

Blackpool Council

3 January 2017

SCHOOLS FORUM

Tuesday, 10 January 2017 at 9.15 am
in the City Learning Centre, Bathurst Avenue, Blackpool
FY3 7RW

A G E N D A

1 ELECTION OF CHAIRMAN

To appoint a Chairman of the Forum until January 2018.

2 ELECTION OF VICE CHAIRMAN

To appoint a Vice Chairman of the Forum until January 2018.

3 APOLOGIES

4 DECLARATIONS OF INTEREST

School Forum members are asked to declare any interests in the items under consideration and in doing so state:

- (1) the type of interest concerned; and
- (2) the nature of the interest concerned

5 MEMBERSHIP UPDATE

Mrs Hilary Wood, Head of Business Support and Resources, to provide a verbal update to the Forum.

6 MINUTES OF THE LAST MEETING HELD ON 11 OCTOBER 2016

(Pages 1 - 8)

To agree the minutes of the last meeting held on 11 October 2016 as a true and correct record.

7 MATTERS ARISING FROM THE PREVIOUS MEETING

Minute 7: Mrs Jean Martin, School Improvement Officer to follow up the points raised at section 3.5 and 5.3 of the report on breakdown of monies spent in relation to childminders and outstanding paperwork related to allocations from reserves from two remaining schools.

Minute 8: Mrs Wood to look into the query regarding Illuminate funding.

8 SCHOOLS SAFEGUARDING ADVISER ROLE (Pages 9 - 10)

To discuss the future of the Schools Safeguarding Adviser role in Blackpool.

9 DEDICATED SCHOOLS GRANT BUDGET MONITORING 2016/2017 (Pages 11 - 14)

Mr Mark Golden, Finance Manager, to provide a written update to the Forum.

10 COMMISSIONING REVIEWS

Mr Kim Wood to provide a verbal update to the Forum based on commissioning reviews of:

- Speech and Language Therapy
- Special Educational Needs (SEN) Services
- Early Years Central Services

11 SCHOOLS FUNDING FORMULA 2017/2018 (Pages 15 - 18)

Mr Paul Sharples, School Funding and PFI Manager to provide a written report to the Forum.

12 EDUCATION SERVICES GRANT UPDATE (Pages 19 - 22)

Mrs Hilary Wood, Head of Business Support and Resources, to provide a written update to the Forum.

13 UNISON DUTIES (Pages 23 - 38)

Mr Dave Dickinson, Unison Representative to present a written report to the Forum.

14 DE-DELEGATION OF SERVICES AND EDUCATION FUNCTIONS 2017/2018 (Pages 39 - 42)

Mr Paul Sharples, School Funding and PFI Manager to provide a written report to the Forum.

15 PUPIL GROWTH CONTINGENCY 2017/2018 (Pages 43 - 44)

Mr Paul Sharples, School Funding and PFI Manager to provide a written report to the Forum.

16 EXCEPTIONAL CIRCUMSTANCES HIGH NEEDS FUNDING 2017/2018 (Pages 45 - 46)

Mr Paul Sharples, School Funding and PFI Manager to provide a written report to the Forum.

17 SCHOOLS NATIONAL FUNDING FORMULA UPDATE (Pages 47 - 56)

Mrs Hilary Wood, Head of Business Support and Resources, to provide a written update to the Forum.

18 HIGH NEEDS FUNDING REFORM UPDATE (Pages 57 - 60)

Mrs Hilary Wood, Head of Business Support and Resources, to provide a written update to the Forum.

19 EARLY YEARS NATIONAL FUNDING FORMULA UPDATE (Pages 61 - 64)

Mrs Hilary Wood, Head of Business Support and Resources, to provide a written update on progress in relation to the Early Years National Funding Formula.

20 ACADEMY UPDATE

Mrs Amanda Whitehead, Head of Schools, Standards and Effectiveness, to provide a verbal update to the Forum.

21 LOCAL AUTHORITY UPDATE

Mrs Amanda Whitehead, Head of Schools, Standards and Effectiveness, to provide a verbal update to the Forum.

22 PUBLIC HEALTH UPDATE

Ms Lynn Donkin, Public Health Specialist, to provide a verbal update to the Forum.

23 DATE OF NEXT MEETING

The Forum to note the date of the next meeting as Tuesday 14 March 2017 at the City Learning Centre from 9.15am.

Venue information:

First floor meeting room (lift available), accessible toilets (ground floor), no-smoking building.

Other information:

For queries regarding this agenda please contact Chris Williams, Democratic Governance Adviser, Tel: 01253 477153, e-mail: chris.williams@blackpool.gov.uk

Copies of agendas and minutes of Council and committee meetings are available on the Council's website at www.blackpool.gov.uk.

Public Document Pack Agenda Item 6

MINUTES OF SCHOOLS FORUM MEETING - TUESDAY, 11 OCTOBER 2016

Present:

Primary School Head Teachers/Representatives

Ms J Hirst, Bispham Endowed (Chairman)

Ms S Diver, Mereside

Special School Head Teacher/Head Teacher Representative

Mr C Andrew, Woodlands

Academy School Representatives

Mr S Brennand, Unity

Ms J Carroll, Roseacre

Mr M Gray, Waterloo

Ms T Harrison, Thames

Mr D Medcalf, St Georges

Ms W Casson, Pupil Referral Unit

Non-Schools Members

Ms A Baines, Staff/Teacher Associations

Mr D Dickinson, Staff/Teacher Associations

Mr R Rendell, Early Years Strategic Group

In Attendance:

Councillor Cain, Cabinet Secretary (Resilient Communities)

Ms L Donkin, Public Health Specialist

Mr M Golden, Finance Manager

Mr P Sharples, Schools Funding and PFI Manager

Mr P Turner, Schools Safeguarding Advisor (ITEM 6)

Mr C Williams, Democratic Governance Adviser (Minutes)

Mrs H Wood, Head of Business Support and Resources.

1 APOLOGIES

Apologies for absence were received from Ms Delyth Curtis, Director of People, Mr Graeme Dow, Anchorsholme Academy and Ms Cathy Butterworth, Primary School Governor.

2 DECLARATIONS OF INTEREST

There were no declarations of interests on this occasion.

3 MINUTES OF THE LAST MEETING HELD ON 21 JUNE 2016

The minutes of the Schools Forum held on 21 June 2016 were agreed as a correct record and signed by the Chairman subject to a change on page 8 to the title of the group known as the Early Years Strategic Group.

MINUTES OF SCHOOLS FORUM MEETING - TUESDAY, 11 OCTOBER 2016

4 MATTERS ARISING FROM THE PREVIOUS MEETING

Minute 8: It was noted that the second stage of the consultation on the future of school funding had been delayed. The authority had also not yet received any feedback from the Department for Education regarding the case put forward for the historic commitment to the contribution to Blackpool Children's Centres, and once the outcome was known, Mrs Wood would update the Forum.

Minute 12: Ms L Donkin, Public Health Specialist was in attendance in response to a request from the previous meeting for a Public Health Department representative to attend future Forum meetings.

Ms Donkin advised that she was grateful to be a part of the Forum and added that she felt there were a number of school specific Public Health issues which could be discussed at future meetings such as childhood obesity and milk fluoridation. Ms Donkin also welcomed feedback from schools on the school breakfast scheme.

Resolved:

1. That a standing item entitled 'Public Health Update' be added to future Forum agendas.
2. Ms L Donkin to circulate a link to the Public Health Annual Report to all Forum members.

5 FORMAL REVIEW OF MEMBERSHIP AND CONSTITUTION

Mrs Wood described the context of the report. The Forum was advised that the Constitution required a review of membership at the first meeting of each academic year and that this should take into account the proportion of primary, secondary and academy representatives in order to ensure that the proportions remained representative of pupil numbers in each phase. Given changes to the distribution of the 11 mainstream primary, secondary and academy places there was a need to re-calculate the balance.

It was noted that the changes would mean there was no longer a Maintained Secondary School Headteacher representative position on the Forum. As a result, there would be an extra position added to the Academy School Headteacher element of the membership.

In response to a request from Councillor Cain, Mrs Wood agreed to change the wording of a small section within the Constitution to better reflect the attendance of relevant Councillors at future Forum meetings.

Resolved:

1. To agree to the proposed changes to the balance of representatives between primary, secondary and academy mainstream schools.
2. To agree to the continuation of arrangements in relation to the Constitution in respect of numbers of representatives from any federation, multi-academy trust or academy sponsor.
3. Mrs Wood to write to academy Headteachers to seek additional members to join the Forum from January 2017.

MINUTES OF SCHOOLS FORUM MEETING - TUESDAY, 11 OCTOBER 2016

4. To supplement the words 'Lead Member for Children's Services or Resources' on page 3 of the Constitution with appropriate wording to allow delegation of Councillor attendance to a relevant Cabinet Member at future Forum meetings.

6 SCHOOLS SAFEGUARDING ADVISOR

Mr P Turner provided an overview of his role as Schools Safeguarding Adviser and described some of the work he had been involved with over the last 12 months.

He explained that his role centred on providing help and advice to Blackpool school staff to enable them to more effectively safeguard the children who attend their schools. Mr Turner added that the position had allowed a degree of cross-agency working and a link into Blackpool Council's School Improvement Service. Members expressed concerns about the line management provision for the Schools Safeguarding Adviser and agreed that a discussion should be had about future arrangements.

The Forum noted that Mr Turner had helped to establish a potential revenue stream back into Schools Forum on an irregular basis through links that had been made with other Local Safeguarding Children Boards (LSCBs) who paid for the services of the School Safeguarding Advisor in a consultancy capacity.

Mr Turner informed the Forum that a total of 30 Blackpool Schools and Colleges had engaged in an "audit" style activity that had allowed the Designated Safeguarding Lead and/ or the Headteacher to be guided through a self-assessment tool that looked at all the elements of safeguarding at their school.

It was reported that the Schools Safeguarding Advisor had represented Blackpool schools at Blackpool Safeguarding Strategic Board meetings and on the subgroups of the Board, in addition to representing schools in a more general capacity at The Blackpool Challenge Board.

The Schools Safeguarding Advisor had also gained accreditation as a Home Office WRAP3 trainer and had delivered training to 21 schools as twilight sessions. In addition, Mr Turner had supported a number of Blackpool Schools with their preparations for Ofsted inspections and audited and commented upon a number of documents and policies that had been provided by those settings. The Forum was advised that all Blackpool Schools who had been inspected in the 2015/ 2016 academic year, with the exception of one Academy, had had positive comments made about their Safeguarding and Child Protection work.

Mr Turner also reported that he had responded to and subsequently resolved a number of complaints in relation to safeguarding at certain Blackpool Schools received by Ofsted. In particular he had worked closely with Highfield Leadership Academy to improve safeguarding practice within that setting.

The Forum noted that Mr Turner had conducted various training courses and worked with a number of colleagues within the Authority and from partner agencies. As a result, stronger working relationships had led to links being developed within other

MINUTES OF SCHOOLS FORUM MEETING - TUESDAY, 11 OCTOBER 2016

organisations and other Safeguarding Boards including those in Trafford, Blackburn and Wigan.

Mr Turner thanked the Forum for funding the position of Schools Safeguarding Adviser and advised that in the next year of his tenure he would strive to promote the good practice in relation to safeguarding that was taking place across Blackpool.

The Chairman thanked Mr Turner for his hard work in the role and expressed personal thanks for the work he had done in support of her individual school setting. Members of the Forum echoed those sentiments and agreed that an item on the future of the School Safeguarding Advisor role should be brought to the January 2017 meeting.

Resolved:

1. To note the update.
2. To receive a report on the future of the Schools Safeguarding Adviser role at the January 2017 Forum meeting.
3. Mrs Wood to discuss future line management options for the Schools Safeguarding Adviser with Ms Delyth Curtis, Director of People.

7 EVALUATION OF SCHOOLS AND EARLY YEARS ALLOCATIONS FROM RESERVES

Mrs Wood presented the report and advised that in relation to Early Years Forum Bonus Money, in 2015/ 2016 and 2016/ 2017, allocations were made to nursery providers from DSG reserves accumulated through an underspend of two year old grant funding.

The Forum noted that during the financial year 2015/2016, a total funding amount of £846,000 was allocated. Private, Voluntary and Independent (PVI) settings each received £13,000, School nurseries each received £11,000 and Childminders each received £1,300. In addition, there were four blocks within which each provider could spend their allocation, namely: resources, renewals, repairs and additionality (human resource).

It was reported that information detailing the above amounts was sent from the Early Years and Childcare Team in March 2015 and they requested completion of a number of appendices to be returned by a specified date. Of those settings, all 33 Childminders completed and returned both Appendix A and Appendix B, all 16 School Nurseries returned Appendix A and 14 had returned Appendix B. Mrs Wood added that in relation to the two that had not returned paperwork, the Headteachers were aware. Two PVI chains and a further five settings also had not sent in returns. In response to a question about what was being done about those settings who had yet to return the completed appendices, Mrs Wood advised that the Primary School Improvement Officer was in the process of following this up.

In 2016/17, there was a further allocation to settings of half the amount distributed in the previous year. This year, settings have been able to use the funding for resources, renewals and repairs, and also to cover increased staffing costs resulting from rises in National Insurance contributions, National Living Wage, and pension costs. The use of allocations was being monitored through visits.

MINUTES OF SCHOOLS FORUM MEETING - TUESDAY, 11 OCTOBER 2016

With respect of funding for schools, the Forum was reminded that they had chosen to release £1.25 million in 2015/16 from the DSG reserves, with notional allocations within this for each school on a per pupil basis. Primary and special schools were required to submit plans for the proposed use of the funding and intended outcomes. All but two schools submitted the required information, and the impact was monitored through Schools Improvement Partner visits. It had been agreed that the Secondary element would be allocated to the Blackpool Challenge Partnership. Secondary Schools were asked to put together an action plan as part of their bid for funding allocation and the Blackpool Challenge Board had managed to attract additional funding through philanthropic partners to further support the work identified in those plans.

