

Public Document Pack



Schools Forum

Monday, 10 October 2016 4.00 p.m.
Civic Suite, Town Hall, Runcorn

A handwritten signature in black ink, appearing to read 'David W R', written over a light grey rectangular background.

Chief Executive

*Please contact Ann Jones - Tel: 0151 511 8276 or email:
ann.jones@halton.gov.uk for further information.
The next meeting of the Committee is on Monday, 23 January 2017*

**ITEMS TO BE DEALT WITH
IN THE PRESENCE OF THE PRESS AND PUBLIC**

Part I

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In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.

SCHOOLS FORUM

At a meeting of the Schools Forum on Wednesday, 22 June 2016 at The Board Room - Municipal Building, Widnes

Present: J. Rigby (Chair) Secondary Academy Representative
 Councillor T. McInerney, Observer
 A. Brown, Nursery Schools Representative
 A. Jones, Financial Management, HBC
 A. McIntyre, Education, Inclusion & Provision
 A. Jones, Democratic Services, HBC
 N. Unsworth, Financial Management, HBC
 K. Albiston, PVI Representative
 J. O'Connor, PVI Representative
 J. Coughlan, Primary Representative
 L. Feakes, School with Nursery Unit Representative
 S. Broxton, Primary Governor Representative
 N. Hunt, Pupil Referral Unit Representative
 J. Vincent, All Through Schools Representative

Action

SCF1 APOLOGIES FOR ABSENCE

Apologies had been received from Thalia Bell, Lesley Davies, Karl Landrum and Richard Collings.

SCF2 LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 URGENT BUSINESS

The Forum was advised that a matter had arisen which required immediate attention by the Forum (Minute number 9 refers). Therefore, pursuant to Section 100 B (4) and 100 E and due to time constraints and service continuity; the Chairman ruled that the item be considered as a matter of urgency.

SCF3 MINUTES & MATTERS ARISING

The minutes of the meeting held on 14 March 2016 were agreed as a correct record.

SCF41 – Early Years Funding for 2016-17 – it was noted that new guidance was now expected so a review at local level would be put back, until this was received.

The Chair welcomed Councillor T McInerney as Observer to the Forum, in his capacity as the Children, Young People and Families Portfolio Holder on the Council's Executive Board.

SCF4 MEMBERSHIP UPDATE

The Forum received an update on the current membership of the Forum and noted that two vacancies existed in the Primary Sector – one for small schools and one for an academy representative.

The invitation made to the Dioceses was noted and any further responses from them would be reported to the Forum.

RESOLVED: That the update be noted.

SCF5 SEN REVIEW PRESENTATION

The Forum received a presentation on the proposed review of funding for special educational needs and disability (SEND).

The presentation discussed:

- Current level of funding and the budget pressures;
- Enhanced funding;
- Resource provision bases and whether they met the current need;
- Special schools and whether they met the current need;
- Out of Borough provision; and
- The next steps that need to be taken.

The Forum discussed the information provided and the reasons why a review has become necessary. It was agreed that a task and finish group would be set up to review all funding and provision to ensure the efficient and effective use of local resources when meeting the needs of children and young people with SEND.

Volunteers were requested, to start as soon as possible and the following representatives came forward:

- Lesley Feakes;
- Jeanette Vincent;
- Nigel Hunt; and
- Maraide Hurst (volunteered by Amanda Brown)

RESOLVED: That the presentation be received and the arrangements for a SEND review be carried forward.

SCF6 OUTTURN - ANNE JONES

The Forum received a report informing them of the final Dedicated Schools Grant (DSG) position for 2015-16 and Members were asked to note the amount of DSG carried forward into the 2016-17 financial year.

It was reported that the Local Authority was required to submit a Section 251 Outturn return to the Department for Education (DfE) which recorded its total income and expenditure for the previous financial year (2015-16).

It was noted by the Forum that the total DSG for 2015-16 was £80.1 m and the total expenditure in 2015-16 totalled £78.4m, as detailed in the report. The unspent DSG therefore was £1.6m, which would be brought forward into 2016-17 and would be used to fund budget pressures in the current 2016-17 financial year.

Officers advised that regular monitoring meetings would continue over the course of the year to identify areas of concern and put in place ways of minimising the overspends during the year.

RESOLVED: That Schools Forum notes that the amount of unspent DSG from 2015-16 of £1,584,474, will be carried forward into the 2016-17 financial year.

SCF7 SCHOOL BALANCES 2015-16 - ANNE JONES

The Forum received a report on the level of balances brought forward from 2015-16 by Halton Schools.

Further to the lifting of the limits of excess surplus balances previously imposed on schools, the balances were still to be monitored and reported to Schools Forum. Further, it was agreed by Schools Forum in June 2015 that schools with balances above the former excess surplus balance limit be requested to provide an explanation as to how they planned to spend this high balance. These responses had now been received and were tabled for Forum Members to read.

Members were also referred to:

- Appendix A which detailed the Individual School Budget balances with comparisons to the previous year. Schools that had balances above the former excess surplus balance limit were highlighted; and

- Appendix B which detailed the Non-LMS (Devolved Formula Capital) balances brought forward into 2016-17.

Forum Members queried the cost of playground work at Our Lady Mother of the Saviour Primary School, as it seemed high in comparison to costs for other schools. Anne Jones would contact the School for further information and report back to the Forum.

