

Blackpool Council

7 March 2017

SCHOOLS FORUM

Tuesday, 14 March 2017 at 9.15 am
in the City Learning Centre, Bathurst Avenue, Blackpool
FY3 7RW

A G E N D A

1 APOLOGIES

2 DECLARATIONS OF INTEREST

Schools 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

3 MINUTES OF THE LAST MEETING HELD ON 10 JANUARY 2017 (Pages 1 - 12)

To agree the minutes of the last meeting held on 10 January 2017 as a true and correct record.

4 COMMISSIONING REVIEWS

Mr Kim Wood, Divisional Commissioning Manager and Ms Claire Grant, Divisional Commissioning Manager, to provide a verbal update to the Forum based on commissioning reviews of:

- Speech and Language Therapy
- Early Years Central Services
- Pupil Welfare Services
- Home to School Transport

5 PUBLIC HEALTH UPDATE

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

6 SCHOOLS FORUM RESPONSE TO SCHOOLS NATIONAL FUNDING FORMULA CONSULTATION (Pages 13 - 22)

Mrs Hilary Wood, Head of Business Support and Resources, to present the Forum response to the consultation on Schools National Funding Formula for Schools Forum.

7 SCHOOLS FORUM RESPONSE TO HIGH NEEDS FUNDING REFORM CONSULTATION (Pages 23 - 28)

Mrs Hilary Wood, Head of Business Support and Resources, to present the Forum response to the consultation on Schools National Funding Formula for Schools Forum.

8 DEDICATED SCHOOLS GRANT BUDGET MONITORING 2016/2017 (Pages 29 - 32)

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

9 PUPIL REFERRAL UNIT FINANCES 2016/2017 (Pages 33 - 36)

Mrs Hilary Wood, Head of Business Support and Resources, to present the report on Pupil Referral Unit Finances 2016/2017.

10 EARLY YEARS FUNDING FORMULA 2017/2018 (Pages 37 - 66)

Mrs Hilary Wood, Head of Business Support and Resources, to present the report on Early Years Funding Formula and plan for central expenditure in 2017/2018.

11 DEDICATED SCHOOLS GRANT BUDGET PROPOSALS 2017/2018 (Pages 67 - 72)

Mrs Hilary Wood, Head of Business Support and Resources, to present the report on Dedicated Schools Grant Budget Proposals 2017/2018.

12 ACADEMY UPDATE

Mrs Amanda Whitehead, Head of Schools, Standards and Effectiveness, to provide a verbal update to the Forum on relevant Academy School developments.

13 LOCAL AUTHORITY UPDATE

Mrs Amanda Whitehead, Head of Schools, Standards and Effectiveness, to provide a verbal update to the Forum on relevant Local Authority developments.

14 DATE OF NEXT MEETING

The Forum to note the date of the next meeting as Tuesday 20 June 2017 at the City Learning Centre from 9.15am.

General information:

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

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Present:

Primary School Head Teachers/Representatives

Ms J Hirst, Bispham Endowed (Chairman)

Ms Elaine Allen, St John Vianney

Special School Head Teacher/Head Teacher Representative

Mr C Andrew, Woodlands

Academy School Representatives

Mr S Brennand, Unity

Ms J Carroll, Roseacre

Mr G Dow, Anchorsholme

Mr M Gray, Waterloo

Ms T Harrison, Thames

Mr D Medcalf, St Georges

Mr N Toyne, Devonshire

Mrs S Wilson, Fylde Coast Academy Trust

Non-Schools Members

Ms A Baines, Staff/Teacher Associations

Ms W Casson, Pupil Referral Unit

Ms Cathy Butterworth, Primary School Governor

Mr D Dickinson, Staff/Teacher Associations

Mr R Rendell, Early Years Strategic Group

In Attendance:

Councillor Kathryn Benson, Cabinet Member for Schools and Learning

Ms L Donkin, Public Health Specialist

Mr M Golden, Finance Manager

Mr P Sharples, Schools Funding and PFI Manager

Mrs A Whitehead, Head of Schools, Standards and Effectiveness

Mr C Williams, Democratic Governance Adviser (Minutes)

Mrs H Wood, Head of Business Support and Resources.