Resolved:

1. Mrs Jean Martin, School Improvement Officer to follow up the points raised at section 3.5 and 5.3 of the report in relation to completion of outstanding paperwork related to a breakdown of monies spent.
2. Further evaluation of the impact of the Secondary School Action Plans and additional funding received from philanthropic partners to be brought to a future meeting.

8 DEDICATED SCHOOLS GRANT BUDGET MONITORING 2016/2017

Mr Mark Golden presented the DSG Budget Monitoring report and advised that in terms of pressures, there were none within the Schools Block at the time of writing.

In response to a question about the figure related to staffing pressures on the Specialist Advisory and Referral Service (SARS), he added that he would look into the issue and report back at the next meeting.

A forecast underspend on the Illuminate budget was noted. Ms Harrison queried whether allocations were being made automatically when new to area pupils met the criteria, rather than schools having to apply for the funding, in accordance with a previous decision by Forum.

The Forum was advised that in terms of the Early Years Block, the speech and language budget had previously been overstated and that the revised figure represented a variance of £49,000. Ms Casson suggested that it would be beneficial to look more closely at Year 5 to Year 8 interventions for speech and language therapy. Mrs Wood informed the group that a commissioning review of speech and language therapy had been undertaken, and Forum would be informed of the outcome in due course.

Mr Golden advised that the total underspend to August 2016 was £11,000.

Resolved:

1. Mr Golden to investigate the Specialist Advisory and Referral Service (SARS) staffing costs overspend.
2. Mrs Wood to look into the query regarding Illuminate funding.

9 EARLY YEARS NATIONAL FUNDING FORMULA

The Forum noted the contents of the Government's proposals on Early Years funding and the concerns raised by Blackpool Council in its response.

Mrs Wood provided background information relevant to the Early Years National Funding Formula. She reported that on 11 August 2016, the Department for Education launched a consultation entitled "An early years national funding formula – and changes to the way the three- and four-year-old entitlements to childcare are funded". The consultation ran for six weeks and closed on 22 September 2016.

A summary of the proposals and their impact on Blackpool was presented and the Forum noted that funding would be allocated to local authorities based on a national formula, with a base rate, additional needs factor (using Free School Meals, English as an Additional Language, and Disability Living Allowance), and Area Cost Reduction. Mrs Wood added that this would be introduced from April 2017 for the existing 15 hours and from September 2017 for the additional 15 hours. In addition, despite the injection of additional funding at national level, the proposals would see an overall reduction in Blackpool funding for three- and four-year-olds from £4.48 to £4.36 (a total reduction from £5,317,000 to £5,180,000). Given that there would be a limit on the amount the local authority could hold for central expenditure at seven per cent in 2017/ 2018 and five per cent thereafter, Blackpool currently retained approximately 17 per cent of the total three and four-year-old funding and the Forum was advised that this would necessitate a drastic reduction.

The Forum noted that the proposal was for the local formula to have a universal base rate for all providers from 2019/ 2020 at the latest and would involve the inclusion of a mandatory deprivation supplement. Mrs Wood advised that Blackpool's formula currently had three separate base rates for school nursery classes, PVI settings and childminders. Optional supplements would also be allowed for flexibility, efficiency, rurality, and delivery of the 30-hours entitlement and the total of supplements would not be able to exceed 10 per cent of the total rate. In addition, the proposals would see the removal of the quality supplement, which Blackpool uses to allocate funding to settings with an overall Ofsted judgement of outstanding, despite the fact that settings had reported that this had acted as an incentive for them to make improvements.

Mrs Wood then summarised Blackpool Council's response to the consultation. The Forum noted the main points which were:

- A request for a higher proportion of funding to be allocated through the deprivation factor, and for the use of the IDACI measure rather than free school meals data.
- An argument that the Area Cost Adjustment was having too great a redistributive effect, and was cancelling out or even reversing the impact of deprivation in the formula.
- A request for flexibility to allow central retention of higher proportions of funding, subject to local agreement.
- An argument to retain different base rates for different types of setting, in order to allow Ofsted requirements for qualifications and ratios to be reflected in the funding levels.

MINUTES OF SCHOOLS FORUM MEETING - TUESDAY, 11 OCTOBER 2016

- A request for retention of an optional quality supplement, and disagreement with the proposal for an efficiency supplement.
- Disagreement with the mandatory requirement to establish an Inclusion Fund, where other solutions for supporting children with SEND were working effectively.

Mrs Wood proposed that a working group be established to inform the proposals for Blackpool's formula, once the final details and funding levels had been made available by the Department for Education. It was also suggested that the working group be made up of members from the Early Years Strategic Group, supported by Council officers as necessary.

It was reported that the Council was still reviewing its options and it was hoped that further details on a possible Council service offer would be available at the same time as a local consultation, in order for providers to have detailed information about the impact the changes might have for them.

The Forum praised the report author and the response to the consultation that had been prepared. In addition, it was agreed that a progress report be brought to the next meeting of the Schools Forum in January 2017, with final details of the proposed local formula to be considered at the March 2017 meeting, in time for implementation from April 2017.

Resolved:

1. To note the contents of the Government's proposals on Early Years funding and the concerns raised by Blackpool Council in its response.
2. To agree to the establishment of a working group consisting of members of the Early Years Strategic Group and relevant Council officers to inform the development of Blackpool's Early Years funding formula for 2017/ 2018, once the final details had been released by the Department for Education.
3. A progress report to be brought to the January 2017 Forum meeting.

10 SCHOOLS AND HIGH NEEDS FUNDING FORMULA CONSULTATION

It was noted that following a delay in the second stage of the Schools and High Needs Block consultation, there was currently nothing further to report.

The Forum noted the update.

11 ACADEMY UPDATE

Mrs Wood advised that Mereside School was planning to convert to academy status as part of the Fylde Coast Academy Trust (FCAT), and Ms Diver confirmed that the anticipated conversion date was 1st December 2016. In relation to the free school development on the former Arnold School site, a request from FCAT for an increase in provision from 700 to 800 pupils in the secondary phase had been approved by the Department for Education. Forum members questioned the need for additional primary school places in the south of the town. Ms Wood informed the group that the local authority's information identified that there was a future requirement for additional school places but that the shortfall in primary places was not predicted for another few

MINUTES OF SCHOOLS FORUM MEETING - TUESDAY, 11 OCTOBER 2016

years. The report also identified that the need for places was probably greater in the central and north areas of Blackpool rather than in the south of the town. This information had been shared with the Department for Education as part of the consultation process for the new school.

It was reported that a public forum was in the process of being arranged by union officials to discuss opposition to the proposed free school in South Shore.

Resolved:

Ms Tracey Harrison to circulate information regarding a public forum meeting to discuss opposition to the proposed free school on the former Arnold School site, once details had been finalised.

12 LOCAL AUTHORITY UPDATE

Mrs Wood reported that a proposal to begin demolition on the site of the former Bispham High School had been approved by the Council's Executive. It was noted that vandalism and trespassing had occurred at the site following the schools closure.

The Forum was informed that Blackpool had been awarded Opportunity Area Status and as a result would be eligible for a share in a total amount of £60m in funding with a number of other towns and cities.

The Forum noted the update.

13 DATE OF NEXT MEETING

Members noted that the date of the next meeting would be Tuesday 10 January 2017.

Chairman

(The meeting ended at 11:10am)

Any queries regarding these minutes, please contact:

Chris Williams Democratic Governance Adviser

Tel: 01253 477153

E-mail: chris.williams@blackpool.gov.uk

Report to:	SCHOOLS FORUM
Relevant Officer:	Hilary Wood, Head of Business Support and Resources
Date of Meeting:	10 January 2017

SCHOOLS SAFEGUARDING ADVISER ROLE

1.0 Purpose of the report:

1.1 To consider the extension of the School Safeguarding Adviser post.

2.0 Recommendation(s):

2.1 To approve the proposal to extend the post of School Safeguarding Adviser for a further two years until the end of September 2019 at a cost of circa £160,000 to be funded from uncommitted Dedicated Schools Grant reserves.

2.2 To note the post will be line managed within the School Effectiveness Division with effect from after the February 2017 half-term break, in response to a specific request from Schools Forum.

3.0 Background Information

3.1 In October 2014, Schools Forum agreed to fund a new post of School Safeguarding Adviser for two years. This was in response to pressures being experienced by schools and the need to respond to large numbers of safeguarding issues affecting their pupils, from crisis management to long term support for vulnerable children and their families.

3.2 At the time, there was no primary or secondary head teacher representation on Blackpool Safeguarding Children Board, as the workload commitment was felt to be too great for one person to fulfil whilst leading their school. It was felt that there was a need for more support for schools in terms of advice around safeguarding processes, and quality of referrals to Children's Social Care.

3.3 The new post was established, reporting to the Principal Social Worker and working closely with the Safeguarding and Quality Assurance team and the School Improvement team. Funding was set aside from surplus Dedicated Schools Grant reserves to pay for the post for a period of two years. Paul Turner took up post in October 2015, and he attended Schools Forum in October 2016 in order to give feedback and evaluation following his first year in the role. He was well received by Forum, who complemented his work so far, and asked for a further report to be

brought regarding the future of the post beyond the planned end date of September 2017.

- 3.4 Given the success of the post to date, it is recommended that the post is extended for a further two years, taking this to the end of September 2019. Now that the initial set-up for the role is complete, the post holder will have the capacity to provide added value within schools, for example through the creation and delivery of lesson plans around key safeguarding issues. Mr Turner is planning to undertake a Masters qualification in “Safeguarding in an International Context” covering matters such as child sexual exploitation, trafficking and online safety, which will further enhance his knowledge and support to Blackpool schools. Support for this line of study is to be determined in due course.
- 3.5 The total cost over the two year period is circa £160,000, and this could be funded from uncommitted Dedicated Schools Grant reserves.
- 3.6 At its meeting in October 2016, Schools Forum members asked if the line management of the post could be re-considered. It was felt that, given the funding for the role had come from schools, it would be preferable for it to be line managed within the School Effectiveness area of the Council. In light of this request, it is proposed that the line management for the role is changed to this effect following the February 2017 half-term break. A line of accountability will be retained through to Children’s Safeguarding and the Principal Social Worker in order that the focus of the role continues to align with emerging priorities in the town.

Report to:	SCHOOLS FORUM
Relevant Officer:	Mark Golden, Finance Manager
Date of Meeting:	10 January 2016

DEDICATED SCHOOL GRANT BUDGET MONITORING 2016/2017

1.0 Purpose of the report:

1.1 To report the budget position of the Dedicated Schools Grant for the 2016/2017 Financial Year - Appendix 9(a).

1.2 To report the amount of Dedicated Schools Grant reserves as at 30 November along with details of future commitments – Appendix 9(b).

2.0 Recommendation(s):

2.1 To note the 2016/2017 budget position.

List of Acronyms:

DSG	-	Dedicated Schools Grant
EFA	-	Education Funding Agency
HNB	-	High Needs Block
SSA	-	Special Support Assistant

3.0 List of Appendices:

3.1 Appendix 9(a) - Dedicated Schools Grant 2016/2017 Budget Monitoring Report to 30 November 2016.

Appendix 9(b) - DSG Reserves as at 30 November 2016.

Appendix 9 (a) - Dedicated Schools Grant 2016/2017 Budget Monitoring Report to 30 November 2016

Service	2016/17						Comments
	Budget	In Year Adj.	Recoupment	Adjusted Budget	Forecast Outturn	Variance	
	£000s	£000s	£000s	£000s		£000s	
Schools Block							
Local School Budget							
- Delegated	77,779	0	(57,364)	20,416	20,416	0	
- Third Party & Public Liability Insurance (de-delegated)	304	0	(53)	252	331	79	Increase in IPT and no rebate on for converting academies
- Union Duties (de-delegated)	27	0	(7)	20	20	0	
- Free School Meals Eligibility Checks (de-delegated)	17	0	(2)	15	15	0	
Pupil Growth Contingency	205	0	98	303	303	0	
Servicing of Schools Forum	15	0	0	15	15	0	
Licences & Subscriptions	79	0	0	79	79	0	
School Admissions	125	0	0	125	125	0	
Contribution to Combined Budgets - Children's Centres	1,000	0	0	1,000	1,000	0	
Total Schools Block	79,551	0	(57,327)	22,224	22,303	79	
High Needs Block							
Special Schools							
Place Funding	3,693	0	(2,153)	1,540	1,540	0	
Top-up Funding	1,975	0	0	1,975	2,044	69	Pupil numbers in excess of commissioned places at Park
SERFs							
Place Funding	542	0	(280)	262	262	0	
Top-up Funding	296	0	0	296	296	0	
Transport	0	105	0	105	122	17	
Pupil Referral Units							
Place Funding	2,580	0	0	2,580	2,580	0	
Top-up Funding	1,565	(105)	(0)	1,459	1,459	0	
Mainstream Schools							
Top-up Funding	777	0	0	777	812	36	High level of additional ad-hoc support
Exceptional Circumstances Funding	50	0	0	50	57	7	
Post-16 Education	1,066	0	0	1,066	1,066	0	
Out of Borough	2,857	0	0	2,857	2,950	93	Additional placements and transport costs
Specialist Advisory and Referral Service (SARS)	1,068	0	0	1,068	1,078	10	Vacancy factor pressure
Access and Inclusion	268	0	0	268	214	(54)	Includes £85k Illuminate budget - forecasting £10k for the Spring Term based on Summer and Autumn Terms
Other High Needs Central Services (Management, Central Support Costs, Admin Support, Pension Top-slice)	827	0	0	827	827	0	
Total High Needs Block	17,563	0	(2,433)	15,130	15,308	178	
Early Years Block							
2 Year Old Grants	2,122	0	0	2,122	1,866	(257)	Funding will be adjusted by DfE based on participation
Early Years Pupil Premium	120	0	0	120	125	5	Funding will be adjusted by DfE based on participation
3 & 4 Year Old Grants	4,377	0	0	4,377	4,668	291	Funding will be adjusted by DfE based on participation
Early Years Central Services	940	0	0	940	861	(79)	Speech & Language budget over-stated; Supplies and Services underspends
Total Early Years Block	7,559	0	0	7,559	7,520	(39)	
Total Expenditure	104,673	0	(59,760)	44,913	45,131	218	
Dedicated Schools Grant Income	(104,481)	0	60,070	(44,411)	(44,451)	(40)	Anticipated increase in grant to reflect Early Years demand variances. See EY block grant lines above (exc. central services)
Post-16 funding from the EFA	0	0	(310)	(310)	(310)	0	
One off use of Reserves as approved at March 16 Forum	(192)	0	0	(192)	(192)	0	
Total Income	(104,673)	0	59,760	(44,913)	(44,953)	(40)	
In year (under)/over spend	0	0	0	0	178	178	