Anne Jones

RESOLVED: That the report and responses from schools which had balances in excess of 8% (5% for secondary schools) as to why their balances were so high, be noted.

SCF8 NATIONAL FUNDING FORMULA CONSULTATIONS - ANNE JONES

The Forum received an update on the consultations in respect of the Schools National Funding Formula, the High Needs Funding Formula and Other Reforms, and the Early Years National Funding Formula.

Further to a meeting that was held on 30 March 2016 with representatives of Schools Forum, a response was drafted to the Department for Education (DfE), in response to the above consultations.

Members were referred to the Stage One Consultation documents attached to the report, with the Schools Forum responses. It was noted that there had been limited information released by the DfE following the submission of these and the DfE had stated that the Stage Two consultations would be given a suitable length of time for responses to be made.

The Forum noted the current position with regards to Stages One and Two of the consultations; the implications of the introduction of a Sparsity Factor; and the allocation of the PFI factor, LA rates and Pupil Growth funding on a historical basis.

Officers advised that any further information received would be forwarded to schools as soon as possible.

RESOLVED: That the report be noted.

SCF9 REQUEST FOR FUNDING - EAL SERVICE

The Operational Director – Education, Inclusion and

Provision, advised the Forum that due to an increase in demand for the English as an Additional Language Service based at St Chads School, an extra teacher was required for the period from September 2016 to March 2017 at a cost of £15,000.

The Forum agreed that this could be funded from the Schools Forum Contingency Fund.

RESOLVED: That the request for funding for the EAL Service for £15,000 be approved.

Meeting ended at 5.05 p.m.

REPORT TO: School Forum

DATE: 10th October 2016

REPORTING OFFICER: Senior Finance Officer, Financial Management Division

SUBJECT: Early Years Funding for 2017-18

1.0 PURPOSE OF REPORT

1.1 To report to the School Forum the Early Years National Funding Formula proposals for 2017-18.

2.0 RECOMMENDATION

RECOMMENDED:

(1) The report be noted.

3.0 SUPPORTING INFORMATION

3.1 Background

The Early Years National Funding Formula (EYNFF) consultation was announced on 11th August with a deadline for responses of Thursday 22nd September 2016. Briefing events were held on 7th September to inform providers of the consultation and of our understanding at that point in time. The proposal is for the new EYNFF to be implemented from April 2017.

3.2 Funding to LA's

The proposals see a move away from historical funding levels to a formula based method. The main funding source will be the base rate, which will account for 89.5% of the total funding and will be multiplied by the number of part time equivalent children in receipt of the 15 hours per week free entitlement (and 30 hours per week free entitlement for working parents from September 2017).

Of the remaining 10.5% of funding, deemed Additional Needs funding, 8.5% will come through a Free School Meal proxy indicator which will use the proportion of KS1&2 pupil eligibility for FSM. A further 1.5% will come through an English as an Additional Language proxy indicator, again using the proportion of KS1&2 pupil eligibility. The final 1.0% of funding will be based on the number of children up to the age of five who are eligible for Disability Living Allowance and this will be based on DWP information.

The base rate and Additional Needs funding will be added together and multiplied by an Area Cost Adjustment. The proposal is that the ACA will be based primarily on

the general labour market measure adjusted for relative nursery premises costs based on rateable values.

The proposals explain that 75% of local authorities will gain through this formula. Unfortunately, Halton is not within this cohort. Transitional protection is proposed with losses held at no more than 5% for 2017-18 and 2018-19. For 2016-17 after moving funding from the Schools Block we have an EY funding level equivalent to £5.69 per hour. The illustrative figures circulated by the DfE show Halton are likely to receive £5.40 per hour for 2017-18. Without the transitional protection we would only receive £5.12 per hour.

3.3 Funding retained by LA's for central spend

The consultation includes a proposal to limit local authority central spend to 5% with a transitional limit of 7% for 2017-18. In Halton, we already retain less than 5% of the Early Years budget - £249,110 (4.20%) in 2015-16 and £262,610 (4.06%) in 2016-17.

Local authorities are allowed under the proposals to hold a contingency fund for in-year demographic growth which would not be counted as central spend as it is eventually shared with providers. Such contingency fund is to be kept at a minimum level to maximise the hourly rate going to providers.

3.4 Funding to providers – the proposed National Funding Formula

The proposals set out two mandatory funding factors and four optional funding factors for local authorities to use in allocating the funding to providers.

The main, mandatory factor is the Universal Base Rate through which a minimum of 90% of funding will be passed to providers. The Universal Base Rate will be the same for ALL providers and will also be the base rate for the Additional 15 hours free entitlement for working parents from September 2017.

The second mandatory factor is the deprivation supplement. Nationally the current deprivation factor passes about 4% of funding to providers. Most local authorities including Halton use the Income Deprivation Affecting Children Index which is an area-based measure. The consultation proposes that local authorities are allowed to choose what basis to use for this factor.

The four optional supplements are: Rurality/Sparsity, Flexibility, Efficiency and the Delivery of the additional 15 hours free childcare.

Rurality/Sparsity – to recognise the additional costs incurred by small providers in rural, sparsely populated areas, similar to the Sparsity factor within the Schools Block funding formula. As we are such a compact local authority no schools qualify under the criteria within the Schools Block funding formula, although LA's are allowed under the consultation to determine their own distance criteria for Early Years providers.