1 ELECTION OF CHAIRMAN

The Forum agreed to elect Ms Jo Hirst as Chairman of the Schools Forum for 2017.

2 ELECTION OF VICE CHAIRMAN

The Forum agreed to elect Mr Cole Andrew as Vice Chairman of the Schools Forum for 2017.

3 APOLOGIES

Apologies for absence were received from Ms Delyth Curtis, Director of People and Mr Richard Rendell, Early Years Strategic Group.

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4 DECLARATIONS OF INTEREST

There were no declarations of interest on this occasion.

5 MEMBERSHIP UPDATE

Mrs Wood reported that following a review of the Forum membership, Ms Elaine Allen, Headteacher St. John Vianney RC Primary School, Mr Nick Toyne, Headteacher Devonshire Primary Academy and Mrs Susan Wilson, representing the Fylde Coast Academy Trust had been appointed.

The Chairman welcomed the new members and thanked Mrs Susan Diver, Headteacher Mereside Primary School and Children's Centre, for her service to the Forum.

6 MINUTES OF THE LAST MEETING HELD ON 11 OCTOBER 2016

The minutes of the Schools Forum held on 11 October 2016 were agreed as a correct record and signed by the Chairman.

7 MATTERS ARISING FROM THE PREVIOUS MEETING

Minute 7: The Forum was advised that the outstanding paperwork related to the Early Years Allocations from Reserves had now been received from the two settings that had previously not submitted returns.

Minute 8: The Forum noted that some parents had chosen not to disclose details on the application form that would mean that the eligibility criteria for the funding was met. It was reported that schools could still approach the Council for funding if additional information comes to light following the admission of the pupil.

Minute 11: In relation to a proposed meeting between local residents and Headteachers to discuss the Free School at the former Arnold School site, Mrs Harrison advised that a consultation was underway and a follow-up meeting would be announced once it had closed.

8 SCHOOLS SAFEGUARDING ADVISER ROLE

Mrs Wood presented the report and reminded the Forum of some of the work undertaken by the Schools Safeguarding Advisor, Mr Paul Turner.

Members agreed that the role had been vital and especially relevant in the current local education climate.

Following a discussion about possible alternative arrangements, The Forum agreed that none of the options deliberated were desirable and therefore proposed that rather than extending the Schools Safeguarding Adviser's contract, Mr Turner should in fact be offered a permanent position, given the significant impact he had made in his time in the post. It was noted that the priority for the role would need to be considered alongside other calls on the available funding at each future budget review.

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Concerns about line management arrangements for Mr Turner were noted and it was agreed that he should be managed by someone within the School Effectiveness service as opposed to via Social Services.

The Forum agreed:

1. To approve the extension of the post of School Safeguarding Adviser on a permanent basis.
2. That the Schools Safeguarding Adviser post would be line managed within the School Effectiveness Division with effect from after the February 2017 half-term break, in response to a specific request.

9 DEDICATED SCHOOLS GRANT BUDGET MONITORING 2016/2017

Mr Mark Golden, Finance Manager presented the 2016/2017 Budget position.

In relation to the Schools Block, The Forum noted a £79,000 overspend related to insurance costs due to an increase in Insurance Premium Tax and a recoupmnt of funding converting academies.

Within the High Needs Block, an overspend of £69,000 in relation to Special Schools top-up funding was attributed to pupil numbers at Park exceeding the number of commissioned places. In addition, Mainstream school top-up funding had overspent by £36,000 as a result of high level ad-hoc support. The greatest overspend of £93,000 within the High Needs Block related to Out Of Borough placements. The Forum agreed that a piece of work to address this issue would be desirable especially to look at the situation in other Local Authorities.

