

SCHOOLS FORUM

At a meeting of the Schools Forum on Monday, 14 March 2016 at Civic Suite, Town Hall, Runcorn

Present: J. Rigby (Chair) Secondary Academy Representative
Councillor Philbin, Observer
I. Kirkham, Secondary Academy Representative
K. Albiston, PVI Representative
J. O'Connor, PVI Representative
J. Coughlan, Primary Representative
L. Feakes, School with Nursery Unit Representative
A. Brown, Nursery Schools Representative
S. Broxton, Primary Governor Representative
N. Hunt, Pupil Referral Unit Representative
J. Vincent, All Through Schools Representative
A. Jones, Financial Management, HBC
A. McIntyre, Education, Inclusion & Provision, HBC
A. Jones, Democratic Services, HBC
N. Unsworth, Financial Management, HBC

Action

SCF38 APOLOGIES FOR ABSENCE

Apologies had been received from Lesley Davies, Marjorie Constantine, Richard Collings and Karl Landrum.

SCF39 MINUTES

The minutes of the meeting held on 20 January 2016 were agreed as a correct record.

SCF40 HIGH NEEDS FUNDING - TOP UP FUNDING LEVELS FOR 2016-17

The Schools Forum received the top-up funding rates for 2016-17.

It was noted that the High Needs Block was under increasing pressure, especially the top-up funding costs. It was estimated that in 2015-16 the Council would spend approximately £3m more on High Needs provision than was received as the High Needs Grant.

The report presented the funding details for the following:

- Special Schools – Appendix A showed the 2016-17 top-up values and agreed Banding Criteria;

- Resource Bases – Appendix B showed the 2016-17 top-up values;
- Resource Base Service Level Agreements – funding for ASC Outreach and HI Signer SLA's were currently being reviewed;
- Pupil Referral Unit – Appendix C showed the 2016-17 top-up values; and
- Enhanced Provision Funding – the Financial Management Team would circulate details to Head Teachers of pupils in their schools who were eligible for top-up funding each term.

RESOLVED: That the report and associated Appendices are noted.

SCF41 EARLY YEARS FUNDING FOR 2016-17

The Forum received the Additional Notional SEN Funding criteria and allocations for 2016-17 for agreement.

Officers proposed that the funding factors for the maintained sector remain unchanged at – basic per pupil, Deprivation (using IDACI), Lump sum and LA Rates (for nursery schools only).

It was also proposed that they also remain unchanged for the PVI Sector at – basic per pupil, Deprivation (IDACI) and LA rates.

It was noted that the cash values for the funding factors for maintained and PVI settings were still being calculated at the time of writing the report. These were now available and tabled by Officers at the meeting.

PVI representatives raised concerns over the values per hour and the variations between settings. This was discussed and it was agreed that they could be reviewed at a local level and that a report would be submitted to the June meeting of the Schools Forum. In the meantime Members agreed to the approval of the criteria and allocations for 2016-17.

Anne Jones

RESOLVED: That Schools Forum

- 1) notes the report;
- 2) agrees the funding formula for Maintained Early Years settings; and

3) agrees the funding formula for the PVI settings.

SCF42 EARLY YEARS PUPIL PREMIUM

Forum Members received a presentation from Sharon Williams – the Headteacher of Halton’s Virtual School, on the *Early Years Children in Care – Personal Education Plans and Pupil Premium*.

The presentation covered the following:

- Statutory responsibilities for Children in Care (CIC);
- Personal Education Plans (PEP’s);
- Halton’s Early Years PEP – developed in partnership with Early Years Providers;
- Early Years Pupil Premium – Conditions of Grant;
- Halton’s Early Years Pupil Premium (EYPP) model;
- What EYPP could be used for;
- What EYPP cannot be used for; and
- How the setting would be paid for.

Sharon advised the Forum that she welcomed feedback from the Schools at any time regarding the completing of Personal Education Plans. A copy of the presentation is available from the Clerk.

RESOLVED: That the presentation be noted.

SCF43 CAPITAL PROGRAMME - 2016/17

The Schools Forum received a report that provided a summary of the capital programmes for 2016-17 for the People and Economy Directorate and confirmed capital allocations from the Department for Education.

The Forum was reminded that in February 2015 the Department for Education (DfE) announced the schools capital grant allocations for 2015-16 as well as indicative allocations for the two year period 2016-17 and 2017-18. In February 2016 the Department confirmed the 2016-17 allocations. It was noted that by introducing three year allocations, the DfE was enabling those responsible for the school estate to plan effectively and make strategic investment decisions.