Flexibility – a supplement aimed at encouraging providers to offer more flexible childcare that matches parental working patterns. There is no clear criteria on how a provider would be measured as attaining 'Flexibility' within the consultation with local authorities given the discretion of what kind of flexibility they wish to promote.

Efficiency – a supplement to help providers operate as efficiently as possible, important for them, for parents and for taxpayers. The consultation proposes the option for local authorities to reward and recognise providers who make optimum use of their income to provide high quality childcare, to invest in their workforce and to develop and share strong business models with other providers. No criteria for the way in which an efficiency supplement would be measured or applied is given.

Delivery of the additional 15 hours free childcare – a proposal to allow local authorities the discretion to pay a supplement to settings which participate in delivering 30 hours free childcare. Again, no criteria for the way in which a delivery supplement would be measured or applied is given.

The current Early Years funding formula includes an optional Quality factor but the consultation proposes that this is not continued in the new national funding formula.

Transitional protection is proposed for at least two years for Maintained Nursery Schools to recognise the additional costs incurred because of their structure as a school. The proposal is that the additional funding will take account of the maintained nursery schools' current costs and will provide much needed stability to the nursery school sector.

3.5

Special Educational Needs and Disabilities

Currently in Halton we identify High Needs Block DSG funding to support children in early year's settings with SEN. The consultation proposes that local authorities will be required to set up an Early Years Inclusion Fund to resource support for the needs of children with SEN. The Inclusion Fund would be a mix of Early Years block and High Needs block DSG funding.

There is also a proposal for a new Disability Access Fund of £12.5m in total. This funding would be paid to providers for each child in receipt of Disability Living Allowance taking up a place in their setting. Providers will be able to decide how the funding should be deployed, it could be used the child's specific needs, to improve the setting for a cohort of children or increase the setting's capacity to take more disabled children.

The Disability Access Fund would build on the Early Years Pupil Premium model and would be passed to providers via the LA as an annual sum rather than an increase on the hourly rate.

3.6 Two year old funding

The consultation includes a proposal to increase the hourly rate paid to local

authorities for two-year old provision from £5.09 to £5.39 per hour. The DfE is minded to retain the current two-year old formula but uplift the rates based on additional funding received.

3.7 Modelling based on the consultation document

Modelling work has been done to consider the impact of the proposals on Halton providers. On the basis of the consultation document, illustrative figures provided by the EFA and using the 16-17 pupil numbers we have identified that the PVI and Nursery Unit sectors gain funding while the Nursery School sector loses funding.

3.8 Briefing presentations

Appendix A is the presentation given on 7th September.

3.9 Consultation response

Appendix B is the consultation response submitted on 22nd September based on the Schools Forum sub-group that met the day before.

4.0 **POLICY IMPLICATIONS**

4.1 None

5.0 **OTHER IMPLICATIONS**

5.1 None

Response ID ANON-8PBM-MP9Z-7

Submitted to Early years funding: changes to funding for 3 and 4 year olds
Submitted on 2016-09-22 15:25:42

Introduction

1 Welcome - would you like to provide your email address?

Email:
anne.jones@halton.gov.uk

2 Would you like to tell us the name of your organisation?

Organisation:
Halton Borough Council

About you

3 We'd like to know which area of the early years sector your answers represent. Which of these categories best describes your role in the sector?

This is a drop down menu of different categories of respondent - from nursery to local authority:
Local Authority

If you have answered 'other' please provide more details::

4 In which region do you work?

A drop-down menu of the 9 regions of England:
North West

5 If you are not responding as a local authority, which local authority you work in?

A list of all the local authorities in England:

6 If you are a childcare provider, do you consider yourself to work in a:

7 If you are a childcare provider, how many children can your individual setting offer places to?

Not Answered

8 If you are a childcare provider, do you offer the free entitlement to:

Page 2 - Early Years National Funding Formula

9 Should there be an early years national funding formula (to distribute money from Government to each local authority)?

Yes

10 Considering a universal base rate of funding which does not vary by local area...

Base rate (EYNFF) - Should a universal base rate be included in the early years national funding formula?:
Yes

Base rate (EYNFF) - Is 89.5% of overall funding the right amount to channel through this factor?:
Unsure

11 Considering an additional needs factor...

Add needs - metrics - Should an additional needs factor be included in the early years national funding formula?:
Yes

Add needs - metrics - Do we propose the correct set of metrics?:
Yes

Add needs - metrics - Do we propose the correct weightings for each metric?:
Yes

12 Considering an area cost adjustment...

ACA - Should the early years national funding formula include an area cost adjustment?:

Yes

ACA - Should that adjustment be based on staff costs (based on the General Labour Market measure) and on nursery premises costs (based on rateable values)?:

Unsure

13 If you have any comments or recommendations for alternative metrics or weightings to be used in the early years national funding formula, please explain here:

This box allows you to write an answer freely:

An area cost adjustment should only be included if it also takes into effect £16 million additional water costs that schools in the North West are charged in comparison to schools in the South East.

14 To what extent do you agree with the proposed funding floor limit, so that no local authority would face a reduction in its hourly funding rate of greater than 10%?

Strongly disagree

Page 3 - Two technical questions

15 To implement the increased hourly rate for the two-year old free entitlement...

2YO - Should we retain the current two-year-old funding formula?:

Yes

2YO - Should we use the additional funding secured at the spending review to uplift local authorities' allocations based upon this?:

Yes

16 Considering the Dedicated Schools Grant, should the free entitlement be capped at 30 hours for children of eligible working parents and 15 hours for all other children?