Appendix 9 (b) - Dedicated Schools Grant Reserve as at 30 November 2016

Description	Brought Forward 01/04/2016	Expenditure/ (Income) to 30/11/2016	Carried Forward 01/12/16	Comments
Uncommitted DSG Reserve	1,033,133	(174,312)	1,207,445	NDR windfall following Highfield conversion
Early Years Allocation	383,000	376,250	6,750	
2016-17 DSG in year deficit	192,000	191,938	62	
Equal Pay Earmarked Reserve	0	(33,144)	33,144	Refund as over charged in 15-16
Rates Holding Account	50,000	0	50,000	
SSA Voluntary Redundancy Reserve	50,000	0	50,000	
Schools Safeguarding Post	147,885	50,492	97,393	Funding will last until 30th Sept 2017
Pension Strain Reserve	25,000	0	25,000	
Insurance Holding Account	100,000	0	100,000	
	1,981,018	411,224	1,569,794	

This page is intentionally left blank

Report to:	SCHOOLS FORUM
Relevant Officer:	Paul Sharples, Schools Funding and PFI Manager
Date of Meeting:	10 January 2017

SCHOOLS FUNDING FORMULA 2017/2018

1.0 Purpose of the report:

- 1.1 To consider the local authority's proposal for the allocation of the schools funding formula for 2017/2018 ahead of submission to the Education Funding Agency (EFA) by 20 January 2017.

2.0 Recommendation(s):

- 2.1 Schools Forum is asked to agree to the local authority's proposal for the allocation of school funding in 2017/2018 by adjusting the following formula factors:

- Retain the 2016/2017 funding per band values for the IDACI funding factor.
- Reduce lump sum from £165,000 to £150,000 per school.
- Increase the PFI factor by £140,024 to account for the affordability gap on the Highfield PFI scheme.
- Retain the capping and scaling levels at 2% and 17% respectively in order to cover the minimum funding guarantee (MFG) requirement and ensure that the formula is affordable overall.

3.0 Background Information:

- 3.1 The Income Deprivation Affecting Children Index (IDACI) is one of the deprivation factors included in the schools funding formula, and is a sub-set of the Index of Multiple Deprivation. The index was updated in 2015, and replaces the former version issued in 2010. For this reason, there was a substantial shift in the number of pupils included within each of the six bands in 2016/2017. Blackpool's position bucked the trend nationally, where many local authorities saw a reduction in the number of pupils falling in the highest bands of deprivation, whereas Blackpool saw an increase. Therefore in 2016/2017 Schools Forum agreed to reduce the IDACI funding rates to ensure affordability within the funding envelope.

- 3.2 For 2017/2018 the Education Funding Agency has updated the IDACI banding methodology to return the IDACI bands to a roughly similar size (in terms of the proportion of pupils in each band) in 2016 compared to 2015. For Blackpool, this means that again a greater number of pupils are now falling within the highest IDACI bandings. Normally, this would require a further reduction in the IDACI banding rates in order to remain affordable.
- 3.3 However, the paper to be considered by Schools Forum later in the meeting entitled “Schools National Funding Formula Update” details proposals by the Education Funding Agency to set unit values for a number of the formula factors. Amongst other elements, the national proposals are to set the IDACI banding values higher than those included in Blackpool’s current formula, and to set the lump sum at £110,000 per school, compared to £165,000 in Blackpool’s 2016/2017 formula. The Education Funding Agency advises that local authorities use the two years preceding the introduction to a national funding formula to smooth the transition by moving towards values illustrated in the consultation. This will help to reduce turbulence when the national formula is implemented in 2019/2020.
- 3.4 It is therefore proposed to retain the IDACI values at the same levels as in 2016/2017, and instead reduce the lump sum from £165,000 to £150,000 per school in order for the formula to remain affordable.
- 3.5 As in previous years, schools will be protected by the minimum funding guarantee (MFG) from losing more than 1.5% per pupil of funding in 2017/2018.
- 3.6 During legal discussions regarding the transfer of PFI contracts for Highfield School as part of the academy conversion process the local authority was advised by the Department for Education (DfE) that it is usual in these circumstances for the PFI affordability gap to be fed through the schools funding formula. The affordability gap in a PFI agreement comes about as a result of the government funding available to fund a scheme (PFI credits) not being sufficient to fund the full costs over the life of the agreement (25 years in this case). The reason for feeding the affordability gap through the formula is that the DfE would indemnify this element of funding in the event of future funding reforms.
- 3.7 In January 2016, Schools Forum agreed to “increase the Private Finance Initiative (PFI) factor by an appropriate amount to account for the affordability gap on the Highfield PFI scheme, to be matched by a contribution from the Council”. At this time the affordability gap was in excess of £300,000. Following legal negotiations for the transfer of Highfield to the Tauheedul Education Trust, the Forecast Affordability Gap for 2017/2018 is £140,024, subject to inflation rates at February 2017. As a result of rates saving of circa £174,000 following the conversion of Highfield, this is now fully funded with no additional pressure on the formula or contribution from the Council.

- 3.8 Finally, it is proposed that the capping and scaling levels are retained at 2% and 17% respectively in 2017/2018. The cap means that each school will retain the first 2% of per pupil gains from one year to the next, and the scaling factor means that schools will have any gains over and above the 2% cap scaled back by 17%. This will ensure that the formula is affordable overall.
- 3.9 There is a possibility that these figures may need to be adjusted slightly when the formula is submitted to the EFA on 20 January 2017. The provisional allocation of DSG announced shortly before the Christmas break is still being worked through, as are the estimates for 2017/2018 budgets. Any changes resulting from these further developments may require a slight amendment to the amount that is affordable through the school formula. It is therefore proposed that any shortfall/surplus in overall funding is recovered/released by small adjustments to the formula factors as appropriate.

List of acronyms:

EFA – Education Funding Agency

IDACI – Income Deprivation Affecting Children Index

MFG – minimum funding guarantee

DSG – Dedicated Schools Grant

PFI – Private Finance Initiative

DfE – Department for Education

This page is intentionally left blank

Report to:	SCHOOLS FORUM
Relevant Officer:	Hilary Wood, Head of Business Support and Resources
Date of Meeting:	10 January 2017

EDUCATION SERVICES GRANT UPDATE

1.0 Purpose of the report:

1.1 To consider the impact on the Council, academy schools and maintained schools of the ending by Government of the Education Services Grant.

1.2 To agree the amount to be retained from maintained school budgets to cover the education functions previously funded by the Education Services Grant.

2.0 Recommendation(s):

2.1 To note the impact on the Council and academy schools of the ending by Government of the Education Services Grant.

2.2 Maintained school representatives, including primary, special and pupil referral unit members, are asked to approve the amount of £19.42 to be retained from school budgets in respect of education functions previously funded by the Education Services Grant for the period September 2017 to March 2018.

3.0 Background Information

3.1 The Education Services Grant (ESG) is a funding stream paid to local authorities outside of the local government finance settlement in respect of certain education functions. When schools convert to academy status, part of the grant is paid to the academy instead of the local authority in respect of the responsibilities that transfer between the parties.

3.2 There are two elements of ESG – the retained grant, and the general grant. Retained ESG is only paid to local authorities, and funds the responsibilities they hold for all pupils in the area, regardless of whether they are educated in maintained or academy schools. This element of the grant is funded at a rate of £15 per pupil, and covers functions such as:

- Statutory and regulatory duties, including planning for and management of the education service as a whole, formulation and review of the schools funding formula

- Education welfare, including functions in relation to the exclusion of pupils from schools, school attendance, responsibilities regarding the employment of children
- Asset management, including management of the education capital programme, and general landlord duties for buildings, including those leased to academies

3.3 The general element of ESG is paid to local authorities in respect of the pupils in maintained schools. It is also paid separately to each academy in respect of the pupils in their own school. The per pupil amount for general ESG has been reduced over time, and stands at £77 per pupil in 2016/2017, with higher amounts payable in respect of places in pupil referral units and special schools. The functions of the local authority covered by this element of the grant include:

- School improvement
- Statutory and regulatory duties in respect of maintained schools, such as best value and procurement advice, internal audit compliance, pension scheme administration
- Education welfare, including the inspection of attendance registers
- Asset management to ensure maintained school buildings are in a satisfactory condition
- Central support services, such as music tuition, visual, creative and performing arts, outdoor education centres
- Monitoring of National Curriculum assessments

3.4 In the 2015 Spending Review, the Government announced that it would be cutting £600m from ESG, at a time when the total grant amounted to £820m. In November 2016, details were released of how this level of savings would be realised, summarised as follows:

- Retained ESG to be transferred into Dedicated Schools Grant from April 2017 at the same rate of £15 for all pupils in the local authority area, to fund the functions outlined in 3.2 above.
- Academies to continue to receive general ESG at £77 per pupil (or higher for pupil referral units and special schools) until the end of the 2016/2017 academic year.
- Local authorities to receive ESG transitional grant for the period April to August 2017 at a reduced rate of £66 per pupil pro rata (or higher for pupil referral units and special schools).
- ESG to cease with effect from September 2017. Academies will receive protection against losses, typically limited to 1 per cent of their total funding.

- 3.5 With regard to the functions previously covered by the general ESG, the arrangements from September 2017 can be separated into two areas: school improvement, and other education functions.

School improvement:

- 3.6 In November 2017, the Government announced detailed of new sources of funding for school improvement. From September 2017, local authorities will receive a share of a £50 million school improvement fund to allow them to continue to monitor and commission school improvement for low-performing maintained schools. For any school improvement services offered over and above the statutory minimum, maintained schools can choose to de-delegate funding through a vote by their Schools Forum representatives. This matter is addressed in the de-delegation paper later in the agenda.
- 3.7 In addition, a new £140 million Strategic School Improvement Fund will be made available to academies and maintained schools, and will be aimed at ensuring resources are targeted at the schools most in need of support to drive up standards, use their resources effectively and deliver more good school places.

Other education functions:

- 3.8 Although it is still the Government's stated intention for all schools to eventually become academies, in the meantime local authorities will be required to provide the functions outlined in 3.3 above to the schools they continue to maintain. The funding for school improvement will come from the new grant and any de-delegated funds referred to in the previous section. With respect to the remaining education functions, new powers will allow local authorities to retain funding from maintained school budgets, including special schools and pupil referral units, with the amount to be agreed by maintained school representatives of Schools Forum.
- 3.9 To this end, the local authority proposes to retain an amount of £19.42 per pupil from maintained school budgets for 2017/2018 in respect of the period September 2017 to March 2018. In arriving at this figure, the local authority has taken regard of the functions and support provided to maintained schools (but not to academies) at no cost. The education functions covered by this new retention in respect of maintained schools include:
- Budgeting, accounting and finance functions, e.g. production of statement of accounts, year-end audit, VAT advice, treasury management
 - Production of and monitoring of compliance with the Scheme for Financing Schools
 - Internal audit compliance visits
 - Administration of local government and teachers' pension schemes

- Provision of information to or at the request of the Crown
- Functions under the Equality Act 2010
- Asset management, including condition surveys to ensure assets are in suitable state of repair
- Monitoring of National Curriculum assessments

3.10 It is clear that the cut to ESG will impact on all areas of the system, with no corresponding reduction in responsibilities: academy schools will face losses of up to 1 per cent (and more in some circumstances); maintained schools will see a retention of funding for functions that were previously provided at no cost; and the local authority estimates it will lose more than £200,000 p.a. of funding after the ending of the transitional ESG, in spite of the new powers to retain and de-delegate funding.

3.11 **Vote** – do maintained school members, including primary, special and pupil referral unit members, agree to the amount of £19.42 per pupil being retained from school budgets for the purpose of funding education functions?

Acronyms used:

ESG – Education Services Grant

Report to:	SCHOOLS FORUM
Relevant Officer:	Dave Dickinson (Unison representative)
Date of Meeting:	10 January 2017

UNISON DUTIES

1.0 Purpose of the report:

- 1.1 To request a review of facility time for Unison as the largest trade union representing support staff in schools. At present, Unison does not receive any funding for its members in schools. It feels it is important for Blackpool schools to continue to be committed to the costs of facilities time for trade unions but extends it to Unison so that it covers all staff i.e. both teaching and support staff, equitably.

2.0 Recommendation(s):

- 2.1 That the forum considers the content of this report in advance of the decision being made regarding the de-delegation of services.
- 2.2 That the schools in the maintained primary phases agree to de-delegate funding for facility time to cover support staff (in addition to the separate funding for teachers' trade unions.)
- 2.3 That a 'per pupil' rate be introduced for support staff representation at £1.75 per pupil.