Members were referred to the table in paragraph 3.1 of the report which detailed the confirmed funding notified by the DfE for 2016-17. Paragraph 4.1 of the report provided details of how the School Condition and Capital Expenditure Revenue Account funding would be allocated. The Capital

repairs programme for 2016-17 could be found at Appendix 1 of the report.

RESOLVED: That the capital funding available for 2016-17 be noted.

SCF44 HALTON SCHEME FOR FINANCING SCHOOLS APRIL 2016 UPDATE

The Forum was informed of the consultation response and proposed changes to the Halton Scheme for Financing Schools (SFFS) for April 2016. The Halton SFFS draft version for April 2016 was appended to the report.

It was reported that further to advising the Forum in the January 2016 meeting, a consultation with schools regarding changes to the Halton SFFS had now been conducted. It was noted that some of the changes were required by the Education Funding Agency (EFA) and some were changes that the Finance Officers wished to make in relation to Central Reports and Local Bank Account returns.

Members were advised that following the closure of the consultation, only nine responses were received with only two being from chequebook schools (a summary of responses were given in Appendix A of the report).

Members were also referred to Appendix B of the report which contained the new wording for the affected sections of the Halton SFFS. With regards to the request for central reports for non-chequebook schools to be automatically run and emailed, it was confirmed that this could continue subject to successful testing, which was being carried out at the moment. It was hoped that this could start from 1 May 2016.

The Forum also received an update from officers on the National Fair Funding (NFF) Conference held in London on 8 March 2016. The information was tabled so it has been attached at the end of the minutes for information, together with appendices A, B, C and D.

It was agreed by the Forum that a sub-group be set up so that Members could provide a collective response to the public consultations on the NFF. It was noted that the consultation document would be accessible via the Council's website and was therefore open for anyone to respond to. The Forum would be contacted via email once the date of the sub-group meeting had been arranged.

RESOLVED: That Schools Forum

Ann McIntyre

- 1) notes the consultation responses;
- 2) agrees the changes to the Halton SFFS effective from 1 April 2016;
- 3) receives the NFF Conference update documents (appended to the minutes); and
- 4) agrees that Halton Schools Forum submit a collective response to the NFF consultations.

SCF45 UNITED UTILITIES WATER CHARGES

The Forum was advised that Officers had attended a North West (NW) Regional meeting of Finance Officers where the water charges for schools in the regions were again discussed. Currently schools in the North West paid approximately £16m per year more than schools in the South East region, even though there were a similar number of schools and pupils in both regions.

Members were advised that the water market was reforming from April 2017 but 95% of the charges would still be set by United Utilities. It was noted that the DEFRA survey last year had a response from 85 NW schools and which had now raised the Government's attention with the issue.

The Forum was advised that a colleague in Sefton Council had prepared a template letter for schools, Local Authorities and Schools Forums etc to write to DEFRA when the next consultation opens. This would be circulated as soon as it was received. Officers recommended that within the National Funding Formula consultation and High Needs Formula consultation that comments be included about the additional costs incurred by schools in the NW region. The hope was that schools be reclassified as community groups so they will only be required to pay £135 per year for surface drainage.

RESOVLED: That the update be noted.

SCF46 NURTURE PROVISION

The Forum was informed of the National Nurturing School Award which was a new programme available for schools to learn how to develop a nurturing environment to support children and young people so that they could develop skills, make friends and deal more calmly with the challenges they may face in life.

It was reported that this new stakeholder programme allowed schools to develop and embed a nurturing culture that enhanced stakeholder attachment and engagement. The programme had been developed and was administered by The Nurture Group Network, the world's leading centre for culture in education and awarding body of the *Certificate in Theory and Practice of Nurture Groups*, the nationally recognised qualification for running a nurture group in schools.

The Forum was advised of the benefits of the Programme to the pupils; parents; teachers; schools and communities. The nurturing principles were based on valuing not only the pupils but also staff and parents, and seeking to understand and respect them as unique individuals, placing their personal development as the highest priority.

Officers advised that with regards to commitments needed from schools for the Programme; the following was required:

- At least one member of staff needed to attend the training for '*the theory and practice of nurture groups*'
- two members of staff must attend the initial two day training event (one of those being from the Senior Leadership Team);
- These two people needed to be identified early and remain unchanged throughout the period of time;
- One member of staff from the two day training was to lead the school through the work needed to become a nurturing school, create the evidence and submit the information to the nurture group network;
- At least one of those staff attends the full days meetings with the consultant and other schools, throughout the year (this was a commitment from the school to release the staff when required);
- To allow staff to implement changes that were necessary to ensure a nurturing school award; and
- Undertake day one visit from the Consultant to begin assessing the developments needed, before the two day training event, looking at the six principles of nurture.