Yes

Page 4 - A high pass-through of local authority funding to providers

17 Should Government set the proportion of early years funding that must be passed on to providers?

Yes

18 Do you think that 95% is the correct minimum proportion of the money that should be passed from local authorities to providers?

Yes, I agree

19 If you would like to explain a response you've submitted on this page in more detail, please do so here:

This box allows you to write an answer freely:

On the basis of the illustrative example there would not be any funding available for Halton to hold centrally as there is no difference between the hourly rate funded to the LA and the hourly rate paid to providers. In Halton improving the quality of early years is a priority so we would need to keep some funding for strategy development / quality / co-ordination / provision.

Page 5 - How money is distributed from local authorities to childcare providers

20 Should local authorities be required to give the same universal hourly base rate to all childcare providers in their area?

No

21 Considering funding supplements that local authorities could choose to use (above the universal base rate)...

Supplements - Should local authorities be able to use funding supplements?:

Yes

Supplements - Should there be a cap on the proportion of funding that is channeled through supplements?:

Yes

22 If you agree that there should be cap on the proportion of funding that is channeled through supplements, should the cap be set at 10%?

Yes, I agree with a 10% cap

23 Should the following supplements be permitted?

Basket of supplements - Deprivation:

Yes

Basket of supplements - Sparsity / rural areas:

Yes

Basket of supplements - Flexibility:

Yes

Basket of supplements - Efficiency:

Yes

Basket of supplements - Additional 15 hours of childcare:

Yes

24 When using funding supplements, should local authorities have discretion over the metrics they use and the amount of money channeled through each one?

Metrics & amount - supplements - Deprivation:

Yes - over the metric they use, Yes - over the amount of money

Metrics & amount - supplements - Sparsity / rural areas:

Yes - over the metric they use, Yes - over the amount of money

Metrics & amount - supplements - Flexibility:

Yes - over the metric they use, Yes - over the amount of money

Metrics & amount - supplements - Efficiency:

Yes - over the metric they use, Yes - over the amount of money

Metrics & amount - supplements - Additional 15 hours of childcare:

Yes - over the metric they use, Yes - over the amount of money

25 If you agree that efficiency (efficient business practices that provide excellent value for money) should be included in the set of supplements, do you have a suggestion of how should it be designed?

This box allows you to write an answer freely:

26 If you agree the delivery of the additional 15 hours of free childcare should be included in the set of supplements, do you have a suggestion of how should it be designed?

This box allows you to write an answer freely:

27 If you think that any additional supplements should be permitted which are not mentioned here, please set out what they are and why you believe they should be included:

This box allows you to write an answer freely:

A quality or qualification supplement should be retained as in the current formula to recognise the different regulations requiring qualified staff in the maintained sector, and to encourage qualified staff in the PVI sector.

28 Finally, for this page, if you want to explain a response you've submitted on this page in more detail, please do so here:

This box allows you to write an answer freely:

There should be different hourly rates per sector as currently it means that our maintained nursery schools would not be sustainable, but it has been proven that they outperform other types of settings and provide a higher level of provision. We need to be looking at an increase of funding and standards across all of the sectors. Applying the universal base rate would not provide that, in fact we may need to close our maintained nursery schools.

Page 6 - Funding for disabled children

29 Should there be a Disability Access Fund to support disabled children to access their free entitlement?

Yes

30 Should eligibility for the Disability Access Fund be children aged 3 or 4 which are a) taking up their free entitlement and b) in receipt of Disability Living Allowance?

Yes

31 When it comes to delivering the funding for the Disability Access Fund, is the most appropriate way the existing framework of the Early Years Pupil Premium?

Yes

32 If you want to explain a response you've submitted on this page in more detail, please do so here:

This box allows you to write your answer freely:

The EYPP is currently paid on a termly basis which would fit best for Halton providers in terms of the Disability Access Fund

Page 7 - Funding for children with special educational needs

33 To what extent do you agree that a lack of clarity on how parents / childcare providers can access financial support results in children with special educational needs not receiving appropriate support? (We mean children who do not already have an Education, Health and Care Plan)

Not Answered

34 When it comes to establishing an inclusion fund...

SEN - inclusion fund - Should local authorities be required to establish an inclusion fund?:

Agree

SEN - inclusion fund - Would an inclusion fund help improve the supply of appropriate support children receive when in an early years setting?:

Agree

35 If you envisage any barriers, arising from existing practice or future proposals, to introducing a new requirement on local authorities to establish an inclusion fund, please tell us what they are and how they might be overcome:

This box allows you to write an answer freely:

Halton has already identified High Needs DSG funding to support children with additional needs in early years settings and see no reason that this shouldn't continue.

36 When it comes to the SEN inclusion fund, should local authorities be responsible for deciding...

SEN - local authority role - The children for which the inclusion fund is used?:

Yes

SEN - local authority role - The value of the fund?:

Yes

SEN - local authority role - The process of allocating the funding?:

Yes

37 Where specialist SEN or SEND services are delivered free at the point of use, should they be considered as funding passed directly to providers for the purposes of the 95% high pass-through?