It was reported that the Early Years Block had benefitted from underspends on Dedicated Schools Grant income, however the total overspend for 2016/2017 had been £178,000 as of 30 November 2016.

Mr Golden advised that the total overspend of £178,000 would have to be covered by the Uncommitted DSG Reserve though this totalled £1,207,445 thanks in part to a windfall payment of business rates following Highfield School's conversion to Academy status.

The Forum noted the report.

10 COMMISSIONING REVIEWS

The Item was deferred for consideration at the 14 March 2017 meeting.

11 SCHOOLS FUNDING FORMULA 2017/2018

Mr Sharples presented the report and provided background information regarding the proposals.

The Forum was advised that for 2017/2018, the Education Funding Agency had updated the IDACI banding methodology to return the IDACI bands to a roughly similar size (in

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terms of the proportion of pupils in each band) in 2016 compared to 2015. Mr Sharples added that for Blackpool, this meant that again a greater number of pupils now fell within the highest IDACI bandings. However, the proposals for a national formula were 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 Forum noted that the proposal was therefore 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.

In relation to PFI contracts, Mr Sharples reported that during legal discussions regarding the transfer of contracts for Highfield School as part of the academy conversion process, the local authority was advised by the Department for Education (DfE) that it was usual in these circumstances for the PFI affordability gap to be fed through the schools funding formula. The Forum noted the affordability gap in a PFI agreement comes as a result of 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). Mr Sharples advised that there had been a rates saving of circa £174,000 following the conversion of Highfield to Academy status. Therefore, affordability gap could be funded through the formula with no additional pressure on the formula or contribution required from the Council.

Mr Sharples also proposed that the capping and scaling levels be retained at 2% and 17% respectively in 2017/2018. He advised that the cap meant that each school would retain the first 2% of per pupil gains from one year to the next, and the scaling factor meant that schools would have any gains over and above the 2% cap scaled back by 17%, which would help to ensure that the formula was affordable overall. It was proposed that any shortfall/surplus in overall funding be recovered/released by small adjustments to the formula factors as appropriate.

The Forum agreed:

1. To retain the 2016/2017 funding per band values for the IDACI funding factor.
2. To reduce the lump sum from £165,000 to £150,000 per school.
3. To increase the PFI factor by £140,024 to account for the affordability gap on the Highfield PFI scheme.
4. To 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 remained affordable overall.

12 EDUCATION SERVICES GRANT UPDATE

The Forum considered the impact on the Council, academy schools and maintained schools of the ending by Central Government of the Education Services Grant.

Mrs Wood informed the Forum of the two separate elements of the grant previously received in the form of; the retained grant and the general grant. The former was only paid to local authorities, and funded the responsibilities they held for all pupils in the area, regardless of whether they were educated in maintained or academy schools. The latter was paid to local authorities in respect of the pupils in maintained schools and was also paid separately to each academy in respect of the pupils in their own setting.

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In relation to School Improvement, Mrs Wood reported that From September 2017, local authorities would 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 could also choose to de-delegate funding through a vote by Schools Forum representatives. This was voted upon as part of Item 14 on the agenda.

It was also reported that a new £140 million Strategic School Improvement Fund would be made available to academies and maintained schools, aimed at ensuring resources were targeted at the schools most in need of support to drive up standards, use their resources effectively and deliver more good school places.

Given the impact of grant cuts, Mrs Wood highlighted the report proposal that maintained school representatives, including primary, special and pupil referral unit members, approve the amount of £19.42 per pupil to be retained from school budgets in respect of education functions previously funded by the Education Services Grant (excluding School Improvement) for the period September 2017 to March 2018.

Following a discussion, concerns were noted about the possible impact of the Central Government grant cuts, in particular on Blackpool's Education Welfare service. Members agreed that attendance and behaviour were key priorities for schools in Blackpool and any reduction in authority involvement in those areas would be detrimental. Mrs Amanda Whitehead reported that a review of the service was underway and she highlighted the importance of schools providing feedback in relation to the future of the education welfare service.