It was noted that the training would be available for all secondary schools including secondary special schools, and the 3 nursery schools. The training would be split into two groups; (1) secondary schools and (2) special schools and nurseries, with two active days support for each school. In addition, key staff within the Local Authority would receive

the Boxall training.

With regards to funding it was noted that this could be accommodated within £155,180 agreed by Schools Forum on 16 March 2016.

RESOLVED: Schools Forum agrees to fund the proposed National Schools Nurturing Award from £155,180 allocated.

SCF47 NEXT YEAR'S MEETING DATES

The Forum was presented with next year's meeting dates as follows:

- 22 June 2016 at 4pm
- 10 October 2016 at 4pm
- 23 January 2017 at 4pm
- 22 March 2017 at 4pm

Meeting ended at 5.30 pm

SCF48 UPDATE FROM THE NATIONAL FAIR FUNDING CONFERENCE, LONDON - TUESDAY 8 MARCH 2016

Below are the headlines of the proposals as per the consultation announced Monday 7th March 2016 and additional comments from the conference.

The proposals cover the Schools Budget, High Needs Budget and the New Central Schools budget. The Early Years budget will be circulated shortly, with no indication of the timescale.

The Schools Block budget will be ring-fenced and LA's will be required to spend the whole of this block on Schools – primary and secondary. The ability to move monies between the blocks is being removed. Appendix 1 shows the proposed factors for the National Funding Formula while Appendix B shows the provisional data sources for each factor. It should be noted that the LAC factor and mobility factor will NOT appear in the National Funding Formula from 2019-20 and the Post-16 factor (not used in Halton) will be removed from 2017-18.

To allow for this and in recognition of failings of the S.251 Budget return, each LA will be asked to identify the baseline of spend within each of the new blocks based on the 2016-17 budget. Where we have earmarked some reserves to support budgetary requirements, these reserves will NOT be taken into account for the baseline. The baseline will total the DSG allocation for the year and exclude any carry forward amounts being used to meet shortfalls.

The Central Schools budget will be made up of the current Schools Block central spend and the Education Services Grant. The central spend within the High Needs and the Early Years blocks of the DSG will remain within those sectors. The general funding rate of the ESG will disappear, but it is not completely clear when that will occur as the DfE recognise that the 2016/17 reduction can be met by "efficiencies", but the rest cannot and the DfE are seeking views on the statutory duties that could be removed or reformed. The DfE will be consulting on a proposal to retain some of their maintained schools' DSG to cover the statutory duties LA's carry out for schools, which will over time diminish as more and more schools convert to academies. One of the main areas that the DfE are proposing to remove is School Improvement. Schools and academies will continue to be allowed to buy into LA services by way of SLA's.

It is likely that there will be transitional arrangements, probably like an MFG, for the Central Spend block. Each of the blocks will have different transitional arrangements with High Needs being 5 years, while it may appear that the Schools Block could go beyond the 2 years to the NFF introduction in 2019/20.

There will also be MFG's for each of the blocks that will build up into an MFG for each LA. The DfE have stated that there is a finite budget so if MFG amounts exceed that amount they will have to be funded by capping any gains. There is currently a requirement that the cap on gains cannot exceed the total MFG.

For 2017-18 and 2018-19 the EFA will calculate individual school budgets using the National Funding Formula – deemed a 'shadow' formula, add on any MFG required

and will then pass the total of all school budgets for each LA to the LA. The LA can then ask its Schools Forum to decide on the actual funding formula to use and may be able to use different levels of MFG to the National MFG as part of the transition arrangements. From 2019-20 individual school budgets will be calculated by the EFA alone. Each LA will receive notification of the individual school budgets and be required to pass on the full amounts to each school in the same way as we currently work PP and AGS grants. There is NO requirement for non-chequebook schools to have their own bank accounts. LA's will be allowed to continue to hold school budgets and pay staff/invoices on their behalf as currently.

For Multi Academy Trusts, the budgets for each academy within the MAT will be calculated individually in the same manner as for a maintained school. The budgets will then be added together and passed to the MAT. The flexibility currently allowing MAT's to divert funding from one academy to another within the MAT is NOT going to be reviewed.