3.0 Background Information

- 3.1 Changes in the funding rules in 2013/2014 required local authorities to distribute funding using a simpler formula. They would not, in future, be permitted to maintain funding for facilities time for all recognised education unions without specific agreement from their Schools Forum.
- 3.2 The Blackpool Schools Forum, in January 2013, considered a report from the Teachers' Associations/Trade Unions, in which it recognised the important role played by PTA/Local Authority representatives and individual schools. It stated that facility time is a valuable asset and this should be retained "at an adequate level" through a de-delegation process, which would assist the process of enabling good relations between schools and trade unions to continue.

- 3.3 Unison (along with other trade unions representing support staff, such as Unite and the GMB) was not included in the 2013 facilities time report. Historically, funding for facility time to cover the Council and maintained schools was provided by the Local Authority.
- 3.4 The cuts to Blackpool Council's non-schools budget has been £118m between 2011/2012 to 2016/2017. As a consequence of the squeeze on funding, Unison was informed that, in 2016/2017, the Authority would propose to reduce the number of Unison officers from three to two at a point during the financial year. Fortunately, this was extended to April 2017. To avoid the redundancy of one officer, the Branch Secretary has stated her intention to retire. However, the level of work has not reduced to the point where two officers could cover representation of members at the Council, schools and 'Arms Length' organisations e.g. Blackpool Coastal Housing and the Blackpool Housing Company.

4.0 The Scope of Trade Union Activity in Schools

- 4.1 What activity does a facilities budget support? The budget enables borough wide representatives of staff trade unions to assist and represent their members in schools on issues of conditions of service.
- 4.2 Unison has more than 900 members amongst support staff, and carries out a wide range of functions and duties. These are detailed in Appendix 13(b) but can be summarised as follows:
- a) Representation of members in disciplinary and grievance meetings and hearings, Attendance Management meetings and Case Review hearings, Capability meetings etc;
 - b) Representation during redundancy consultations and at redundancy notice meetings;
 - c) Advice and support on any workplace issue, including redundancy, redeployment, maternity and paternity issues, subjects related to disabilities, ill health retirement etc;
 - d) Consultation regarding policies and procedures;
 - e) Changes to terms and conditions, including changes to hours and roles, and negotiating local agreements;
 - f) Advice, support and representation during TUPE processes;
 - g) Joint consultative meetings between unions and employers, where relevant;
 - h) Job evaluation of new or changed roles for support staff;
 - i) Health and Safety;

- 4.3 The trade union representative has a vital role in working with the employer to achieve the best outcome and resolve issues as locally as possible. That undoubtedly reduces the risks of litigation and is a benefit that assists schools. The case studies at Appendix 13(a) show clearly that employment tribunals are damaging to a school's reputation and costly in both time and money. It is beneficial to all parties to resolve issues at the earliest opportunity. This is why supporting paid time off for local union representatives makes sound business sense.
- 4.4 Where representatives currently work within a school – usually amongst teaching unions - the pooled budget provides the school with funds to cover the costs of release to undertake these borough-wide activities. Branch officials carry out the vast majority of representation work and negotiations because they are aware of local conditions. A Regional Officer is unable to provide such support because they are geographically too remote and cover several branches. Any reduction of local capacity to support members would also have a huge impact on the workload of Regional Officers at a time when the demands on them are already increasing at an alarming rate.
- 4.5 Under the Trade Union and Labour Relations Act and Part 2, Appendix III of the Burgundy Book and Section 18 of the Green Book, employees are entitled to reasonable time off to carry out trade union duties. Paying into a budget for trade union facilities time to enable adequate representation ensures that costs are more predictable. The service received is also much more reliable than paying for release for a Branch official on an ad hoc basis or waiting until a member of regional staff becomes available.
- 4.6 All school-based reps have to be ERA accredited i.e. to be competent in all areas of representation, which requires release from the workplace to attend the required courses often for ten weeks at a time – a costly enterprise for individual schools.
- 4.7 In the context of new school governance structures, the role of academy governors as full employers means that leadership team members will have no buffer to intercede on their behalf when the member is in difficulty, other than their trade union representative. This issue is even more acute within academy chains with more 'distant' governance structures.
- 4.8 Current provision: All trade unions work toward resolution of issues in order to ensure that fair treatment of staff takes place which, in turn, creates an effective and enthusiastic school workforce team, which has a direct impact on the education of all children in schools.

5.0 Contributing to Facility Time Budgets

- 5.1 Local professional teaching associations and trade unions are paid from facility time from their employers and, as such, they operate during the working hours of those employers.
- 5.2 In a situation where schools do not pay for facility time, officials would have to attend meetings and undertake work for members in those schools outside of working hours. Not only would this be a major inconvenience for TU officials, it would also not be advantageous for schools themselves. Meetings held in the evening conceivably cause difficulties for those present but it would also be costly to have to pay staff for the time spent attending every meeting and hearing. Costs incurred for meetings with school, and with members to prepare cases, could easily escalate, resulting in significant expense.

6.0 Summary

- 6.1 The forum report of 2013 provided a reference to all trade unions covering the whole workforce within schools. The arrangement, however, in practise, does not provide for an all-education based facility arrangement and a shared provision of funding across all trade unions. UNISON, in this regard currently represent a significant number of support staff and, due to historical factors, is funded only from the Council.
- 6.2. On behalf of Unison, we therefore request that the Schools Forum support an additional amount of funding for facility time that takes into account support staff membership of trade unions. As the PTAs already have a per pupil rate of £4.00 per pupil, we suggest a figure of £1.75 per pupil to fund a Unison officer on a term-time-only basis. This takes into account the high number of Unison members we would be required to support. It is also based on a calculation of all schools contributing for the cost of an officer capable of carrying out the duties described above and in Appendix B. This would ensure that all education, school-based facility time is allocated to enable staff, at every level, to be able to receive trade union support and are treated equitably and schools receive all the benefits identified in this report.

Thank you for taking the time to read this report.

List of acronyms:

ACAS: Advisory, Conciliation and Arbitration Service

ATL: Association of Teachers and Lecturers

BERR: Department for Business, Enterprise and Regulatory Reform

BIS: Department for Business, Innovation and Skills
DSG: Dedicated Schools Grant
ERA: Employment Relations Act
GMB: General Municipal and Boilermakers Union
NASUWT: National Association of Schoolmasters Union of Women
Teachers
NUT: National Union of Teachers
PTA: Professional Teachers Association
RO: Regional Organiser/Officer
TU: Trade Union
TUC: Trades Union Congress
TUPE: Transfer of Undertakings (Protection of Employment)

List of Appendices:

Appendix 13(a): Review of Facility Time Case Studies
Appendix 13(b): School-Related Duties Carried Out By Local Officials

This page is intentionally left blank

Case Study 1

Costs for a discrimination case

Discrimination claims can include not only race discrimination but also discrimination on the grounds of faith or belief which can be quite wide ranging. The legislation also allows claims for alleged discrimination on grounds of sex, disability, sexuality and age, all of which may also be pursued as separately identified cases against a school. Employees can also pursue claims for victimisation where they have made a complaint of discrimination (whether internally or externally) and feel they received treatment that victimised them in response to that complaint.

Other key pieces of legislation that teachers have been known to pursue claims under include the Fixed Term Employee Regulations, the Part Time Worker Regulations, the Agency Worker Regulations, Unfair Dismissal and Unfair Selection for Redundancy. These are the commonest claims the trade unions generally handle for teachers, although there are other heads of law that could be relied upon.

This case study demonstrates the costs associated with a case where a teacher believed that he was being discriminated against on grounds of race and disability. This teacher raised the issue of race discrimination with the school but was not satisfied with the way in which his complaint was handled or resolved. This led to extreme stress and anxiety which after a period of time manifested itself in physical illness diagnosed as severe and chronic irritable bowel syndrome and severe migraines. This teacher was then off sick for a considerable length of time resulting in the school commencing procedures to dismiss the teacher on grounds of ill health. This teacher was convinced that his illness was caused by the racial discrimination he experienced in his workplace and intended to take a claim for unfair dismissal and discrimination on the grounds of race and disability to employment tribunal. There was medical evidence to support this view for legal purposes.

The case was eventually settled by way of a compromise agreement after more than 18 months of meetings and negotiation.

The NUT rep spent in the region of 168 hours or approximately 24 days over 18 months on this case. The associated cost of release from normal duties is £3,216.

Had the member not had NUT representation, he would undoubtedly have taken the case to tribunal. The NUT would have covered the member's legal costs but the school would have had to prepare and defend themselves in an employment tribunal which would have been listed as a 5 day hearing. The legal costs for the school would have been solicitor's fees of approximately £20,000 plus VAT. Since the case involved two strands of discrimination, the school would have considered using a barrister. Barristers' fees are at least £1,500 per day (and may be much more) so

including preparation time this could easily have been in the region of a further £10,000 plus VAT.

The potential costs of this case had it not been resolved by the intervention and support of the trade union concerned have been assessed as follows:

NUT rep	24 days @ £134 per day supply rate	£ 3,216
Solicitor's fees		£ 24,000
Barrister's fees		£ 12,000
TOTAL		£ 39,216

Further associated costs for the school would have been the time for staff in the school in preparing for the case and being witnesses at the hearing. If we take conservative figures of:

Headteacher	12 days @ annual salary of £90,000	£ 2,959
Admin support	12 days	£ 657
Witnesses x 8	2 days per person @ supply rate	£ 2,144
TOTAL COST		£ 44,976

By settling via a compromise agreement rather than having to represent themselves at employment tribunal, **the school saved at least £41,759** before consideration is given to any award that would have been made if the member won his claim. The teacher would not have signed a compromise agreement without NUT support and would certainly have continued to pursue his intended course through the employment tribunal if not given timely and competent advice regarding case prospects and settlement terms by his trade union. The employment tribunal service is well-known for being inundated with claims from unrepresented claimants with little understanding of legal processes and ultimately poor case prospects, whereas none of the teacher trade unions would ever support a member in pursuing a claim without reasonable prospects of success being clearly assessed and identified. The trade union rep's input into this at an early stage is a key element that needs to be supported properly by schools.

Paying into the facilities budget saved this academy school at least £42,935 after taking into consideration their contribution to the facilities budget.

(NB: The figures above do not take into account any compensatory payment made to the employee as part of the compromise agreement).

Case Study 2

The Cost Of An Employment Tribunal Case

The likely costs of any hearing will depend on the complexity of the case and the length of the hearing. However, ATL recently had costs awarded against them for a failure to consult case that was only listed for half a day. These costs, set by the employment tribunal, were £4371.

The School's solicitor's hourly rates were:-

Partner:	£ 260.00
Solicitor:	£ 155.00
Trainee:	£ 98.00

A standard unfair dismissal case could easily take 40 hours to prepare so at £155 per hour that would be **£6,200** (or, for the services of a partner, the cost would be **£10,400.**) Some claims involve a solicitor and a partner working together so those costs would turn out to be quite considerable for a school.

A two day hearing on top (which is fairly standard for unfair dismissal) is £2,480 (a barrister would probably charge around £5,000 for a two day case).

Therefore a straight forward unfair dismissal case could cost £8,000 to £10,000 in fees alone, using a standard level solicitor to prepare and present the case for the school. There would be additional costs if the school were to lose the case and/or have separate costs awarded against them. The average award for unfair dismissal in 2010/11 was £8,924.

Discrimination cases are usually more complex, which means greater solicitor costs, the likely involvement of a barrister to prepare or present a case and a longer Employment Tribunal hearing. In addition, awards in discrimination cases are typically far higher, for example the average award for age discrimination claims in 2010/11 was **£30,289.**

Case Study 3

The True Costs Of A Failure To Agree – Dispute Resolution Case

Whether they are an employer or a trade union representative, everyone is generally committed to transparent, effective and positive employment relations. This is stipulated under recognition agreements but in any case is a good practice model. Dispute issues do occasionally arise within a school, usually around working conditions or practices or the introduction of new measures, and the maintenance of positive employment relations in that context becomes especially critical.

It is in the interests of all employees and employers to resolve potential dispute issues as near to their point of origin as possible and with the minimum amount of conflict and disruption occurring. Schools want to see matters resolved in a timely

and effective manner so that their focus can return to the proper business of teaching and learning and the management of their establishment. It is also the wish of every trade union to work in such a manner.

For these reasons, all parties always work hard to achieve agreement and constructively negotiated outcomes that are mutually beneficial and agreeable. If it is to be achieved successfully, this takes time (and therefore money.) Without that commitment to resources being given, any dispute that came to the attention of the unions, no matter how trivial it may be in its origins, would translate immediately into collective balloting activity and/or collective employment tribunal applications, which we do not see as being in the interests of schools or members. This is particularly relevant in the initial stages as all evidence demonstrates that disputes are most capable of constructive resolution at their early phase.

Below is an outline of a dispute issue that arose in a school which we have analysed for time spent and costs to illustrate how and why we believe the intervention of trade union representatives saves schools considerable time and money.

Context and Progress of Dispute:

The school wished to change its Directed Time formula to lengthen the school day. In addition, there was a wish to introduce one late finish per week (5pm) for teachers in exchange for leaving earlier (2pm) on a Friday afternoon once a month. Although the members understood the school's rationale and were not totally unhappy about all of the proposals, the effect of the school's proposal overall was to add 35 minutes to each teacher's contact time each week. This they were extremely unhappy about and the view of all three unions involved was that this would breach the relevant teacher conditions if implemented.

There was a mix of locally-based representation, with two out of the three main teacher unions having a School Representative. Joint and separate members' meetings had been held to consult and discuss the issues and, in the case of the represented unions, indicative ballots had been conducted because there was a strong request made for industrial action in response to the proposal from members almost immediately. These meetings had demonstrated virtually unanimous support for action to oppose the proposals being requested and both the local reps were asked to take this up with the Headteacher immediately. There had been one local meeting to discuss the situation but this had not gone well: the reps had essentially refused to discuss the proposals because it was outside of their union defined remit to do so, but had informed the Headteacher that everyone was upset, ballots were being requested and he had no prospect of implementing his proposal. The Headteacher had become extremely defensive and had stated that he intended to complain about the behaviour of both reps to their respective unions.