The Forum agreed:

1. To note the impact on the Council and academy schools of the ending by Government of the Education Services Grant.
2. That the local authority retain the amount of £19.42 per pupil from maintained school budgets (including primary, special and pupil referral unit) in respect of education functions previously funded by the Education Services Grant for the period September 2017 to March 2018.

13 UNISON DUTIES

Mr Dave Dickinson, Unison representative provided a summary of the report detailing the services provided by Unison to schools. Those included: representation of members in disciplinary and grievance meetings and hearings, attendance at management meetings and case review hearings, representation during redundancy consultations, advice and support on any workplace issue, including redundancy, redeployment, maternity and paternity issues, subjects related to disabilities, ill health and retirement, changes to terms and conditions, joint consultative meetings between unions and employers, job evaluations, Health and Safety advice and others.

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The three current Unison posts were all currently funded by Blackpool Council, with no contribution from schools. However, due to continuing budget reductions, the Council was having to reduce the number of posts to two in 2017/18. Mr Dickinson explained why he believed it was important for Blackpool schools to commit to the costs of facilities time so that it covered all staff equitably. The report recommendation was to de-delegate funding for facilities time to cover all levels of staff, including teachers and support staff, with a rate of £1.75 per pupil for support staff representation.

The Forum discussed the wider issue of financial pressures within all schools and questioned the nature of support provided and how funding would be spent.

The decision was deferred as part of Item 14 on the agenda.

14 DE-DELEGATION OF SERVICES AND EDUCATION FUNCTIONS 2017/2018

Mr Paul Sharples, School Funding and Private Finance Initiative Manager outlined the proposal to continue to de-delegate funding in 2017/2018 related to free school meal eligibility checks, insurances, and Professional Teacher Association (PTA) facilities time. In addition, the Forum noted that a decision related to de-delegation of Unison facilities time (deferred for consideration from the previous Item) would also be required. Furthermore, there was a new opportunity for the de-delegation of funding relating to the school improvement functions carried out by the local authority for maintained schools, over and above the statutory requirements

During the subsequent discussion, it was noted that some Academies within Blackpool had opted to have their free school meal eligibility checks performed by third party companies at significantly reduced costs, though it was acknowledged that the service offered by such companies was perhaps not directly comparable to that provided by the Local Authority, based on the frequency of the checks.

In relation to the proposal to continue to de-delegate funding for PTA union duties at £4.00 per pupil, the Forum agreed that some schools would benefit more than others dependent on how many Union members were employed and how often they used the various services. However, it was agreed that not to de-delegate could result in an unmanageable arrangement for schools to contend with.

Following a discussion about the level of school improvement support that the Local Authority might be able to offer in the future, the Forum expressed concerns that committing to further de-delegation of funding would not make sense until further assurances had been provided about the precise level of support that would be offered in the future.

The Forum agreed:

1. To the continued de-delegation of funding for free school meal eligibility checks.
2. To the continued de-delegation of funding for school insurances.
3. To the continued de-delegation of funding for PTA union duties at £4.00 per pupil.
4. Not to endorse the introduction of a 'per pupil' rate of £1.75 for support staff Union duties.
5. Not to de-delegate funding for School Improvement at £6.14 per pupil.

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6. Mr Mark Gray to circulate information related to private companies that provide online free school meal eligibility checks to allow schools an alternative to the Local Authority service provision.

15 PUPIL GROWTH CONTINGENCY 2017/2018

Mr Paul Sharples reported that it was time for the annual review of the criteria and allocation of Pupil Growth Contingency in 2016/2017.

The Forum discussed the recommendation to approve the value of the pupil growth contingency at £207,645 in 2017/2018, which Mr Sharples advised had been calculated based on the October 2016 census data. He explained a number of pupil-driven factors included in the calculation that included; basic entitlement per pupil and funding for total deprivation, Looked After Children, English as an Additional Language, Pupil mobility and prior attainment. He added that all of those figures had then been individually divided by the number of pupils on roll at each school.