The role, functions and membership of Schools Forums will be reviewed for 2019-20 when the National Funding Formula is introduced.

The current arrangements for de-delegation of budgets from schools to be held centrally will end with the introduction of the National Funding Formula in 2019-20. Traded services will however be allowed to continue.

These arrangements should become clearer when Stage 2 begins and the detailed figures of the formula components become available.

Comments were made about the timing of the second stage consultation due to the London Mayoral elections, local elections and EU referendum and the purdah imposed before each one. Soon after the EU referendum, parliament will enter the summer recess and will not fully return until after the party conferences in October.

It was confirmed that the Pupil Premium grant will continue until 2019-20 at least. It is expected that funding for LAC through the PP+ grant will increase but it is unclear if the DSG will be cut to meet the cost of this increase.

High Needs Block

A stage one High Needs funding formula and other reforms consultation was also issued on Monday 7th March 2016.

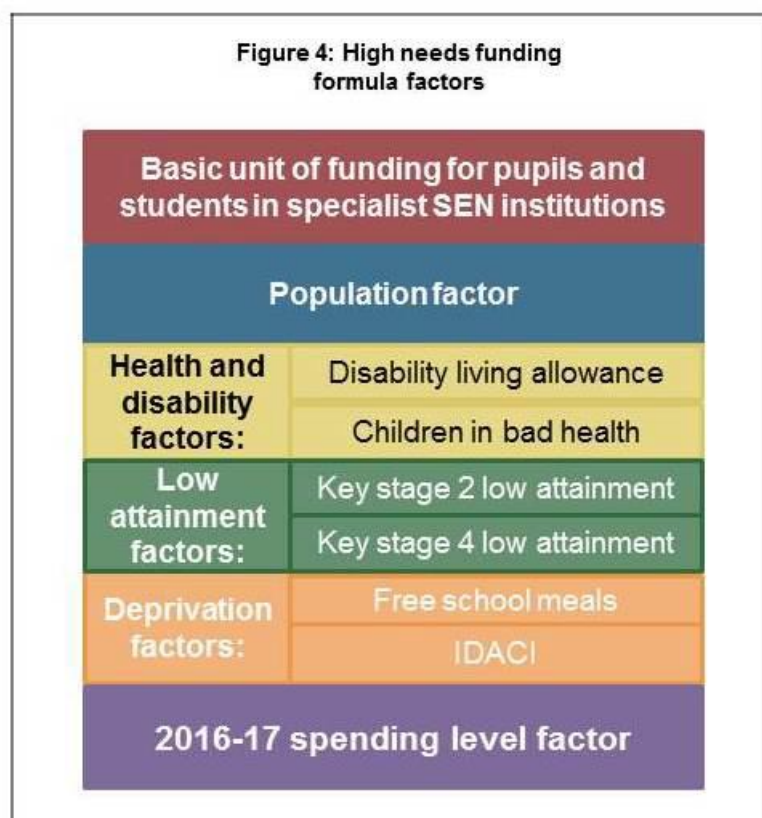
The High Needs Block funding is currently difficult to unpick – we are allocated a lump sum figure and don't have any knowledge of any calculations behind that figure which doesn't tie in with the Government's quest for transparency in funding. Research undertaken by the Isos Partnership were published in July 2015 and made 17 proposals on how the SEN funding system might be improved. The three main areas of these proposals are:

- Improvements to the way funding is allocated to make it fairer and more transparent, and to make sure that it is better targeted to where the needs are. The proposals include that the department considers a more formulaic approach to distributing high needs funding from national to local level;

- Better communication about how the system is intended to work, and to highlight effective practice. The proposals cover what local and national government might do to clarify expectations and to achieve greater transparency;
- Proposals to enable better decision making by frontline professionals, both those in local authorities responsible for commissioning SEN provision and those in schools and colleges who need to plan how to make the provision for their children and young people with SEN.

The EFA are proposing to introduce a formula base method of distributing High Needs funding from 2017-18 using proxy indicators of need rather than historic spend.

Below is the proposed structure of the High Needs funding formula.



The 'Children not in good health' element is from the population census data and Disability Living Allowance data as these were found to give a better indicator than other alternatives such as low birth weight.