Disagree

38 If you want to explain a response you've submitted on this page in more detail, please do so here:

This box allows you to write an answer freely:

Halton does not understand why the proposal in question 37 is being made as it mixing up early years and high needs funding. The specialists that would go out are currently funded via high needs, and changing them to early years funding would reduce the amount we are able to devolve to early years settings.

Page 8 - Transitions to a new funding system

39 To what extent do you agree with the transition approach proposed for the Early Years National Funding Formula (money distributed from Government to local authorities)?

Agree

40 To what extent do you agree with the transition approach proposed for the high pass-through of early years funding from local authorities to providers?

Agree

41 To what extent do you agree that our proposals on the high pass-through of funding from local authorities to childcare providers makes the existing Minimum Funding Guarantee for the early years unnecessary?

Disagree

42 To what extent do you agree with the transition approach proposed for introducing the universal base rate for all providers in a local authority area?

Neither agree nor disagree

43 If you want to explain a response you've submitted on this page in more detail, please do so here:

This box allows you to write an answer freely:

Question 39 - there is a lack of clarity as to why Halton is losing funding on the illustrative hourly rate and we are therefore concerned about the impact this will have on all of our early years providers.

Question 40 - This does not work well for Halton as under the illustrative figures provided we will not be left with any funding to hold back to continue to provide central services.

Question 41 - Halton is concerned about the lack of MFG protection. Using the new formula we are likely to be receiving less money which means the amount passed through to settings will be lower. This will have significant impact on the individual providers. MFG should be kept as an additional factor that could be used at individual LA discretion.

Question 42 - In theory a universal base rate is supported however it is based on the assumption that all providers work to the same regulations and requirements. As maintained nursery schools have different regulations regarding qualified staff we do not see how a universal base rate can be applied and maintained nursery schools sustained.

Page 9 - Equality Assessment

44 Please provide any representations and/or evidence on the impact of our proposals for the purposes of the Public Sector Equality Duty (Equality Act 2010). The protected characteristics are: age; disability; gender reassignment; pregnancy and maternity; race (including ethnicity); religion or belief; sex and sexual orientation.

This box allows you to write your answer freely:

REPORT TO: School Forum

DATE: 10th October 2016

REPORTING OFFICER: Operational Director – Education, Inclusion and Provision

SUBJECT: Special Educational Needs Review

1.0 PURPOSE OF REPORT

1.1 To provide an update to School Forum on the review of Special Educational Needs

2.0 RECOMMENDED: That

- 2.1 School Forum note the report; and**
- 2.2 Seek a progress report at the next meeting.**

3.0 BACKGROUND

3.1 At the School Forum meeting in 22nd June 2016 it was agreed that a review of provision and funding for special educational needs and disability could be undertaken in Halton.

3.2 Two meetings of the review group have now taken place; one was held on 17th July 2016 and the second on 21st September 2016. The membership of the group includes:

- Ann McIntyre – Operational Director – Education, Inclusion & Provision - Chair
- Maraide Hurst – Warrington Road Nursery
- Sara Ainsworth - Brookfields
- Lesley Feakes - Simms Cross Primary
- Jeanette Vincent – The Grange School
- Nigel Hunt – The Bridge
- Jane Baker – Riverside College
- Alison Sutch – Halton NHS Clinical Commissioning Group
- Anita Parkinson – Divisional Manager Inclusion
- Paula Edwards – Inclusion
- Eileen O'Brien – Inclusion
- Angela Swift – Impart
- Sam Murtagh – HBC Commissioner
- Simon Bell – HBC Commissioner

➤ Kay Whitelaw and Sheila Hudson - School Nursing Representatives

3.3 The meeting agreed that we should strive for a “well-planned range of provision from birth to adulthood that meets the needs of children and young people with SEND and their families and improves their outcomes” and that our principle responsibilities should be to:

- Work in partnership to review and identify the most appropriate provision and support for pupils and students with special educational needs and disabilities
- Develop an understanding of current and future needs of children and young people with SEND
- Ensure all pupils and students with special educational needs have access to provision and support that meets their needs
- Ensure available resources are used to maximum effect to drive improved outcomes for children
- Ensure all resources are targeted fairly, consistently and efficiently between across the sector
- Review all specialist provision within the borough
- Review out of borough specialist provision
- Ensure new requirements will be funded from within existing resources – through re-cycling resources and priorities
- Ensure the formula will seek to allow for the increase in opportunities for pupils to access learning and social opportunities through the use of dual placements
- Seek to secure value for money
- Develop the capacity of mainstream schools through the training of mainstream staff to support inclusion.
- Develop proposal for consultation with all key stakeholders and partners.

- 3.4 In the first two meetings the focus has been on detailing the current provision from early years through to post-16. The meetings have considered the revised Child Development Centre process named "Support Children with Additional Health Needs via a Co-ordinated approach", the take up and funding of 2 years old, the criteria and levels of funding distributed for enhanced provision both in the early years and mainstream schools, the pattern of specialist provision in the borough including resource base and special school, as well as the provision and funding for post-16 provision. The meeting have also considered the approach and funding of early intervention in other neighbouring local authority areas.
- 3.5 The next meeting will consider the costs of children and young people placed in independent provision and those in provision in other Local Authorities. The meeting will focus on revising the approach to the allocation and monitoring of funding enhanced provision/early intervention.