It was proposed that the criteria for the allocation of the contingency should be revised in order to apply to all schools, and not just primary schools.

During the subsequent discussion, the Forum expressed concerns about the potential cost of Pupil Growth Contingency for both Secondary and Primary elements of the new Free School once it had officially opened.

The Forum agreed:

1. To approve the value of the pupil growth contingency at £207,645 in 2017/2018, based on calculations from the October 2016 census data.
2. To approve the revised criteria for allocation of the contingency.

16 EXCEPTIONAL CIRCUMSTANCES HIGH NEEDS FUNDING 2017/2018

Mr Sharples reported that 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 had taken into account 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, he added that this meant the distribution of additional funding could not be exactly matched to the incidence of high cost pupils in individual schools. It was noted that schools received exceptional circumstances funding if they were supporting a disproportionately high number of high needs pupils compared to their notional SEN budget.

The Forum was advised that in order to ensure that funding continued to be directed to schools where it was needed the most and avoid undue pressure on school budgets, the Local Authority recommended that the calculation of exceptional circumstances funding be amended from twice yearly to termly. The calculation would therefore be performed using September, January and April high-needs pupil numbers.

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The Forum agreed:

To increase the frequency of the Exceptional Circumstances High Needs Funding calculations to termly from April 2017.

17 SCHOOLS NATIONAL FUNDING FORMULA UPDATE

Mrs Wood reminded the Forum that 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.

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. The Forum was informed that 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.

The Forum noted that the second stage of the funding consultation was published on 14 December 2016, and would run for 14 weeks until 22 March 2017. The information published by the DfE incorporated illustrations of what each school might receive under the proposed formula.

Following a discussion, it was noted that the majority of Blackpool schools would benefit from the proposed changes, but that others stood to lose out financially. In particular, smaller schools with relatively low levels of deprivation were cited as those most likely to suffer under the proposals. It was agreed to hold a task and finish group meeting made up of members of the Forum and a combination of Headteachers and Governors to formulate a response to the consultation on behalf of the Schools Forum.

The Forum agreed:

1. 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.
2. To set up a task and finish group in February 2017 and to inform all relevant members, Headteachers and Governors of the date of the meeting once the details had been finalised.
3. To present a proposed response to the consultation for Schools Forum sign off at the next meeting on 14 March 2017.

18 HIGH NEEDS FUNDING REFORM UPDATE

Mrs Wood informed the Forum that the second stage of the High Needs funding consultation was published on 14 December 2016, and would run for 14 weeks until 22 March 2017. The information published by the DfE incorporated illustrations of what

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each local authority might receive under the proposed formula. Unfortunately for Blackpool, there would be no increase in funding, although all local authorities would be protected at current levels of spend.

As with Item 17, the Forum agreed to submit a response to the consultation and to discuss this at a further task and finish group to be set up in February 2017, with the precise date to be advised.

In addition to the contents of the report, the Forum was advised that new Special Free School provision had been proposed by the Local Authority initially for 48 places and an expression of interest had been formally submitted to the Department for Education (DfE).

The Forum agreed:

1. 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.
2. To present a proposed response to the consultation for Schools Forum sign off at the next meeting on 14 March 2017.
3. Dr Simon Jenner, Principal Educational Psychologist/Service Manager Special Educational Needs and Disabilities, to inform schools of progress related to a potential new High-Needs Special School in Blackpool via the schools newsletter.
4. That an item be brought to a future meeting related to the Special Free School, if it received the go-ahead.

19 EARLY YEARS NATIONAL FUNDING FORMULA UPDATE

Mrs Wood reminded the Forum that 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.

It was reported that in December 2016, the Government issued its response to the consultation, as well as provisional funding allocations at Local Authority level. As with the current system, allocations would be revised based on participation after the January 2017 and January 2018 censuses.

Mrs Wood informed the Forum that the Council had already commenced a review of early years support services in order to determine how best to achieve the required reduction in costs held centrally. She added that the proposed formula and plans for central expenditure would 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.

