21, the Authority is minded to propose, subject to the confirmation of affordability, that the main budgets in the CSSB increase in line with the settlement inflation measure (which is 1.8%). The Authority would also wish to propose that the statutory duties element of the CSSB budget increases by £15,000, on top of inflation, to provide for a budget SACRE activities. Forum Members should note that increase in cost to the CSSB relating to copyright licences will be set by the DfE and is expected to be confirmed in December.

Details of the Item for Consideration

Schools Block - Primary and Secondary Formula Funding

It is helpful to summarise briefly the key Schools Block decisions we have taken recently. In 2018/19:

1. We replaced our local formula with the DfE's NFF, using this as closely as the Regulations and affordability allowed to calculate individual formula allocations for both primary and secondary phases. We were one of 41 authorities nationally that did this. Within this, we adopted a principle for the clearer 'earmarking' of primary-phase and secondary-phase funding within the Schools Block i.e. we sought to spend primary Schools Block resource on the primary phase and secondary on the secondary phase.
2. We retained unchanged our existing local approaches in areas of formula funding that NFF does not yet cover. These are:
 - Pupil Mobility.
 - Business rates (actual cost).
 - Split sites.
 - PFI (Building Schools for the Future).
 - Growth Funding.
 - The definition of Notional SEND.
 - The SEND Funding Floor (where we protected each school's 2018/19 allocation at 2017/18 cash levels, funded by the High Needs Block).
3. We set a Minimum Funding Guarantee (protecting individual schools) at positive 0.4% per pupil. This meant that all schools, regardless of NFF impact, received a minimum 0.4% per pupil formula increase.
4. We set a Ceiling (capping gains for individual schools) at positive 3.0% per pupil.
5. We established the DfE's new optional minimum levels of per pupil funding (MFL) at their full values of £3,500 (primary) and £4,800 (secondary). We matched fairly closely the NFF methodology for the calculation of this funding, so far as the Regulations permitted, but we did not exclude split sites or pupil mobility funding from the calculation of the minimum levels.
6. We did not transfer any monies from the Schools Block to the High Needs Block.

In 2019/20:

1. We continued to closely mirror NFF and adopted the 'directed' changes in the prior attainment primary variable adjustment and in the MFL factor.
2. We retained unchanged our existing local approaches in areas of formula funding that NFF does not yet cover (please see the list above).
3. We transferred budget of £2m (0.48%) from Schools Block to the High Needs Block.
4. As a result of this transfer, we set a Minimum Funding Guarantee at 0% per pupil, meaning that a school funded on the MFG with the same pupil numbers recorded in October 2018 as in October 2017 has received the same core formula funding in 2019/20 as they received in 2018/19.
5. In line with this cash flat MFG, all formula funding variables (except for the prior attainment primary phase variable that was adjusted by the DfE) were kept at 2018/19 values.
6. We did not implement the optional factor, which would have provided for a minimum of a 1% increase on published 2017/18 NFF per pupil baselines for each school.
7. We fully removed the Ceiling, removing any capping of year on year gains for individual schools.
8. We established a new Falling Rolls Fund for our primary phase.

The combination of our transfers from the Schools Block to the High Needs Block, and our implementation of the DfE's NFF to calculate individual school budget shares, has created the following formula funding landscape in Bradford in 2019/20:

- Primary phase: 144 out of 156 schools (92%), including academies, were funded on the Minimum Funding Guarantee (at 0%) at a total value of £7.47m. 16 schools were funded at the £3,500 minimum level, receiving £0.80m in total via this factor. All other schools were funded above £3,500 per pupil.

Details of the Item for Consideration

- Secondary phase: 17 out of 31 schools (55%), including academies, were funded on the Minimum Funding Guarantee (at 0%) at a total value of £1.99m. 3 schools were funded at the £4,800 minimum level, receiving £0.67m in total via this factor. All other schools were funded above £4,800 per pupil.
- All through schools: 3 out of the 4 academies (75%) were funded on the Minimum Funding Guarantee (at 0%) at a total value of £0.37m. All of these academies were funded above the £4,042 minimum level.