REPORT TO: School Forum

DATE: 10th October 2016

REPORTING OFFICER: Senior Finance Officer, Financial Management Division

SUBJECT: Schools Block Funding Formula for 2017-18

1.0 PURPOSE OF REPORT

1.1 To inform School Forum of the decisions required for the Schools Block funding formula for the financial year 2017-18.

2.0 RECOMMENDATION

RECOMMENDED:

- (1) The report be noted.
- (2) That we continue to use one value for Primary, one value for KS3 and one value for KS4 pupils as per our 2016-17 formula.
- (3) That we continue to use a mix of FMS6 and IDACI with differing cash values between the primary and secondary phases.
- (4) That we continue to use this factor for both primary and secondary phases with the old EYFSP framework for Years 3 – 6 at 73 points or less.
- (5) That we continue to use the Looked After Children factor.
- (6) That a decision is taken on whether to retain the cash value at the same level reducing another factor to fund the overall increase or keep the overall budget for LAC at the same level and reduce/increase the cash value dependent upon qualifying.
- (7) That we continue to not use the EAL factor.
- (8) That we continue to not use the Pupil Mobility factor.
- (9) That we continue not to use the Sparsity factor.
- (10) That we continue to use the Lump Sum factor at as close to the level for 2016-17 as possible.
- (11) That we continue to not use the Split Site factor and retain the criteria for eligibility and funding as current.
- (12) That we continue to fund LA Rates on the latest estimate of actual cost available.
- (13) That we continue to use the PFI factor at the same cash value per pupil as previously agreed.
- (14) That we continue to use the Exceptional Premises factor subject to approval by the EFA.
- (15) That we continue to set Notional SEN at 5% of each funding factor used.
- (16) That maintained primary school representatives decide which items they wish to be de-delegated for 2016-17.

- (17) That maintained secondary school representatives decide which items they wish to be de-delegated for 2016-17.
- (18) That we do not set aside budget for a Pupil Growth Contingency.
- (19) That we do not set aside budget for a Falling Rolls Contingency.

3.0 **SUPPORTING INFORMATION**

3.1 Requirements and changes for 2017-18

The DfE issued a Stage One Consultation on moving towards a National Funding Formula in March 2016. The proposals set out the principles underpinning the formula, how the formula would be constructed and the factors available. The aim was to implement the new National Funding Formula from April 2017, allowing LA's up to two years to ease their individual formula to the National formula which would be fully implemented from April 2019.

Following the appointment of the new Secretary of State for Education a decision was made to put the proposals on hold for a year. Guidance was issued by the DfE in July 2016 on the funding formula for 2017-18. Although there are a few minor changes, there is no requirement on Halton to change the funding formula that we currently use.

3.2 Consultation

We are required to consult with schools on any proposed changes to the funding formula. Even though we are recommending that no change is made to the factors used, or the methodology behind each factor, we consulted with all primary and secondary schools and academies in the borough. The consultation was sent out on Thursday 15th September to all Head Teachers and a response was requested from schools by Thursday 29th September in order to gain maximum input.

3.3 Cash values of funding factors

Actual cash values for 2017-18 can only be determined following receipt of the October 2016 census data and indicative funding settlement for 2017-18, due in the week before Christmas. It is therefore essential that all schools ensure their October census data is as accurate as possible. Any errors will result in errors in their funding calculation which we will not be allowed to correct.

We are not required to consult on the cash values attributed to each factor, as these will not be known until early January after the data and indicative grant has been released. We will not know until January if we will continue to have a shortfall in funding for 2017-18. We had to reduce all funding factors for 2016-17 and it is possible that we will have to repeat the reduction across all funding factors in 2017-18 as well.

The High Needs block which funds special schools, resource bases,

enhanced provision and numerous central services is also under review, both how the funding is allocated to the borough and how the funding is allocated to schools – see separate report.

The Early Years block is also under review with proposals for a National Funding Formula to be introduced from April 2017 – see separate report.

3.4 Funding Factors

Basic per pupil entitlement – there is a minimum requirement of £2,000 per pupil in Primary and £3,000 per pupil in Secondary. For 2016-17 our cash values were £2,562.47 per Primary pupil, £4,258.87 per KS3 pupil and £4,455.94 per KS4 pupil which well exceeded the minimum values set.

Recommendation (2): that we continue to use one value for Primary, one value for KS3 and one value for KS4 pupils as per our 2016-17 formula.

Deprivation – we are able to use Free School Meal current eligibility, Free School Meals Ever 6 eligibility, Income Deprivation Affecting Children Index (IDACI) which uses the child's home (or main home) postcode to identify levels of deprivation or a mix of one of the FSM identifiers plus IDACI.

The IDACI dataset was updated by the DCLG in 2015 which resulted in Halton seeing a reduction in qualifying pupils. The EFA have recognised the impact this has had on schools and have re-aligned the bandings to get a spread of pupils across the 7 levels as close as possible to the 2010 IDACI dataset.

For Halton schools, this means that there will be some movement of Deprivation funding but the gains and losses are, on the whole, offset by changes in Minimum Funding Guarantee values.

Recommendation (3): that we continue to use a mix of FMS6 and IDACI with differing cash values between the primary and secondary phases.

Prior Attainment – we can apply this to primary pupils identified as not achieving the expected level of development within the early years foundation stage profile and for secondary pupils a mix of not reaching Level 4 at KS2 in either English or Maths (up to 2011) and not achieving Level 4 in any of the reading test, teacher assessed writing or Maths. For 2017-18 the EFA are expecting a significant increase in the number of qualifying secondary pupils so are proposing to weight pupil numbers to mitigate the effects of the new standards. For the EYFSP under the old framework which affects pupils in years 4 – 6, we also have the choice to apply funding to pupils attaining 78 points or less, or 73 points or less.