The Forum agreed:

1. To note the details of the Government's changes to Early Years funding.
2. To the proposals for the next steps of the implementation of changes to Blackpool's Early Years Funding Formula.

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3. To receive a report on the proposed formula and plan for central expenditure at the 14 March 2017 meeting.

20 ACADEMY UPDATE

Mrs Amanda Whitehead, Head of Schools, Standards and Effectiveness reported that Mereside Primary School had now converted to academy status and that a consultation regarding the future status of Claremont Primary School had been undertaken.

In addition, the Forum was informed that bids for extensions to numbers of nursery places at four separate settings had been received and, of those, three had been successful, Happy Tots, George Street and West Park.

The Forum noted the update.

21 LOCAL AUTHORITY UPDATE

Mrs Amanda Whitehead reported that Ms Delyth Curtis, Director of People and Ms Amanda Hatton, Deputy Director of People would be leaving the Local Authority. She added that the Chief Executive would be appointing an interim Director of Children's Services whilst recruitment measures continued.

The Forum expressed an interest in having school representation on the selection panel for the future Director of Children's Services candidates.

The Forum agreed:

That Mrs Amanda Whitehead ask Mr Neil Jack, Chief Executive, Blackpool Council whether school representation on the selection panel for the future Director of Children's Services role had been considered.

22 PUBLIC HEALTH UPDATE

Ms Lynn Donkin, Public Health Specialist presented data related to levels of childhood obesity in Blackpool. She reported that 26.5% of children aged 4-5 and 40.0% of children aged 10-11 were overweight or obese, which were considerably higher than the national average.

Members of the Forum were encouraged to be a part of a Healthy Weight Summit to be held on 2 February 2017. Ms Donkin added that all Schools had been invited to attend.

It was reported that as part of the ongoing Fit-to-go programme in Blackpool, a 'Give Up Loving Pop' campaign would be launched with the aim of reducing sugar intake in school aged children, which had contributed to high levels of children being overweight and/or having significant tooth decay.

Ms Donkin informed members that a new Health Visitor model to incorporate greater school readiness preparation was currently being reviewed.

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The Forum noted the update.

23 DATE OF NEXT MEETING

Members noted that the date of the next meeting would be Tuesday 14 March 2017.

Chairman

(The meeting ended at 1.12 pm)

Any queries regarding these minutes, please contact:
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Report to:	SCHOOLS FORUM
Relevant Officer:	Hilary Wood, Head of Business Support and Resources
Date of Meeting:	14 March 2017

SCHOOLS FORUM RESPONSE TO SCHOOLS NATIONAL FUNDING FORMULA CONSULTATION

1.0 Purpose of the report:

- 1.1 To present the draft Schools Forum response to the second stage of the consultation by the Department for Education (DfE) regarding the introduction of a national schools funding formula.

2.0 Recommendation(s):

- 2.1 To approve the draft consultation response for submission on behalf of Blackpool Schools Forum.

3.0 Background Information

- 3.1 On 14 December 2016, the Department for Education (DfE) published the second stage of the consultation on its proposals for a national schools funding formula, which 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/>
- 3.2 A paper was presented to Schools Forum in January 2017 (agenda Item 17) outlining the second stage consultation. Blackpool Council always responds to such consultations, but given the importance of the matter, Schools Forum agreed that it would submit its own response on this occasion. To this end, it was decided to convene a task and finish group of school representatives to compile a Schools Forum response to this consultation. All head teachers and Chairs of Governors were invited to send representatives, and the group met on 28 February 2017.
- 3.3 The draft response is attached at the appendix to this report. The key points of discussion focus on two main considerations:
- The principle of fairness – the DfE’s proposals include the suggestion that no school would lose more than three per cent overall compared to existing funding. This goes against the Government’s own stated intention of removing

the inequities that exist in the current system between schools with similar characteristics in different parts of the country.