From these summary statistics, it is quite easy to see how important decisions regarding the Minimum Funding Guarantee will be to the values of budget shares received by our schools and academies in 2020/21.

There were a couple of issues that were created by our movement to NFF that we identified need closer attention. These were:

- The knock on implications for our Notional SEND calculation, where our movement to NFF, because of the increased weighting this gives low prior attainment, has meant that the values of notional SEND budget for all schools substantially increased in 2018/19. Following further analysis and benchmarking work, we agreed to continue to use our existing methodology for the definition of notional SEND in 2019/20.
- The knock on implications for our SEND Funding Floor, where our movement to NFF, because of the increased weighting this gives Additional Educational Needs (AEN), has meant that most schools would not receive SEND Floor funding. We agreed to protect allocations in 2018/19, by guaranteeing that all schools would receive at least the same cash allocation as they did in 2017/18. We agreed to continue this arrangement in 2019/20, whilst identifying that we need to find a better way of calculating additional mainstream SEND funding support now that we have moved to National Funding Formula.

In advance of the detail from DfE, there feel to be 6 key decisions we need to take on Bradford's 2020/21 mainstream primary and secondary funding formula arrangements. These are:

1. Whether we continue to closely mirror the DfE's NFF and adopt 'directed' change.
2. Whether we uplift our minimum levels of funding per pupil, from £3,500 to £3,750 (primary) and from £4,800 to £5,000 (secondary), to pass through to schools and academies the uplift funded by the DfE. In addition, whether we commit now (or signal our intention) to further uplift our minimum level of funding per pupil for primary schools and academies to £4,000 in 2021/22.
3. Whether we continue our existing local approaches to the factors not yet covered by the NFF.
4. Whether we continue to transfer budget from Schools Block to the High Needs Block in support of high needs sufficiency delivery and, if we do, the value of this transfer.
5. Directly influenced by decision 4:
 - a. The value of Minimum Funding Guarantee we provide.
 - b. The value of uplift to formula variables under NFF.
 - c. The value of uplift to non-NFF formula variables.
 - d. Whether we adopt any new or amended floor mechanisms permitted by the DfE
6. Whether we retain, with their existing criteria and methodologies, the funds currently managed centrally within the Schools Block:
 - a. Growth Fund.
 - b. Falling Rolls Fund (primary phase).
 - c. Funds de-delegated from maintained primary and secondary schools.

It is not really possible to fully explore our responses to these matters until the DfE announces the full detail of the 2020/21 DSG settlement, National Funding Formula, and operational guidance. This is expected in early October and we anticipate presenting proposals to the Schools Forum on 16 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 the working principles.
- (2) Members are invited to attend a 'Formula Funding Working Group' session.
- (3) Members asked to discuss how best to communicate as early as possible this term with schools and other providers, and collect feedback, about arrangements for 2020/21 (in advance of more formal consultation beginning in October).

List of Supporting Appendices / Papers (where applicable)

None

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Schools Forum Meetings Schedule & Work Programme for the 2019/20 Academic Year

Schedule of Meetings

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

Proposed Work Programme

Autumn Term 2019

Key Dates

- Expected confirmation of direction & implementation of National Funding Formula arrangements 2020/21.
- Expected announcement of autumn spending settlement, including outcomes of the SEND Call for Evidence.
- 3 October 2019 – Schools' October Census.
- Mid December – ESFA publication of pupil numbers & other data from October Census on which 2020/21 allocations will be calculated.
- Mid December – DfE to confirm Authority 2020/21 DSG allocation, including High Needs Block funding.
- Announcement of Pupil Premium and other grants for the 2020/21 financial year.