Recommendation (4): that we continue to use this factor for both primary and secondary phases with the old EYFSP framework for Years 4 – 6 at 73 points or less.

Looked After Children – a single cash value can be applied for any child who has been looked after for one day or more as recorded on the local authority SSDA903 return at 31st March 2016. This is mapped to the January school census enabling the identification of the number of looked after pupils in each school.

There was discussion last year regarding the increases in the number of looked after children in the borough and again we need to decide whether to keep the funding value at the same level of £1,502.08 per pupil, (taking the increase or decrease in LAC funding from/to other factors) or keeping the overall LAC budget at the same level and adjusting the per pupil amount.

Recommendation (5): that we continue to use the Looked After Children factor.

Recommendation (6): that a decision is taken on whether to retain the cash value at the same level reducing another factor to fund the overall increase or keep the overall budget for LAC at the same level and reduce/increase the cash value dependent upon qualifying numbers.

English as an Additional Language (EAL) – pupils may be funded for up to three years after they enter the statutory school system. As we have a Service Level Agreement funded centrally for this provision we do not use this factor in Halton.

Recommendation (7): that we continue to not use the EAL factor.

Pupil Mobility – counts pupils who enter a school during the last three years but did not start in September or January for Reception pupils. A threshold is applied and only mobility in excess of 10% of pupil numbers is funded. We do not use this factor in Halton.

Recommendation (8): that we continue to not use the Pupil Mobility factor.

Sparsity – under the criteria set by the Education Funding Agency, this factor measures the distances between a school and its nearest compatible school on an ‘as the crow flies’ basis. No schools in Halton qualify under this measure.

Recommendation (9): that we continue to not use the Sparsity factor.

Lump Sum – we are allowed to set a different lump sum for primary and secondary schools up to a maximum of £175,000 for each phase. For 2016-17 we have a lump sum of £149,064.30 for secondary schools and £128,274.30 for primary schools.

Recommendation (10): that we continue to use the Lump Sum factor at as close to the level for 2016-17 as possible.

Split Sites – we re-introduced this factor in 14/15 then it was decided to no longer use this factor at the end of 15/16. The criteria is that a primary school will qualify if the main buildings are more

than 110.75metres apart. Split site funding will be payable to all schools and recoupment academies that meet the criteria, however it is not applicable to those schools sharing facilities, federated schools and schools with a remote sixth form.

Split site funding is calculated as follows:

- a lump sum payment equivalent to a primary administrative post;
- 10% of the allocation for the Headteacher and the deputies of both schools; and
- The cost of standing charges for the water and energy for one of the two sites.

Recommendation (11): that we continue to not use the Split Site factor and retain the criteria for eligibility and funding as current.

LA Rates – these must be funded at the authority’s estimate of the actual cost. In Halton, we request details of the Rates uplift each year and build that into the final funding allocations which minimises the number of adjustments that are needed.

Recommendation (12): that we continue to fund LA Rates on the latest estimate of actual cost available.

Private Finance Initiative (PFI) contracts – to support schools which have unavoidable extra premises costs because they are a PFI school. Allocations are based on objective criteria as agreed at School Forum before the new funding regulations came into place. Only one school qualifies for funding under this factor at £190.58 per pupil.

Recommendation (13): that we continue to use the PFI factor at the same cash value per pupil as previously agreed.

London Fringe – a factor to support schools which have to pay higher teacher salaries because they are in the London Fringe area. This does not apply to Halton schools.

Post-16 – this is a per-pupil value which continues DSG funding for post-16 pupils up to the same level provided in 2015-16. In Halton we do not use DSG funding to support Post-16 pupils so this factor cannot be used.

Exceptional Premises Factors - the EFA informed us that the joint use agreement of Brookvale Leisure Centre by Ormiston Bolingbroke Academy was no longer being funded from them and will need to be funded from within the DSG allocation to the LA. The expected cost of £139,000 will need to be met from within the Schools Block and we will be applying to the EFA to use this factor on the basis that the value of the cost if no more than 1% of the school’s budget and applies to fewer than 5% of the schools in the local authority’s area. An appeal against the EFA decision did not succeed and HBC funded the expected cost from contingency as per advice from the EFA.

Recommendation (14): to continue to use the Exceptional Premises Factor in relation to the Joint Use agreement for

OBA, subject to EFA agreement.

3.5 Minimum Funding Guarantee

The EFA have confirmed that the Minimum Funding Guarantee (MFG) will continue at minus 1.5% on a per pupil basis. Therefore no school will lose more than 1.5% of its funding except for pupil number reductions.

3.6 Notional SEN

We are required to submit on our draft funding formula the level of Notional SEN against each funding factor that we use. For 2016-17 we used 5% of each funding factor.

Recommendation (15): that we continue to set Notional SEN at 5% of each funding factor used.