- The balance of deprivation funding being allocated using free school meals (FSM) data and the IDACI indicator – the consultation document recognises that the use of IDACI supports all those whose background may create a barrier to their education, not only those with a history of free school meal eligibility. The latest proposals are for 5.5 per cent of funding to be allocated through FSM data, and only 3.9 per cent through IDACI; if the weighting for IDACI is increased, this would benefit Blackpool, as a large number of pupils fall in the most deprived IDACI bands relative to the rest of the country.

- 3.4 Once agreed, the Forum’s response will be shared with schools in case they wish to submit individual responses. It will also be shared with Blackpool’s Members of Parliament in order to that they can support Blackpool schools’ concerns at the national level.

List of acronyms:

DfE – Department for Education

IDACI – Income Deprivation Affecting Children Index

List of appendices:

Appendix 6(a): Draft consultation response – Schools National funding formula, Stage 2 proposals

Appendix 6(a)

Draft consultation response – Schools National Funding Formula, Stage 2 proposals

Overall approach

1) In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance?

Please select only one item

- Yes
- No ✓

Please explain your reasoning and any further evidence we should take into account:

Stage 1 of the Government's proposals heavily emphasised the principle of fairness, and stated that "variations in funding should be due to differences in pupil characteristics and specific circumstances – not due to historic allocations based on out-of-date data". This view of fairness appears to have been diluted in the Stage 2 proposals, with ongoing protection to be provided to schools through the overall floor. Stability will be achieved through the annual minimum funding guarantee, which will help those schools who are currently over-funded to manage their transition to fair funding, and we do not believe that an overall floor is necessary or desirable.

2) Do you support our proposal to set the primary to secondary ratio in line with the current national average?

We have decided that the secondary phase should be funded, overall, at a higher level than primary, after consulting on this in stage one. We are now consulting on how great the difference should be between the phases.

The current national average is 1:1.29, which means that secondary pupils are funded 29% higher overall than primary pupils.

Please select only one item

- Yes ✓
- No – the ratio should be closer (i.e. primary and secondary phases should be funded at more similar levels)
- No – the ratio should be wider (i.e. the secondary phase should be funded more than 29% higher than the primary phase)

Please explain your reasoning and any further evidence we should take into account:

While we have responded "yes" to this question, we believe that further work should be undertaken to establish the actual relative cost drivers underpinning the running of primary and secondary schools. This ratio should be based on a sound understanding of costs rather than on potentially flawed historic allocations by local authorities.

3) Do you support our proposal to maximise pupil-led funding?

We are proposing to maximise the amount of funding allocated to factors that relate directly to pupils and their characteristics, compared to the factors that relate to schools' characteristics. We propose to do this by reducing the lump sum compared to the current national average (see question 7 on the lump sum value).

Please select only one item

- Yes
- No - you should further increase pupil-led funding and further reduce school-led funding
- No - you should keep the balance between pupil-led and school-led funding in line with the current national average ✓
- No - you should increase school-led funding compared to the current national average

Please explain your reasoning and any further evidence we should take into account:

We believe that the proposed lump sum of £110k is too low. Even one-form primary schools will have a minimum level of resource requirements, including a head teacher, bursar and site supervisor, and these essential functions cannot be covered by such a low lump sum. Again, we would suggest that further work is undertaken to quantify the actual drivers in relation to fixed costs.

Pupil-led factors

We ask respondents to bear in mind with each question on this page that we are redistributing funding. Any money that we put into one factor will have to come from another factor. We have indicated what we think are the right proportions for each factor.

4) Within the total pupil-led funding, do you support our proposal to increase the proportion allocated to the additional needs factors?

Of the total schools block funding, 76% is currently allocated to basic per-pupil funding (AWPU) and 13% is allocated to the additional needs factors (deprivation, low prior attainment and English as an additional language).

The formula will recognise educational disadvantage in its widest sense, including those who are not eligible for the pupil premium but whose families may be only just about managing. It increases the total spent on additional needs factors compared to the funding explicitly directed through these factors in the current system.