Planned Business

- Reaction to the autumn spending review & impact on DSG, including the DfE's SEND call for Evidence. Work streams from this.
- High Needs Block affordability, strategic development of places-sufficiency and alternative provisions.
- High Needs Block places commissioning.
- The position of financial responsibilities, between health and education, in the commissioning of continuing care.
- National Funding Formula primary & secondary and work streams from this.
- Early Years Single Funding Formula review and other early years funding matters, including the development of EYIF and the funding of maintained nursery schools.
- High Needs Funding model (ranges model) review.
- The delivery of change in alternative provision financing.
- Bradford District's Primary, Secondary, Early Years and High Needs funding consultations & consideration of responses. The Schools Forum to agree the funding formulae for the 2020/21 financial year.
- Further information, discussion and consideration of the financial impact of the conversion of maintained schools to academy status.
- The review of items to be delegated / centrally within the DSG managed from April 2020.
- Confirmation 2018/19 DSG final carry forward balances (available one off monies).
- Consideration of wider DSG and school / academy budget-level cost pressures in 2020/21, implications and strategies for supporting these.
- Consideration of the Council's wider budget position 2020/21.
- Consideration of Forum membership. Response to any further Schools Forum Regulations changes.
- Update on 2019/20 DSG contingencies and central funds spending (view on one off monies available).
- Update on the delivery of the Education Improvement Strategy and attainment results summer 2019 (impact assessment) including Looked After Children.
- Update on pupil planning and the impact of Academies & Free Schools.
- Continued discussion on issues related to falling rolls and under subscription.

Spring Term 2020

Key Dates

- 16 January – Schools' January Census & Early Years Census.
- 21 January – deadline for the submission of the final APT to the ESFA, with values of the mainstream formula factors fixed.
- March publication of final Post 16 allocations for 2020/21.
- 28 February – deadline for publication of 2020/21 budgets for maintained schools (not including Early years funding).
- 31 March – deadline for publication of 2020/21 EYSFF allocations.
- 30 April – completion of S251 Budget Statement to DfE.

Planned Business

- Final recommendations on all aspects of DSG funding for 2020/21, including school & early years budgets. high needs and centrally managed items; Forum exercise of statutory powers.
- Further consideration of the National Funding Formula impact and timing.
- Evaluation of the impact / anticipated impact of 2020/21 DSG recommendations.
- Continued detailed work on the High Needs Block funding and provision matters (strategic planning to meet growing need and balance affordability).
- Review of Scheme for Financing Schools for 2020/21 (and directed revisions).
- Review of Schools Forum membership.
- Update on pupil planning and the impact of Academies & Free Schools. Continued discussion on issues related to falling rolls and under subscription.
- Agreement of any allocations from the 2019/20 Schools Block Falling Rolls Fund.
- Annual report on outcomes for Children Looked After and the impact of our Pupil Premium funding strategy.

Summer Term 2020

Key Dates

- 1 April – closedown of maintained school accounts for the 2019/20 financial year (carry forward balances).
- 15 May – deadline for submission of Governor Approved Budgets (maintained schools) for 2020/21 to the Local Authority.
- 14 May – Schools' May Census.
- Early Years DSG Block updated for January 2020 pupil numbers.

Planned Business

- Consideration of Forum membership & election of the Chair & Vice Chair of the Schools Forum.
- Discussion on review of key Authority protocols relating to the financial management of maintained schools e.g. the Financial Classification.
- Continued consideration of the National Funding Formula. Early discussions on 2021/22 changes (when 'hard' NFF is anticipated to be introduced).
- Continued detailed work on the High Needs Block funding and provision matters (strategic planning to meet growing need and balance affordability).
- Update on compliance of maintained schools with the Schools Financial Value Standard.
- Further information, discussion and consideration of the financial impact of the conversion of maintained schools to academy status.
- Review of school balances held at 31 March 2020 (maintained schools). Further consideration of the financial position of schools and academies.
- Update on pupil planning and the impact of Academies & Free Schools. Continued discussion on issues related to falling rolls and under subscription.