At this point, the matter was referred to the Local Secretaries, all of whom worked at other schools. There was also consultation with the Regional Officers of the unions,

both paid and elected. A joint Secretaries' letter was produced detailing the concerns expressed by members and sent to the Headteacher and Chair or Governors. A meeting was requested as a matter of urgency to discuss the situation and see if it might be resolved. In the case of one union, there was also 'behind the scenes' involvement from their National Officers because of the potential for a formal dispute.

In tandem with this, the Headteacher wrote a letter to each of the unions formally complaining about the attitude of the local reps. This greatly complicated the situation and led to an almost irretrievable break down in relations locally because of the entrenchment of positions. However, it was believed he may have done this in the heat of the moment, so the Headteacher was contacted by telephone by one of the Local Secretaries and was persuaded to withdraw these complaints in favour of assistance towards a dispute resolution process, since no progress could ever have been made otherwise.

An initial dispute meeting was held with the Headteacher, three Governors, a Personnel Officer from the school and a HR Adviser from the relevant Local Authority. At the first meeting, the key issues from each side were explored in a controlled and appropriate manner, agreement was reached regarding how the negotiating process would be facilitated and barriers to progress each side felt existed were identified. This meeting took 4 hours and included specifications from each side for a joint document to agree how the resolution process would go forwards. This was drafted and shared afterwards, outside of the meeting process and it was used to inform all of the meetings that followed. The document took around 6 hours to produce, consult and come to agreement upon.

There followed a series of six further meetings, all of around 3 hours duration, in which negotiations continued and progress was achieved. The trade union side also held a joint pre-meeting for an hour before each of these to ensure continuity and assist progress of the dispute. Eventually, it was possible to come up with a re-negotiated proposal that met the needs of both the school and its teacher employees and the school was able to implement this positively for the following September after an effective consultation exercise to complete the process.

Commentary and Costing

The involvement of the locally based Association/Branch contacts in this dispute was absolutely crucial to its successful resolution. Without it, there could not have been the same level of commitment to a joint process and partnership to succeed in getting to a satisfactory resolution. The local representatives at the school were under significant pressure from their members and the Headteacher found it very difficult to negotiate on his original proposal because of the way in which it had been introduced and responded to right at the beginning. All of the reps' time was funded via existing facilities arrangements.

There was also considerable activity involved outside of the meeting schedule, to ensure good liaison and communication at all levels and a continuing commitment to the process. This time also included the drafting and sharing of documents, for both the school and the members the school was under an obligation to consult with. In this case, the three Secretaries met together and undertook those activities jointly, to maximise the best use of their available facilities time.

Had the local representatives been unable to assist the situation because of the lack of appropriate facilities support, then the situation would have relied on the employed officials of the three unions becoming involved in the alternative. This would have inevitably made the dispute appear much more serious and high-level than it needed to be, particularly at the outset. In the case of at least one union involved, it would also have necessitated the direct involvement of the General Secretary because a dispute was declared and then the procedure outlined in the Burgundy Book would have been invoked, meaning nothing could be changed or negotiated upon until there had been a National/Local Deputation meeting. That involves a large number of people and can take months to see through to fruition. It is also likely there would be a simultaneous ballot for industrial action if this route were to be taken.

Had it been adopted, that approach would have severely limited capacity for resolution on both sides, it ran the risk of missing locally-based knowledge and intelligence and the whole situation would have taken much longer, become intractable and would have remained extremely difficult to resolve.

In addition, owing to their wider level of functioning and resulting commitments, it is highly probable that all of the employed officials would struggle to find many days and times on which they could all be available which would also suit the school. The school would then have had to meet with each union separately (in the case of at least one union after the National/Local Deputation process had taken place.) In that circumstance, assuming the pattern of meetings above, the Governors, the Headteacher, the Personnel Officer and the HR representative would have to attend three times as many dispute meetings – even if there were only the seven above that were actually needed to resolve this case, this would amount to twenty-one meetings to resolve the issue overall. That has a significant cost implication for the school, even without anything else being accounted for.

As it was, since facilities funding was available to the key local activists of each union, the costs to the school were as follows:

3 x secretaries attending 7 meetings, inc pre-meets Facilities funded – 84 hours total	NIL COST
2 x local reps attending 7 meetings, inc pre-meets Facilities funded – 58 hours total, inc 1 hour for liaison/prep	NIL COST
Secretaries (3) and reps (2) consulting with employees	NIL COST

Facilities funded 4 mtgs – 80 hours total	
Secretaries drafting reports, agreements, updates etc Facilities funded – 30 hours total	NIL COST
Time spent travelling to/from school (assuming 1 hour each way) for Secretaries x 3 Facilities funded – 66 hours total	NIL COST

Without the TU facility time, assuming supply cover costs of £134 per day (approx £21 per hour), these costs would have been:

3 x secretaries attending 7 meetings 84 hours total	£ 1,764
2 x local reps attending 7 meetings 58 hours total	£ 1,218
Secretaries (3) and reps (2) consulting with employees 80 hours total	£ 1,680
Secretaries drafting reports, agreements, updates etc 30 hours total	£ 630
Time spent travelling to/from school 66 hours total (assuming 1 hour each way)	£ 1,386
GRAND TOTAL COST TO SCHOOL	£ 6,678

(NOTE: Both tables assume that the consultation with employees is a cost that falls to the employer because of the legal obligation to consult where new contractual proposals are being negotiated in recognised workplaces.)

Had the school been an academy paying into the facilities fund to support the resolution activity by the local trade union reps, their costs for this would have been the schools delegated sums – this would range from £1,155 for 300 pupils up to £3,465 for 900 pupils in a school.

On the figures above, this would represent a saving of between £3,213 and £5,523 in a single year after taking into account the school's contribution to the fund.

Costs Not Included Above

These figures only represent costs for trade union and/or member consultation time, they do not include any time that was required for school or Local Authority representatives to engage in and seek to resolve the dispute amicably, so the true business costs would have been considerably higher, probably at least twice the amount indicated above. For the purposes of this case study, we have only assessed the trade union time and costs as these are the figures we would present to any school that decided not to purchase the facilities of the Local Association Representatives as invited.

Further to the costs indicated above, without Local Association Secretarial intervention, it is extremely likely that this dispute would have proceeded into a legal arena at a very early stage, with the possibility of failure to consult claims being lodged by all three unions on behalf of each and every member (almost every teacher working there in this case). Instead of this, the facilities fund enabled constructive attempts to be made by our Secretaries to resolve it as locally as possible. Had that not been available, the spectre of accumulating legal costs is raised immediately for any school even before any tribunal process takes place, as in the case study example given above. Had such claims been lodged and won by the three unions involved, the award for failure to consult may have been quite considerable in a dispute case as it is calculated on the basis of amount awarded for each member who is part of the relevant bargaining group.

This case study was costed only on the basis of the real trade union time taken to resolve it. We believe it demonstrates clearly that the benefits to schools of purchasing facilities time far outweigh the costs of any significant dispute resolution activity, even where no recourse is taken to legal proceedings by either party. In that context, it represents very good value for money to a school.

Case Study Summary

In providing this example, we have attempted to explain what the trade unions have identified as the key projected costings for any school if we cannot maintain good employment relations. To achieve this, both schools and the trade unions need effective and positive support for members and employers that can remain locally based.

School-Related Duties Carried Out By Local Officials

- Schools Forum attendance
- Redundancy meetings (with members, SLT, appeal hearings to governors, redundancy notice meetings.)
- De-selection processes for redundancies (meetings and advice/support for members)
- Redeployment issues (meetings with members, SLT, HR)
- Restructures not involving redundancies (meetings giving advice and support to members with changes to job descriptions, working hours and working arrangements)
- Grievances (meetings with members, advice, case preparation.)
- Performance and Capability issues (support advice, representation at meetings, up to and including appeals against dismissal)
- Disciplinary Cases (investigation meetings, suspension meetings, case preparation, hearings and appeals.)
- Attendance Management (all meetings as part of the process up to and including Case Review; case preparation.)
- Ill-Health Retirement advice and support
- Review of Policies and Procedures relating to teaching and/or support staff, including meetings and contact with members as part of consultation.
- TUPE (Consultation meetings with governors, SLT and members. Note the particular support recently provided – and continuing - to Highfield Humanities College school, staff and potential sponsor in exceptionally challenging circumstances.)
- Recognition Agreements (review of local conditions and arrangements, involving meetings with governors and SLT.)
- Joint Consultative Meetings (PTA/TU meetings for LA schools and individual JCCs for Multi-Academy Trusts and individual schools.)
- Local Agreements (negotiating changes that differ from national terms and conditions, where applicable.)
- SLAs and Contracts (negotiations where applicable)
- Job Evaluation (evaluation of jobs for schools, ensuring schools are protected from equal pay issues. Note that there was a recognition that the Schools Pay Review for support staff in 2011/12 required additional resources for its duration. There have recently been a number of schools which have also latterly been through the same process.)
- Job Role changes (consultation about changes to job descriptions.)
- Changes to working hours (consultation about proposed changes with staff and SLT.)
- Requests for flexible working (statutory right to request flexible working, including support and advice to members, meetings with school, including appeals.)
- Maternity Leave/Paternity Leave (meetings, advice and discussions with school about appropriate arrangements.)
- Disability-related issues (requests for reasonable adjustments, legal advice, appeals.)
- General contractual issues (including national terms and conditions, working hours, flexible working)
- Health & Safety (Risk assessments, working arrangement.)
- Safeguarding (representation for members in highly sensitive issues, including where members are subject to unfounded or malicious allegations.)

Appendix 13(b)

- Issues of behaviour affecting staff (advice to members, meetings with staff and SLT)
- Administration of medication (advice and guidance to members)
- Budget issues with the Local Authority that impact on local schools
- Liaison with Regional staff (legal advice, case management, attendance at meetings at regional offices)
- Recruitment of school staff
- Time travelled to schools, MAT offices, members' homes ...
- Attendance at meetings which impact on the efficient operation of schools (Council-employed Special Support Assistants, catering staff employed by the LA or alternative providers)
- Attendance at Regional or National union conferences

Report to:	SCHOOLS FORUM
Relevant Officer:	Paul Sharples, Schools Funding and PFI Manager
Date of Meeting:	10 January 2017

DE-DELEGATION OF SERVICES AND EDUCATION FUNCTIONS 2017/2018

1.0 Purpose of the report:

1.1 Approval is sought for the continued de-delegation of services.

2.0 Recommendation(s):

2.1 Forum is asked to consider whether maintained mainstream primary school members agree to the continued de-delegation of funding for free school meal eligibility checks.

2.2 Forum is asked to consider whether maintained mainstream primary school members agree to the continued de-delegation of funding for the school insurances listed above.

2.3 Forum is asked to consider whether maintained mainstream primary school members agree to the continued de-delegation of funding for PTA union duties at £4.00 per pupil.

2.4 Forum is asked to consider whether maintained mainstream primary school members agree to the de-delegation of funding for Unison facility time at £1.75 per pupil.

2.5 Maintained mainstream primary school members agree to the de-delegation of funding for School Improvement at £6.14 per pupil.

3.0 Background Information:

3.1 As outlined in this report, the local authority recommends that de-delegation is approved by maintained school representatives for 2017/2018 in respect of Free School Meal Eligibility Checks, Insurances, Union Duties and School Improvement. The Schools Finance Regulations that came into effect in April 2013 require the delegation to schools of the entirety of the Schools Block funding, subject to certain prescribed exceptions.

- 3.2 Maintained, mainstream schools may choose, by vote at Schools Forum, to de-delegate some of these prescribed elements of funding to be managed centrally by the local authority on behalf of them. Delegation means the allocation of funding to schools through the local schools funding formula. De-delegation means the retention of funding by the local authority.
- 3.3 Decisions are to be made by primary and secondary phases separately, and voting is restricted to school members representing those phases. De-delegation does not apply to academies, which could instead choose to buy into local authority services. It also does not apply to special schools, as they no longer receive delegated budgets in the same way that mainstream schools do, but they will be able to access any collective arrangements using their funding.
- 3.4 The difference between de-delegation and buy back is that, with de-delegation, all maintained schools in that phase will not receive additional funding in their delegated budgets, and the local authority will hold the de-delegated budgets centrally and provide services on behalf of all schools. If de-delegation is not voted for, all schools will receive the additional funding, and may choose, on a school-by-school basis, how to fund those responsibilities. As with any item of expenditure, should Forum not vote for de-delegation, groups of schools could still choose to combine their resources in order to achieve best value, including buying services back from the local authority where available.
- 3.5 In 2016/2017, maintained schools voted to de-delegate the following services:
- a) Free School Meal eligibility checks
 - b) Insurance
 - c) Union duties
- 3.6 Decisions are now required whether to continue to de-delegate the functions listed in 3.5 above for the 2017/2018 financial year, with the addition of School Improvement, as detailed below.
- 3.7 **Free School Meal eligibility checks**
- 3.8 This service is carried out by the Council's Benefits Team, who access DWP and Council benefits information in order to determine eligibility for free school meals. Eligibility is reviewed on a weekly basis and communicated to schools.
- 3.9 Schools are not permitted to access the benefits information directly from the relevant agencies, and therefore a school-based solution would necessitate the regular provision by parents of benefits entitlement, significant administrative resource for schools, as well as the development of technical expertise. For this reason, the local authority would strongly advise the continued de-delegation of

funding for this purpose.

3.10 As a result of a slight decrease in the number of Free School Meal eligible pupils, and in order to fund the current level of service, the de-delegation amount per Free School Meal pupil will be set at £11.69 in 2017/2018, compared to £11.42 in 2016/2017, a 2.35% increase.

3.11 **Vote** – do maintained mainstream primary school members agree to the continued de-delegation of funding for free school meal eligibility checks?