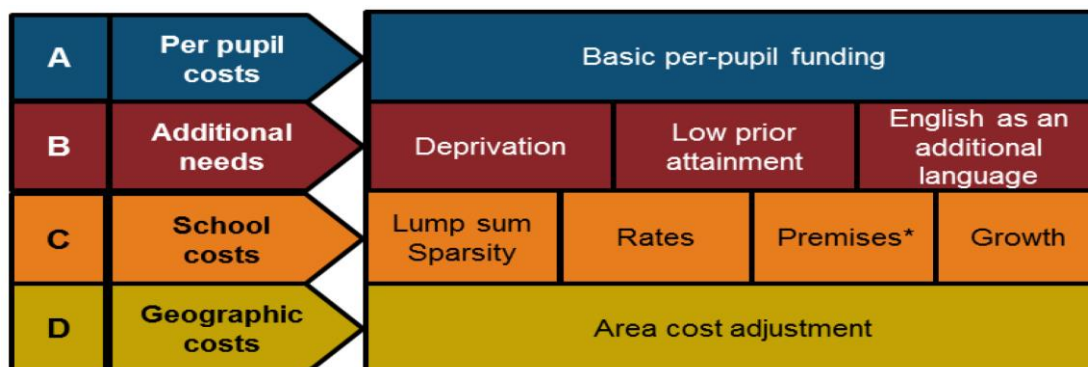
There are also proposals to have an overall Minimum Funding Guarantee that would prevent each local authority's high needs funding from reducing by more than a specified percentage each year.

Summary

The closing date for each consultation is Sunday 17th April 2016.

Keith Howkins (EFA Team Leader for the LA and Funding Policy Team) is attending a NW LMS Officers meeting in Manchester next week which Nicola Unsworth and Anne Jones will be attending. This is an opportunity to gain further insight and understanding of the proposals before our response is submitted.

The proposed building blocks and factors of the schools national funding formula



*Private finance initiative commitments, split sites and exceptional premises circumstances.

Provisional data sources for each factor in a national funding formula

For each of the factors below, we would expect to take into account local authorities' adjustments to data that are submitted through the authority proforma tool process.

| Block | Factor | Data Source |
|------------------|-----------------------------------|--|
| Pupil Costs | Age-weighted pupil unit | Number of pupils on roll at primary, key stage 3 and key stage 4 at each school, as recorded in the October school census. |
| Additional needs | Deprivation | Number of pupils registered as eligible for free school meals as at the October school census. FSM eligibility is determined by the household's benefit entitlement status. The criteria are set out in the regulations. |
| | FSM (Current) | |
| | FSM (Ever 6) | Number of pupils registered as eligible for free school meals as at the January census, matched to FSM data in the national pupil database to identify any pupil who has been eligible for FSM at some point in the last six years. |
| | IDACI | Number of pupils whose postcode falls in a lower super output area captured by the IDACI bands. Data from the October census is matched to the IDACI dataset, which is published by the Department for Communities and Local Government every five years (and is a subset of the indices of multiple deprivation). |
| | Low prior attainment | Data on the number of pupils who failed to reach the expected standard in the early years foundation stage profile or at key stage 2 tests, matched to the October census via the national pupil database. |
| | English as an additional language | Pupils recorded as EAL in the October school census, on the basis of parental declaration – data is matched to the preceding 3 years' October census data for the EAL3 measure. |

| | | |
|------------------|------------------------------------|--|
| School costs | Lump sum | Data on schools that are open at the beginning of the financial year, or will open during the financial year, as recorded in the authority proforma tool. |
| | Sparsity | Year group size: total number on roll in reception to year 11, divided by number of year groups present. Distance: derived from pupil postcodes in October school census. |
| | Business Rates | Historic data on actual spend taken from the authority proforma tool. |
| | Split sites | Historic data on actual spend taken from the authority proforma tool. |
| | PFI | Historic data on actual spend taken from the authority proforma tool. |
| | Exceptional premises circumstances | Historic data on actual spend taken from the authority proforma tool. |
| | Growth | Amount held by the local authority in their growth fund and falling rolls fund in the previous year. Change in pupil numbers between October census and authority proforma tool submission. |
| Geographic costs | Area cost adjustment | General labour market data published by the DCLG. If hybrid ACA: school workforce census data to calculate notional teacher salaries and DCLG's GLM data for non-teaching staff costs; data on school spending to determine the proportion of staffing costs attributable to teaching and non-teaching expenditure. |

Schools National Funding Formula Consultation Questions:

1. Do you agree with our [the EFA] proposed principles for the funding system?
2. Do you agree with our [the EFA] proposal to move to a school-level national funding formula in 2019-20, removing the requirement for local authorities to set a local formula?
3. Do you agree that the basic amount of funding for each pupil should be different at primary, key stage 3 and key stage 4?
4. Do you agree that we should include a deprivation factor?
Which measures for the deprivation factor do you support?
 - Pupil-level only (current FSM and Ever6 FSM)
 - Area-level only (IDACI)
 - Pupil- and area-level
5. Do you agree we should include a low prior attainment factor?
6. Do you agree that we should include a factor for English as an additional language?
Do you agree that we should use the EAL3 indicator (pupils registered at any point during the previous 3 years as having English as an additional language)?
7. Do you agree that we should include a lump sum factor?
8. Do you agree that we should include a sparsity factor?
9. Do you agree that we should include a business rates factor?
10. Do you agree that we should include a split sites factor?
11. Do you agree that we should include a private finance initiative factor?
12. Do you agree that we should include an exceptional premises circumstances factor?
13. Do you agree that we should allocate funding to local authorities in 2017-18 and 2018-19 based on historic spend for these factors?
 - Business rates
 - Split sites
 - Private finance initiatives
 - Other exceptional circumstances
14. Do you agree that we should include a growth factor?
15. Do you agree that we should allocate funding for growth to local authorities in 2017-18 and 2018-19 based on historic spend?

16. Do you agree that we should include an area cost adjustment?
Which methodology for the area cost adjustment do you support?
general labour market methodology hybrid methodology
17. Do you agree that we should target support for looked-after children and those who have left care via adoption, special guardianship or a care arrangements order through the pupil premium plus, rather than include a looked-after children factor in the national funding formula?
18. Do you agree that we should not include a factor for mobility?
19. Do you agree that we should remove the post-16 factor from 2017-18?
20. Do you agree with our proposal to require local authorities to distribute all of their schools block allocation to schools from 2017-18?
21. Do you believe that it would be helpful for local areas to have flexibility to set a local minimum funding guarantee?
22. Do you agree that we should fund local authorities' ongoing responsibilities as set out in the consultation according to a per-pupil formula?
23. Do you agree that we should fund local authorities' ongoing historic commitments based on case-specific information to be collected from local authorities?
24. Are there other duties funded from the education services grant that could be removed from the system?
25. Do you agree with our proposal to allow local authorities to retain some of their maintained schools' DSG centrally – in agreement with the maintained schools in the schools forum – to fund the duties they carry out for maintained schools?

High Needs funding formula and other reforms Consultation Questions:

1. Do you agree with our [the EFA] proposed principles for the funding system?
2. Do you agree that the majority of high needs funding should be distributed to local authorities rather than directly to schools and other institutions?
3. Do you agree that the high needs formula should be based on proxy measures of need, not the assessed needs of children and young people?
4. Do you agree with the basic factors proposed for a new high needs formula to distribute funding to local authorities?
5. We [the EFA] are not proposing to make any changes to the distribution of funding for hospital education, but welcome views as we continue working with representatives of this sector on the way forward.
6. Which methodology for the area cost adjustment do you support?
7. Do you agree that we should include a proportion of 2016-17 spending in the formula allocations of funding for high needs?
8. Do you agree with our proposal to protect local authorities' high needs funding through an overall minimum funding guarantee?
9. Given the importance of schools' decisions about what kind of support is most appropriate for their pupils with SEN, working in partnership with parents, we welcome views on what should be covered in any national guidelines on what schools offer for their pupils with SEN and disabilities.
10. We are proposing that mainstream schools with special units receive per pupil amounts based on a pupil count that includes pupils in the units, plus funding of £6,000 for each of the places in the unit, rather than £10,000 per place. Do you agree with the proposed change to the funding of special units in mainstream schools?
11. We therefore welcome, in response to this consultation, examples of local authorities that are using centrally retained funding in a strategic way to overcome barriers to integration and inclusion. We would be particularly interested in examples of where this funding has been allocated on an "invest-to-save" basis, achieving reductions in high needs spending over the longer term. We would like to publish any good examples received.
12. We welcome examples of where centrally retained funding is used to support schools that are particularly inclusive and have a high proportion of pupils with particular types of SEN, or a disproportionate number of pupils with high needs.
13. Do you agree that independent special schools should be given the opportunity

to receive place funding directly from the EFA with the balance in the form of top-up funding from local authorities?

14. We welcome views on the outline and principles of the proposed changes to post-16 place funding (noting that the intended approach for post-16 mainstream institutions which have smaller proportions or numbers of students with high needs, differs from the approach for this with larger proportions or numbers), and on how specialist provision in FE colleges might be identified and designated.