3.7 De-delegated Funds

School Forum members are required to decide which funds will be de-delegated for the 2017-18 financial year. Only School Forum members of maintained schools are allowed to vote on the de-delegation for their own phase. In 2016-17 the de-delegated funds cover:

- Contingencies – at £16.60 per primary pupil and £14.73 per secondary pupil.
- Free School Meal eligibility – at £1.47 per FSM6 pupil in both primary and secondary.
- Staff costs supply cover – at £2.18 per primary pupil and £1.89 per secondary pupil.
- Licences – at £2.91 per primary pupil, £3.40 per secondary pupil and £5.64 per Post 16 pupil.

Recommendation (16): that maintained primary school representatives decide which items they wish to be de-delegated for 2017-18.

Recommendation (17): that maintained secondary school representatives decide which items they wish to be de-delegated for 2017-18.

3.8 Pupil Growth Fund

We are required to gain agreement regarding the Pupil Growth Fund. Following consultation a decision was made that the fund would be discontinued for 2016-17 as part of the savings required.

Recommendation (18): that we continue to not use Pupil Growth funding.

3.9 Falling Rolls Fund

Local Authorities may create a small fund to support good schools with falling rolls, where local planning data show that the surplus places will be needed within the next three financial years. The mandatory requirement here is the support is only available for schools judged good or outstanding at their last Ofsted inspection. Other criteria also need to be agreed.

In Halton, we have not used this facility in the past as it would mean

reducing the amount of funding available to use within the Schools Block funding formula.

Recommendation (19): that we continue to not use Falling Rolls Funding.

4.0 **POLICY IMPLICATIONS**

4.1 None

5.0 **OTHER IMPLICATIONS**

5.1 None

REPORT TO: School Forum

DATE: 10th October 2016

REPORTING OFFICER: Senior Finance Officer, Financial Management Division

SUBJECT: High Needs Block Funding for 2017-18

1.0 PURPOSE OF REPORT

1.1 To report to the School Forum the High Needs Block Funding proposals for 2017-18.

2.0 RECOMMENDATION

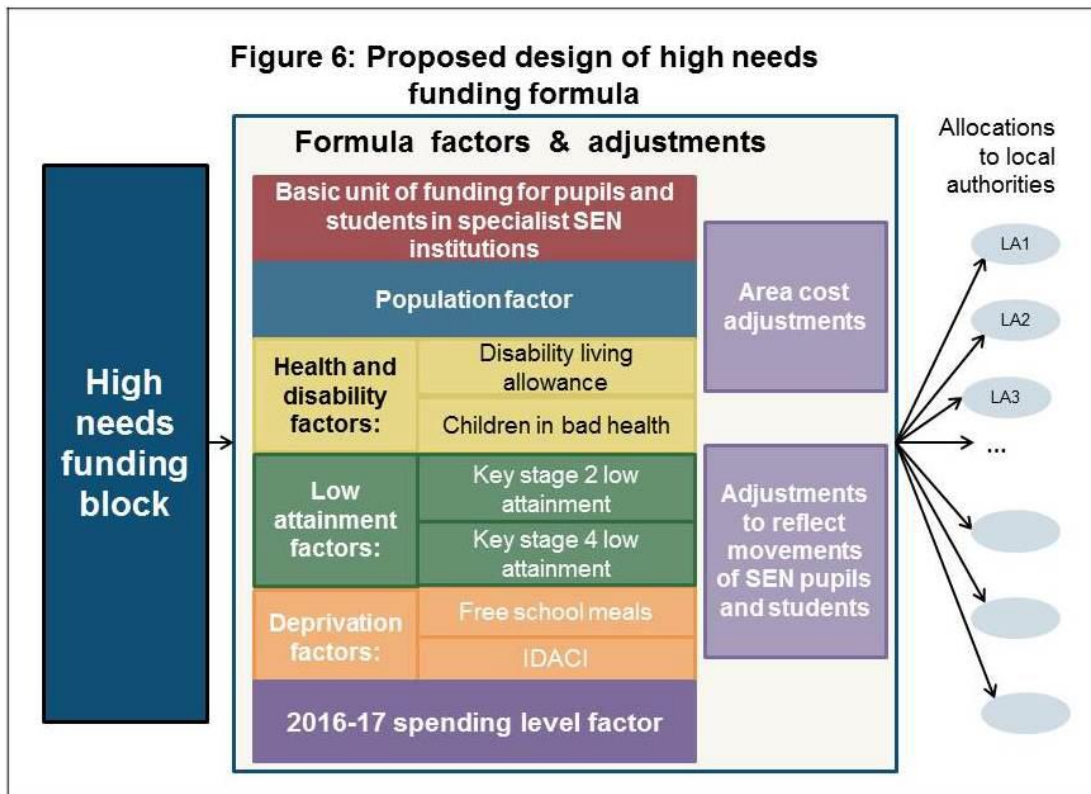
RECOMMENDED:

- (1) The report be noted.

3.0 SUPPORTING INFORMATION

3.1 Background

The DfE issued a Stage One consultation on High Needs Funding in March 2016 with proposals on how allocations to LA's would be calculated from April 2017. The basis of allocation to each LA is as follows:



It is unknown how this will impact on the funding Halton receives. The illustrative funding released in July simply gives the High Needs block at the same level as we have allocated budgets for 2016-17.

3.2 Further guidance regarding funding for 2017-18 is due to be released in September 2016 and will be tabled at the meeting.

3.3 An SEN Review is underway to look at how all High Needs Funding is allocated and used.

4.0 **POLICY IMPLICATIONS**

4.1 None

5.0 **OTHER IMPLICATIONS**

5.1 None