3.12 **Insurance**

The current centrally-retained budget for insurances relates to the following:

- Third party liability
- Employer liability
- Professional indemnity
- Fidelity insurance
- Personal accident
- Cyber Crime
- Medical Malpractice

3.13 If funding is de-delegated, the local authority will continue to insure these elements on behalf of maintained schools collectively as previously. Should schools choose to retain delegation, each school will be charged in accordance with their individual share of the premiums. Premium levels for 2017/2018 are not yet available and therefore the de-delegation amount is based on estimated premiums currently forecast at £57.09 per pupil, compared to £49.49 per pupil in 2016/2017. The per pupil amount for 2016/2017 incorporated a reduction to reflect an underspend in 2015/2016, which accounts for part of the increase. The remaining impact is due to an increase in the actual premiums compared to estimates for 2016/2017 (including a rise in Insurance Premium Tax from 6% to 9.5% from November 2015), and a subsequent increase in the forecast premium for 2017/2018.

3.14 **Vote** – do maintained mainstream primary school members agree to the continued de-delegation of funding for the school insurances listed above?

3.15 **Union duties**

Historically, this budget is held centrally in order to fund the facilities time of the teaching unions. Agreement is reached between unions through the Professional Teaching Association regarding the number of days that each union can claim from the central pot.

- 3.16 To retain current levels of support for those schools that are part of the collective agreement, and based on a similar pupil numbers, the de-delegation amount for 2017/2018 shall be frozen at £4.00 per pupil, the same rate for 2016/2017.
- 3.17 Further to the separate item on Unison Facilities Time, Schools Forum is asked to consider funding facility time to incorporate Unison representation for support staff in schools. This additional facility shall require an additional de-delegation of £1.75 per pupil in 2017/2018.
- 3.18 **Vote** – do maintained mainstream primary school members agree to the continued de-delegation of funding for PTA union duties at £4.00 per pupil?
- 3.19 **Vote** - do maintained mainstream primary school members agree to the de-delegation of funding for Unison facility time at £1.75 per pupil?

3.20 **School Improvement**

The separate agenda item on Education Services Grant gave the background to the changes to School Improvement funding in 2017/2018. This new de-delegation option therefore covers additional school improvement activities provided by the local authority from September 2017 that are not included within the scope of the separate local authority grant for school intervention and improvement.

- 3.21 Based on the number of maintained primary school pupils, the de-delegation of funds for School improvement is £6.14 per pupil. This covers the period from September 2017 to March 2018.
- 3.22 **Vote** – do maintained mainstream primary school members agree to the de-delegation of funding for School Improvement at £6.14 per pupil?

List of acronyms:

DWP – Department for Work and Pensions
DfE – Department for Education
PRS – Performing Right Society
PPL – Phonographic Performance Limited
ESG – Education Services Grant

Report to:	SCHOOLS FORUM
Relevant Officer:	Paul Sharples, Schools Funding and PFI Manager
Date of Meeting:	10 January 2017

PUPIL GROWTH CONTINGENCY 2017/2018

1.0 Purpose of the report:

- 1.1 Approval is sought for the 2017/2018 level of Pupil Growth Contingency.
- 1.2 An annual review of the criteria for the contingency is required. Information is also provided in respect of the allocation of the pupil growth contingency in 2016/2017.

2.0 Recommendation(s):

- 2.1 Schools Forum is asked to approve the value of the pupil growth contingency at £207,645 in 2017/2018, which has been calculated based on the October 2016 census data.
- 2.2 Schools Forum is asked to approve the revised criteria for allocation of the contingency.

3.0 Background Information:

- 3.1 Under the Schools and Early Years Finance (England) Regulations 2014, Schools Forums can agree to set aside from Dedicated Schools Grant a specific schools contingency to support those schools that, with the prior agreement of the local authority, are permanently expanding.
- 3.2 This growth fund can only be used for the purposes of supporting growth in pre-16 pupil numbers to meet basic need and must be available on the same basis for the benefit of both maintained schools and academies.
- 3.3 The Department for Education (DfE) requires local authorities to establish transparent and consistent criteria which set out the circumstances in which a payment could be made to schools and provide a basis for calculating the sum to be paid.
- 3.4 The criteria currently in place for 2016/2017 is as follows:-

“Funding will be allocated where a primary school or academy plans with the local

authority to increase its planned admission number to incorporate an additional class or classes in response to basic needs requirements.”

- 3.5 Given that the increase in pupil numbers experienced by the primary sector will shortly be flowing through to the secondary phase, it is proposed that the criteria is amended to apply to both sectors, as follows:

“Funding will be allocated where a school, academy or free school plans with the local authority to increase its planned admission number to incorporate an additional class or classes in response to basic needs requirements, Agreed Pupil Increase.”

- 3.6 The allocation from the pupil growth contingency will be calculated as (API x 7/12th x pupil-driven factors) in respect of the Agreed Pupil Increase (API) from the forthcoming September.

- 3.7 The pupil-driven factors to be included in the calculation are unchanged, and incorporate:

- Basic entitlement per pupil
- Total deprivation funding divided by number on roll
- Looked After Children funding divided by number on roll
- English as an Additional Language funding divided by number on roll
- Pupil Mobility funding divided by number on roll
- Prior attainment divided by number on roll

- 3.8 As in the current criteria, where a new school or site is opening, the pupil-driven factors will be taken from the average of the three closest schools until such a time as data becomes available for the cohort of pupils at the new school or site.

- 3.9 A pupil growth contingency of £205,000 was set aside in 2016/2017, to fund the two schools that met the eligibility criteria: Gateway Academy has 60 additional year 3 pupils and Mereside has 30 additional year 3 pupils.

- 3.10 According to the criteria, the requirement for the pupil growth contingency is estimated to be £208,000 in 2017/2018 in order to allocate sufficient additional resources to the schools that will be expanding their provision as planned at Blackpool Gateway Academy and Mereside School.

List of acronyms:

API – Agreed Pupil Increase

DfE – Department for Education

Report to:	SCHOOLS FORUM
Relevant Officer:	Paul Sharples, Schools Funding and PFI Manager
Date of Meeting:	10 January 2017

EXCEPTIONAL CIRCUMSTANCES HIGH NEEDS FUNDING 2017/2018

1.0 Purpose of the report:

1.1 Approval is sought for the amendment to the frequency of the Exceptional Circumstance High Needs Funding Calculation to termly.

2.0 Recommendation(s):

2.1 To consider the Local Authority recommendation of increasing the frequency of the Exceptional Circumstances High Needs Funding calculations to termly from April 2017.

3.0 Background Information:

3.1 In 2013/2014 additional funding was delegated to schools to enable them to meet the costs up to £6,000 of high needs pupils. This funding took account of the fact that schools were already meeting some of the costs for some pupils with complex needs. This was distributed to schools through the IDACI formula factor. However, this inevitably means that the distribution of additional funding cannot be exactly matched to the incidence of high cost pupils in individual schools.

3.2 Following the recommendations of a funding review group, Schools Forum agreed provide additional funding in circumstances where schools are providing for a disproportionately high number of pupils with high needs relative to the SEN funding available to them. The criteria for the allocation of Exceptional Circumstances High Needs Funding was agreed as follows:

- Compares the number of high cost pupils with 35% of the notional SEN budget to determine whether a school is entitled to additional funding.
- Funding is currently fixed based on numbers of high cost pupils at April and again at September.

3.3 Recent feedback from schools has identified that as school budgets are becoming increasingly under pressure, the cost of supporting a pupil with high needs becomes more difficult. This is even more evident in a small school with relatively low deprivation funding and therefore a small Notional SEN budget. Currently, where a

pupil with high needs starts in October, the school will not receive any additional funding until the following April.

- 3.4 In order to ensure that funding is directed to schools where it is needed the most and avoid undue pressure on school budgets, the local authority recommends that the calculation of exceptional circumstances funding be amended from twice yearly to termly. The calculation shall therefore be performed using September, January and April high needs pupil numbers data.

List of acronyms:

IDACI – Income Deprivation Affecting Children Index

SEN – Special Educational Needs

Report to:	SCHOOLS FORUM
Relevant Officer:	Hilary Wood, Head of Business Support and Resources
Date of Meeting:	10 January 2017

SCHOOLS NATIONAL FUNDING FORMULA UPDATE

1.0 Purpose of the report:

- 1.1 To update Schools Forum on the second stage of the consultation by the Department for Education (DfE) regarding the introduction of a national schools funding formula and the potential implications for Blackpool.

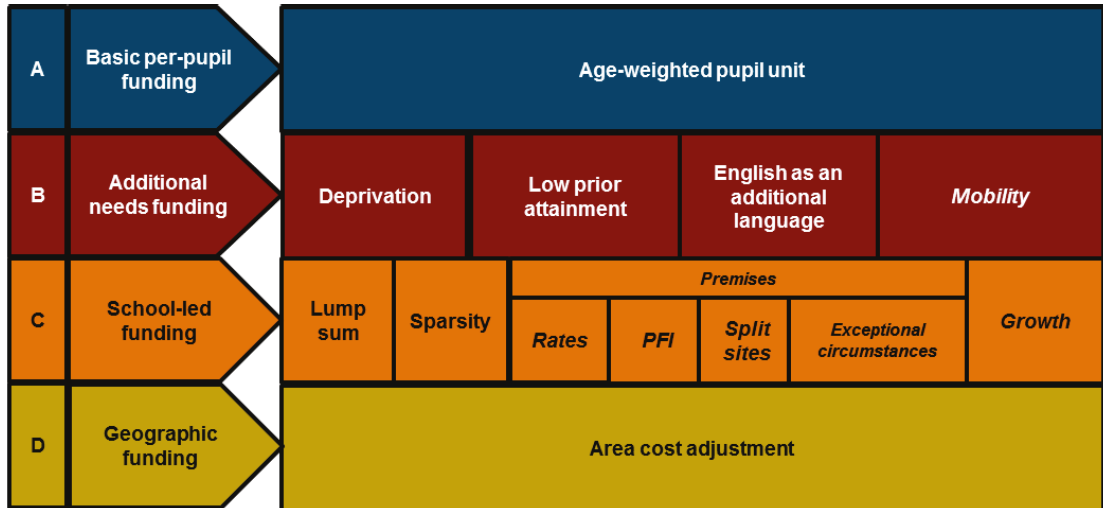
2.0 Recommendation(s):

- 2.1 Schools Forum is asked to note the details of the Government’s proposals for a national schools funding formula as contained in the Department for Education’s second stage consultation paper.

3.0 Background Information

- 3.1 In March 2016, the DfE launched a consultation on its proposals for a national funding formula for schools. This was the first stage of a two-stage consultation, which ran for six weeks and closed on 17 April 2016. Details of the proposals were shared with Schools Forum at its meeting in March 2016, and Blackpool Council subsequently submitted a response to the questions posed.
- 3.2 The stage one document included a proposal to introduce a “hard” national formula in 2019/2020, with a “soft” formula being in place for the two intervening years of 2017/2018 and 2018/2019. A “hard” formula would see each school’s budget determined by central government, whereas a “soft” formula would redistribute funding at local authority level using the national formula, with a local formula then allocating school-level budgets within the available funding envelope. Following the appointment of a new Secretary of State for Education, an announcement was made in July 2016 that the “soft” formula would not be implemented in 2017/2018, but would be pushed back to 2018/2019.
- 3.3 The second stage of the consultation was published on 14 December 2016, and will run for 14 weeks until 22 March 2017. The full consultation document can be found at the following link: <https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/>

3.4 The principles of the proposed national formula remain broadly the same as described in the first stage of the consultation. One notable addition since that time is the inclusion of a formula factor for mobility, in response to representations made about the proposals. The building blocks of the proposed formula are therefore as per the following table:



3.5 Funding for 2018/2019 will be allocated using the national funding formula, but aggregated at local authority level. Local areas will then have the ability to re-distribute funding between their schools using a local formula for one year only. The “hard” formula will then come into effect in 2019/2020. This will allow the ability to smooth the impact of the introduction of the formula over the two preceding years.

3.6 The DfE has not yet determined how the factors in italics in the above table will be calculated in a national formula (mobility, business rates, PFI factor, split sites, exceptional premises circumstances, and pupil growth). It is therefore proposing to allocate funding to local authorities in 2018/2019 on the basis of historic spend, with a view to consulting further on the methodology for these elements.

3.7 The consultation document contains the following summary of the proposals for a national schools formula:

Across the whole formula, to:

- Maintain the primary to secondary ratio in line with the current national average
- Maximise the proportion of funding allocated to pupil-led factors compared to the current funding system, so that as much funding as possible is spent in relation to pupils and their characteristics

With regard to basic per-pupil funding, to:

- Reflect that the majority of funding is used to provide a basic amount for every pupil, but that some of this funding is at present specifically supporting pupils from disadvantaged backgrounds. To do this, we propose increasing the total spend on the additional needs factors in the national funding formula
- Continue to increase the basic rate as pupils progress through the key stages

With regard to additional needs funding, to:

- Increase total spend on the additional needs factors (socio-economic deprivation, low prior attainment, English as an additional language, and mobility) to recognise that some basic per-pupil funding is currently supporting pupils from disadvantaged backgrounds, and recognise disadvantage in a broader sense
- Continue to have a substantial deprivation factor, in addition to the pupil premium, to ensure schools with pupils from a socio-economically disadvantaged background attract significant extra funding, and within this:
 - Increase the amount of funding explicitly targeted towards deprivation
 - Include a greater weighting towards areas with high concentrations of just managing families who do not typically qualify for FSM deprivation funding, through the use of a significant area-level deprivation factor (using the Income Deprivation Affecting Children Index, IDACI). This will help to ensure that we are supporting all those whose background may create a barrier to their education, not only those with a history of free school meal (FSM) eligibility
- Increase substantially the weighting of the low prior attainment factor, because we know that attainment data is one of the strongest indicators of how children are likely to do later, and we want to target funding to schools to help all pupils catch up
- Continue to have an English as an additional language factor, increased in terms of total spend in comparison to the current system because the national funding formula will fund all eligible pupils consistently
- Protect local authorities' spend on the current mobility factor, while we develop a more sophisticated mobility indicator for use in the national funding formula from 2019/2020 onwards, as discussed in our response to the stage one consultation

With regard to school-led funding, to:

- Continue to provide every school with a lump sum, but at a lower level than the current national average so that we can direct more funding to the pupil-led factors
- Provide small and remote schools with additional funding, over and above the

lump sum, to recognise that they can face greater challenges in finding efficiencies and partnering with other schools

- Proceed with our proposal to fund rates and premises factors (PFI; split sites; exceptional circumstances) in 2018/2019 on the basis of historic spend, but with an adjustment to the PFI factor so that it is automatically updated in line with inflation, using the RPIX measure
- Proceed with our proposal to fund the growth factor on an historic basis for 2018/2019, and seek views through this consultation on what we think would be a better approach for the long term, using lagged growth data

With regard to geographic funding, to:

- Recognise the higher salary costs faced by some schools, especially in London, by making an area cost adjustment. We will use the hybrid area cost adjustment methodology, which takes into account variation in both the general and teaching labour markets

To ensure sufficient stability, we also propose:

- To build in an overall ‘funding floor’, so that no school will face a reduction of more than 3% per-pupil overall as a result of this formula

And during transition:

- The minimum funding guarantee of minus 1.5% per-pupil in any year will continue, providing additional stability for schools
- Schools will receive gains of up to 3% per-pupil in 2018/2019, and then up to a further 2.5% in 2019/2020. The real terms protection on the national core schools budget means we can invest resources – over and above flat cash per-pupil – in 2018/2019 and 2019/2020 to increase the rate at which we can allocate gains. We are able to allocate around £200 million in each year above flat cash per-pupil, allowing us to combine significant protections for those facing reductions and more rapid increases for those set to gain.

3.8 As referred to in paragraphs 3.2 and 3.7, the DfE has not yet determined how some of the school-led factors will be calculated in a national formula, and will consult further on these matters. Unit values have been proposed in the Stage 2 consultation for the remaining factors, and these are set out in the following table, alongside Blackpool’s current values for 2016/2017 and proposed values for 2017/2018.

Factor		Per-pupil/school funding under proposed national funding formula		Per-pupil/school funding under Blackpool formula			Per-pupil/school funding under Blackpool proposed formula		
		Primary	Secondary	2016/17		2017/18		Primary	Secondary
Basic per-pupil funding (£ per pupil)		2,712	KS3 3,797 KS4 4,312	2,800	KS3 4,024 KS4 4,485	2,800	KS3 4,024 KS4 4,485		
Deprivation (£ per pupil)	Ever6 FSM	540	785	Not used		Not used			
	Current FSM	980	1,225	1,163		1,163			
	IDACI A	575	810	600		600			
	IDACI B	420	600	400		400			
	IDACI C	360	515	200		200			
	IDACI D	360	515	100		100			
	IDACI E	240	390	50		50			
	IDACI F	200	290	25		25			
Low prior attainment (£ per pupil)		1,050	1,550	555	775	555	775		
English as an additional language (£ per pupil)		515	1,385	600		600			
Mobility (£ per pupil over threshold)		Allocated to LAs on basis of historic spend		755		755			
Lump sum (£ per school)		110,000		165,000		150,000			
Sparsity (£ per school)		0 – 25,000	0 – 65,000	Not used		Not used			
Premises	Rates	Allocated to LAs on basis of historic spend		Specific to each school		Specific to each school			
	PFI			Specific to relevant school		Specific to relevant school			
	Split sites			Not used		Not used			
	Exceptional circs			Not used		Not used			
Area cost adjustment		Multiplier applied to certain factors		N/A		N/A			
Explicit spend on growth		Allocated to LAs on basis of historic spend		Separate fund set aside in Schools Block		Separate fund set aside in Schools Block			

3.9 As can be seen, the proposals would mean a slight reduction on Blackpool's basic entitlement rates, but significant increases in the vast majority of the deprivation units of funding, as well as the prior attainment rates. A further significant change would see the lump sum reduce from Blackpool's current £165,000 in 2016/2017 and proposed £150,000 in 2017/2018 to only £110,000 per school under the national formula.

3.10 Alongside the second stage consultation, the DfE has published illustrations of the levels of funding, at individual school and local authority level, that might be

generated by the proposed formula. An extract of the illustrations listing all Blackpool schools is replicated at Appendix A to this report. It should be noted that, these are not levels of funding that schools will receive, rather an illustration of what schools' allocations would have been using the 2016/2017 pupil and school characteristics and the proposed unit funding levels. The actual amounts receivable under the national formula will be affected by the pupil and school characteristics at that, as well as the outcome of the second stage of the consultation.

- 3.11 The illustrations show that Blackpool schools as whole would see an overall increase of more than 4 per cent compared to current levels of funding, with the vast majority of schools gaining under the proposed formula. Only nine schools would see decreases, with some of these being relatively marginal. Of the nine schools, five are already receiving protection in Blackpool's formula through the minimum funding guarantee. The rest are predominantly small schools with relatively low levels of deprivation, which therefore do not have the reduction in the lump sum compensated by the increases in the additional needs factors.
- 3.12 It is proposed that the minimum funding guarantee will continue to protect annual losses at no more than 1.5 per cent per pupil under the new arrangements, and gains have been capped at 3 per cent in the illustrations. The cap and floor protections mean that the overall increase in funding for Blackpool would be limited to just over 2 per cent.
- 3.13 The consultation also contains proposals on the establishment of a new **central school services block**. This will be formed from two different government funding streams: the schools block funding that is currently held centrally by local authorities (for functions such as School Admissions and servicing of the Schools Forum), and the retained duties element of the Education Services Grant (for functions such as planning for the education service as a whole and asset management).
- 3.14 The majority of the funding for the central school services block will be allocated by a per-pupil rate, which has been indicatively set at £28.64 for the purposes of the consultation. Ten per cent of the total funding would be allocated via a deprivation factor, in recognition of the importance of particular central services, such as education welfare, in areas with high levels of socio-economic deprivation. An amount of £11.62 would be allocated for pupils that meet the Ever6 free school meals criteria. At these rates, Blackpool would stand to gain by 19.5 per cent compared to current levels of funding, although this would be capped at 2.4 per cent under the proposals.
- 3.15 On top of the funding for these ongoing responsibilities, the DfE has also committed to continuing to fund **historic commitments**, subject to specific criteria being met. The recent announcement confirms that funding for Blackpool's £1 million contribution to school-based children's centres will be honoured. The consultation

document states, however, that there is an expectation that these costs will unwind over time, for example because a contract has reached its end point. The Education Funding Agency will monitor historic spend year-on-year and will challenge local authorities where spend is not reducing as expected. No indication has been given, however, as to how quickly or over what period of time the costs should be unwound.

List of acronyms:

DfE – Department for Education

PFI – Private Finance Initiative

List of appendices:

Appendix 17(a) - National funding formula consultation: Impact of the proposed schools National Funding Formula (Blackpool schools)

This page is intentionally left blank

Appendix 17A - National funding formula consultation: Impact of the proposed schools NFF (Blackpool schools)

								The school's baseline funding is the total core funding received through the schools block and MFG in 2016-17 (or 2016/17 if an academy). Other grants/funding sources are excluded.		These columns show illustrative NFF funding if the proposed formula had been implemented in full and without any transitional protections in 2016-17. We use pupil numbers and characteristics from 2016-17 to illustrate the NFF impact, and compare to the school's baseline funding, including MFG.		In the first year of transition towards the formula, LAs will continue to determine funding locally. This column illustrates the change in the amount the department would allocate to LAs in respect of each school, taking into account the maximum change proposed in NFF year 1 (gains of up to 3% and an MFG of -1.5% per pupil).	
Region	LA number	LA name	LAESTAB	URN	School Name	Phase	Has data for this school been excluded, because it is a new school that is still filling up?	Baseline funding		Illustrative NFF funding if formula implemented in full in 2016-17		Illustrative NFF funding in the first year of transition	
								Funding the school received in 2016-17 or 2016/17		Illustrative total NFF funding	Percentage change compared to baseline	Illustrative NFF year 1 funding	Percentage change compared to baseline
								[a]		[b]	[c] = [b]/[a] - 1	[d]	[e] = [d]/[a] - 1
NORTH WEST	890	Blackpool	8904001	140021	South Shore Academy	Secondary	No	£4,333,000	£4,817,000	11.2%	£4,459,000	2.9%	
NORTH WEST	890	Blackpool	8902221	138300	Waterloo Primary School	Primary	No	£2,403,000	£2,613,000	8.7%	£2,472,000	2.9%	
NORTH WEST	890	Blackpool	8904002	141132	Blackpool Aspire Academy	Secondary	No	£3,415,000	£3,707,000	8.6%	£3,514,000	2.9%	
NORTH WEST	890	Blackpool	8904405	140759	St George's School A Church of England Academy	Secondary	No	£4,764,000	£5,097,000	7.0%	£4,904,000	2.9%	
NORTH WEST	890	Blackpool	8904601	141257	St Mary's Catholic Academy	Secondary	No	£5,207,000	£5,560,000	6.8%	£5,360,000	2.9%	
NORTH WEST	890	Blackpool	8902208	119246	Layton Primary School	Primary	No	£2,230,000	£2,378,000	6.7%	£2,292,000	2.8%	
NORTH WEST	890	Blackpool	8902220	138927	Thames Primary Academy	Primary	No	£1,906,000	£2,031,000	6.6%	£1,959,000	2.8%	
NORTH WEST	890	Blackpool	8902207	138538	Hawes Side Academy	Primary	No	£2,163,000	£2,294,000	6.1%	£2,224,000	2.8%	
NORTH WEST	890	Blackpool	8903624	119598	St John Vianney's Catholic Primary School	Primary	No	£1,528,000	£1,615,000	5.7%	£1,570,000	2.8%	
NORTH WEST	890	Blackpool	8902001	140673	Revoe Learning Academy	Primary	No	£1,801,000	£1,898,000	5.4%	£1,852,000	2.8%	
NORTH WEST	890	Blackpool	8903816	131070	Stanley Primary School	Primary	No	£2,171,000	£2,268,000	4.5%	£2,232,000	2.8%	
NORTH WEST	890	Blackpool	8904003	142469	Highfield Leadership Academy	Secondary	No	£5,400,000	£5,636,000	4.4%	£5,552,000	2.8%	
NORTH WEST	890	Blackpool	8903621	119595	Blackpool St John's Church of England Primary School	Primary	No	£940,000	£980,000	4.2%	£965,000	2.6%	
NORTH WEST	890	Blackpool	8903619	141611	Baines' Endowed Primary School & Children's Centre, A Church of England	Primary	No	£1,721,000	£1,792,000	4.1%	£1,769,000	2.8%	
NORTH WEST	890	Blackpool	8903815	134967	Moor Park Primary School	Primary	No	£1,361,000	£1,415,000	4.0%	£1,397,000	2.7%	
NORTH WEST	890	Blackpool	8902835	133291	Boundary Primary School	Primary	No	£1,699,000	£1,762,000	3.7%	£1,745,000	2.7%	
NORTH WEST	890	Blackpool	8904057	137973	Montgomery High School	Secondary	No	£6,543,000	£6,777,000	3.6%	£6,736,000	2.9%	
NORTH WEST	890	Blackpool	8903192	119411	Bispham Endowed Church of England Primary School	Primary	No	£1,459,000	£1,508,000	3.4%	£1,498,000	2.7%	
NORTH WEST	890	Blackpool	8903814	140128	Devonshire Primary Academy	Primary	No	£1,927,000	£1,990,000	3.3%	£1,981,000	2.8%	
NORTH WEST	890	Blackpool	8902201	119240	Claremont Community Primary School	Primary	No	£1,840,000	£1,898,000	3.1%	£1,891,000	2.7%	
NORTH WEST	890	Blackpool	8902003	141867	Marton Primary Academy and Nursery	Primary	No	£1,357,000	£1,398,000	3.0%	£1,394,000	2.7%	
NORTH WEST	890	Blackpool	8902209	138739	Norbreck Primary Academy	Primary	No	£1,998,000	£2,055,000	2.9%	£2,054,000	2.8%	
NORTH WEST	890	Blackpool	8903626	119599	St Kentigern's Catholic Primary School	Primary	No	£865,000	£888,000	2.7%	£888,000	2.6%	
NORTH WEST	890	Blackpool	8902829	138847	Roseacre Primary Academy	Primary	No	£2,041,000	£2,091,000	2.4%	£2,091,000	2.4%	
NORTH WEST	890	Blackpool	8903620	119594	Blackpool St Nicholas CofE Primary School	Primary	No	£1,406,000	£1,440,000	2.4%	£1,440,000	2.4%	
NORTH WEST	890	Blackpool	8903631	141288	Christ The King Catholic Academy	Primary	No	£886,000	£901,000	1.6%	£901,000	1.6%	
NORTH WEST	890	Blackpool	8902211	140124	Anchorholme Primary Academy	Primary	No	£1,996,000	£2,019,000	1.2%	£2,019,000	1.2%	
NORTH WEST	890	Blackpool	8902002	141115	St Cuthbert's Catholic Academy	Primary	No	£862,000	£864,000	0.3%	£864,000	0.3%	
NORTH WEST	890	Blackpool	8903629	119600	Holy Family Catholic Primary School	Primary	No	£837,000	£838,000	0.2%	£838,000	0.2%	
NORTH WEST	890	Blackpool	8902004	142175	Blackpool Gateway Academy	Primary	No	£731,000	£730,000	0.0%	£730,000	0.0%	
NORTH WEST	890	Blackpool	8903812	119691	St Bernadette's Catholic Primary School	Primary	No	£803,000	£788,000	-1.8%	£792,000	-1.3%	
NORTH WEST	890	Blackpool	8902834	131414	Kinraig Primary School	Primary	No	£669,000	£653,000	-2.4%	£661,000	-1.2%	
NORTH WEST	890	Blackpool	8906002	140200	Langdale Free School	Primary	No	£600,000	£585,000	-2.4%	£593,000	-1.2%	
NORTH WEST	890	Blackpool	8902222	137359	Westcliff Primary School	Primary	No	£831,000	£810,000	-2.6%	£821,000	-1.3%	
NORTH WEST	890	Blackpool	8902824	119345	Mereside Primary School	Primary	No	£1,144,000	£1,114,000	-2.6%	£1,129,000	-1.3%	
NORTH WEST	890	Blackpool	8903622	119596	Our Lady of the Assumption Catholic Primary School	Primary	No	£792,000	£771,000	-2.6%	£781,000	-1.3%	
NORTH WEST	890	Blackpool	8903813	119692	St Teresa's Catholic Primary School	Primary	No	£786,000	£766,000	-2.6%	£776,000	-1.3%	
NORTH WEST	890	Blackpool	8904000	139675	Unity Academy Blackpool	All-through	No	£4,727,000	£4,589,000	-2.9%	£4,658,000	-1.5%	
								£78,142,000	£81,336,000	4.09%	£79,802,000	2.12%	

KEY:
Baseline Funding
Illustrative NFF funding
Illustrative NFF year 1
Explanation

This page is intentionally left blank

Report to:	SCHOOLS FORUM
Relevant Officer:	Hilary Wood, Head of Business Support and Resources
Date of Meeting:	10 January 2017

HIGH NEEDS FUNDING REFORM UPDATE

1.0 Purpose of the report:

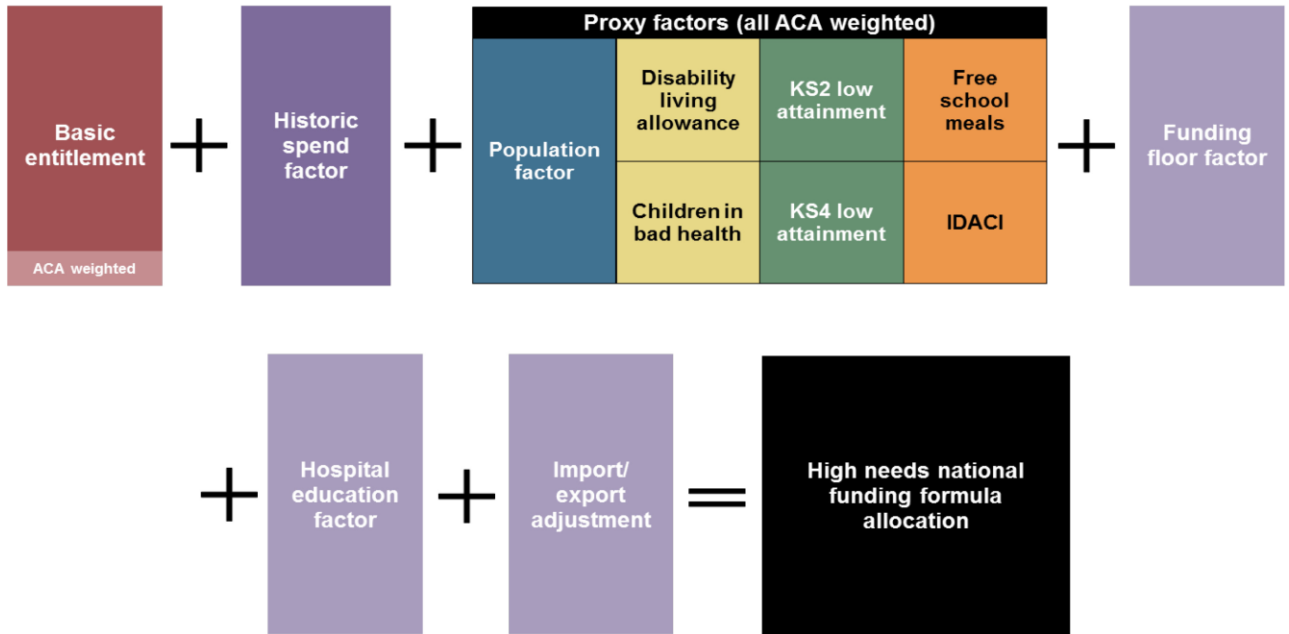
- 1.1 To update Schools Forum on the second stage of the consultation by the Department for Education (DfE) regarding the introduction of a formulaic methodology for allocating funding for pupils with high cost needs, and the potential implications for Blackpool.

2.0 Recommendation(s):

- 2.1 Schools Forum is asked to note the details of the Government's proposals for reform to funding for High Needs, as contained in the DfE's second stage consultation paper.

3.0 Background Information

- 3.1 On 14 December 2016, the DfE issued the second stage of its consultation on planned reforms to High Needs funding. This follows the first stage consultation carried out between March and April 2016. The full consultation paper and associated documents can be found at the following link:
<https://consult.education.gov.uk/funding-policy-unit/high-needs-funding-reform-2/> .
The consultation will run for 14 weeks and closes on 22 March 2017.
- 3.2 Funding for pupils with high cost needs is allocated through the Dedicated Schools Grant. The basis of allocation has not changed in more than ten years, and is still largely based on the levels of expenditure by local authorities in 2005/2006. The Government is planning to overhaul this funding system by introducing a formula for calculating each local authority's allocation with effect from 2018/2019.
- 3.3 The first stage of the consultation included proposals for the overarching principals that would apply. This second stage consultation now includes the planned levels of funding and weightings for each of the formula factors. The building blocks for the proposed formula are set out in the table below:



3.4 Some points of interest in the proposals include:

- The basic entitlement will be set at £4,000 per pupil in special schools based on the January census preceding the funding settlement.
- The historic spend factor will account for 50 per cent of the total funding in order to smooth the transition, as well as taking account of current levels of expenditure. It will be paid as a cash sum, and will be in place at least until the formula is reviewed after four years.
- The population factor covers two to 18 year olds as a proxy for the overall population. The inclusion of a higher age range was considered, but this would disproportionately benefit university towns and cities, so was disregarded.
- While Disability Living Allowance is only paid to pre-16s, it is considered a good proxy for the whole population.
- The low attainment factors are different from those used in the school funding formula, and will be targeted at pupils not achieving level 3 or above at Key Stage 2, and not achieving five or more GCSE's at grade A*-G in Key Stage 4. As a change to the Stage 1 proposals, these factors will now be based on results over the previous five years in order to smooth any changes in assessment and cohorts of pupils.
- The basic entitlement factor and the proxy factors shown in the table will all be weighted by an Area Cost Adjustment (ACA) in order to reflect the differential

salary costs across the country. A hybrid of the general labour market and teaching salary costs is proposed. The High Needs ACA would have a higher weighting towards the general labour market than the ACA proposed for the schools formula, given the higher ratio of support staff compared to teaching staff in specialist settings than in mainstream settings.

- There is a generous funding floor in that no local authority will face a reduction in funding levels under the proposals. This will exclude the basic entitlement, hospital education, and import/export factors so that these can accurately reflect year-on-year changes.
- The hospital education factor will be based on reported budgets in 2016/2017 pending further work by the DfE.
- An import/export factor will adjust funding between local authorities in respect of high need places within their boundaries that are filled by pupils from other local authorities, and vice versa. The adjustment will equate to £6,000 per pupil in order that the host local authority has the full amount available to it to fund the £10,000 per place.
- From 2018/2019, schools with SERF units will see no deduction from the number on roll in their school budget in respect of places in the unit. Place funding will therefore be reduced from £10,000 to £6,000 per place, and they will continue to receive top-up as under the current system. For schools where places in the unit are occupied by pupils from other schools, the place funding will remain at £10,000.
- The formula assumes that 90 per cent of funding is spent on pupils with Special Educational Needs and Disabilities, and that ten per cent of funding is spent on Alternative Provision, such as Pupil Referral Units. Further proposals on Alternative Provision are to be issued by the DfE “in due course”.
- The DfE wants to reflect further regarding funding for post-16 high needs students before making proposals, and will consult “later” with the post-16 sector on changes for the 2018/2019 academic year.

3.5 Alongside the consultation papers, the DfE has published illustrative allocations for local authorities using the proposed formula compared to baselines for 2016/2017. These show that there will be no increase for Blackpool under the proposals, and our allocation will be protected by the 0% funding floor. This is very disappointing, given the pressures being experienced in the High Needs Block. Detailed information on the exact workings of the formula are not available, and further work will be carried out to better understand the reasons for the lack of increase over the coming weeks.

- 3.6 For this reason, steps will need to be taken to contain high needs funding within the available envelope, and this must be a priority over the coming months and years. To assist this, additional funding is being allocated this year by the DfE to allow local authorities to conduct strategic reviews of high needs provision, in collaboration with schools, colleges and other providers, parents and young people, and in collaboration with neighbouring authorities where appropriate. Where such review and planning work has already been undertaken along the lines envisaged, this fund can be used to help implement the outcomes of the reviews. Local authorities will be expected to publish the outcomes of these reviews in the form of strategic plans to demonstrate transparency and accountability. The use of this funding will be informed by the findings of the ongoing commissioning review of SEND services.
- 3.7 In other developments, the local authority has submitted an expression of interest to the DfE for a new free special school that would cater for pupils with emotional, social and mental health difficulties. This would enable a reduction in the number of pupils in expensive placements outside of Blackpool. We hope to hear whether this application has been successful shortly. Separately, a new source of capital funding is being made available to support the expansion of existing specialist provision, or the development of new schools to create additional specialist provision. At the time of writing, it is not known how much funding might be available to Blackpool from the £200 million national pot.

List of acronyms:

DfE – Department for Education

ACA – Area Cost Adjustment

SERF – Special Education Referral Facility

SEND – Special Educational Needs and Disabilities

Report to:	SCHOOLS FORUM
Relevant Officer:	Hilary Wood, Head of Business Support and Resources
Date of Meeting:	10 January 2017

EARLY YEARS NATIONAL FUNDING FORMULA UPDATE

1.0 Purpose of the report:

- 1.1 To update Schools Forum on the outcome of the consultation carried out by the Department for Education regarding the introduction of a national funding formula for Early Years and the implications for Blackpool.
- 1.2 To share with Schools Forum the proposals for the next steps of the implementation of changes to the local Early Years funding formula.

2.0 Recommendation(s):

- 2.1 Schools Forum is asked to note the details of the Government's changes to Early Years funding.
- 2.2 Schools Forum is asked to agree to the proposals for the next steps of the implementation of changes to Blackpool's Early Years funding formula.

3.0 Background Information

- 3.1 In August 2016, the Department for Education launched a consultation entitled "An early years national funding formula – and changes to the way the three- and four-year-old entitlements to childcare are funded". The consultation ran for six weeks and closed on 22 September 2016. The full consultation paper can be found at the following link: <https://consult.education.gov.uk/early-years-funding/eynff>. Details of the proposals were shared with Schools Forum at its meeting in October 2016, together with Blackpool Council's response.
- 3.2 In December 2016, the Government issued its response to the consultation, as well as provisional funding allocations at local authority level. As in the current system, allocations will be revised based on participation after the January 2017 and January 2018 censuses. Full details of the Government's response can be found at the following link: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/574040/Early_years_funding_government_consultation_response.pdf.

- 3.3 Very little has changed since the original proposals with respect to the national formula and distribution between local authorities, and Blackpool's allocation remains the same at £5.18m for the universal three- and four-year old entitlement. This is a reduction from the current £5.317m, equivalent to 2.6 per cent, and is extremely disappointing given the representations that Blackpool and other respondents made regarding perceived areas of inequity within the formula.
- 3.4 Despite the reduction in overall funding, there will be an increase in monies distributed to Blackpool's nursery providers as a result of the changes, resulting from a new requirement to pass at least 93 per cent (rising to 95 per cent in April 2018) of the funding to settings.
- 3.5 While the distribution methodology at local authority level has not changed since the original proposals, there have been some minor amendments to the way the local formula will calculate the hourly amounts for providers. The main features of the new formula will incorporate the following:
- A universal base rate for all providers from 2019/2020 at the latest.
 - A mandatory deprivation supplement.
 - Optional supplements for flexibility, rurality and quality. The inclusion of the quality supplement is a departure from the original consultation, where the Government was proposing to remove it as an option. Supplements will not be allowed for efficiency or the delivery of the 30 hours entitlement as originally planned.
 - The total of supplements cannot exceed ten per cent of the total funding given to providers.
- 3.6 With respect to special educational needs and disabilities (SEND), local authorities will be required to set up Inclusion Funds from existing Early Years and High Needs funding in order to provide SEND resource or support to providers under locally agreed criteria. No additional funding is to be provided for this requirement, so the fund's reach would be limited.
- 3.7 In addition, a new Disability Access Fund at a fixed rate of £615 per year is to be paid to settings that are providing a free entitlement place to a child in receipt of Disability Living Allowance. This will be on top of the nursery's hourly rate, and is for the purpose of aiding access to places for eligible children.

4.0 Next steps

- 4.1 Local authorities will need to consult with stakeholders on their proposed local formulas. The Early Years Strategic Group is due to meet on 17 January to consider the options for a new local formula and the basis of the consultation.

- 4.2 The Council has already commenced a review of early years support services in order to determine how best to achieve the required reduction in costs held centrally. It has also commissioned a piece of work to advise on the development of a traded offer to early years settings.
- 4.3 The proposed formula and plans for central expenditure will be brought to the next meeting of Schools Forum in March, in time for budgets to be sent to providers by the end of that month.

List of acronyms:

SEND – Special Educational Needs and Disabilities

This page is intentionally left blank