We are therefore proposing to increase the proportion of the total schools block funding allocated to additional needs factors to 18%, with 73% allocated to basic per-pupil funding.

Please select only one item

- Yes ✓
- No – allocate a greater proportion to additional needs
- No – allocate a lower proportion to additional needs

Please explain your reasoning and any further evidence we should take into account:

Pupils with additional needs related to deprivation and prior attainment can place a significant additional burden on the support required in school. It is essential that this is recognised in the funding system in order that those pupils have an equal opportunity to achieve their potential.

5) Do you agree with the proposed weightings for each of the additional needs factors?

• **Deprivation - pupil based (FSM) at 5.5%**

Please select only one item

- Allocate a higher proportion
- The proportion is about right
- Allocate a lower proportion ✓

Please explain your reasoning and any further evidence we should take into account:

The free school meals data potentially understates the number of pupils in a school that actually meet the eligibility criteria for a number of reasons. While we agree that this should form part of the basket of indicators, we believe that a higher proportion should be allocated through the area-based IDACI measure.

• **Deprivation - area based (IDACI) at 3.9%**

Please select only one item

- Allocate a higher proportion ✓
- The proportion is about right
- Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

Deprivation is a strong proxy indicator for additional needs in school, and the area-based IDACI measure has a robust evidence base. As stated in the consultation document, many “just managing” families do not qualify for FSM deprivation funding, and the use of IDACI supports all those whose background may create a barrier to their education, not only those with a history of free school meal (FSM) eligibility. For this reason, and given the potential understating of free school meals data, we believe that a higher proportion should be allocated through the area-based deprivation factor.

• **Low prior attainment at 7.5%**

Please select only one item

- Allocate a higher proportion
- The proportion is about right ✓
- Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

Those pupils with low prior attainment will require the greatest level of additional support in order to catch up, and this needs to be reflected in the funding.

• **English as an additional language at 1.2%**

Please select only one item

- Allocate a higher proportion
- The proportion is about right ✓
- Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

6) Do you have any suggestions about potential indicators and data sources we could use to allocate mobility funding in 2019-20 and beyond?

We have decided to include a mobility factor in the national funding formula, following the first stage of consultation. This will be based on historic spend for 2018-19, while we develop a more sophisticated indicator. We would welcome any comments on potential indicators and data sources that could be a better way of allocating mobility funding in future.

Comments:

We are very pleased to see the re-introduction of the mobility factor into the formula in the Government's latest proposals, as schools with high levels of in-year admissions face significant burdens, with additional support required for many pupils, particular those from deprived backgrounds. With respect to the data, we believe that the current methodology is a good indicator of the relative need of schools, and reporting errors could be removed by the school data being cross-referenced to that of any predecessor schools to remove non-qualifying pupil numbers from the calculation.

School-led factors

We ask respondents to bear in mind with each question on this page that we are redistributing funding. Any money that we put into one factor will have to come from another factor. We have indicated what we think are the right amounts for each factor.

7) Do you agree with the proposed lump sum amount of £110,000 for all schools?

This factor is intended to contribute to the costs that do not vary with pupil numbers, and to give schools (especially small schools) certainty that they will receive a certain amount each year in addition to their pupil-led funding.

• Primary

Please select only one item

- Allocate a higher amount ✓
- This is about the right amount
- Allocate a lower amount

• Secondary

Please select only one item

- Allocate a higher amount ✓
- This is about the right amount
- Allocate a lower amount

Please explain your reasoning and any further evidence we should take into account:

We believe that the proposed lump sum of £110k is too low. Even one-form primary schools will have a minimum level of resource requirements, including as a head teacher, bursar and site supervisor, and these essential functions cannot be covered by such a low lump sum. Again, we would suggest that further work is undertaken to quantify the actual drivers in relation to fixed costs.

8) Do you agree with the proposed amounts for sparsity funding of up to £25,000 for primary and up to £65,000 for secondary, middle and all-through schools?

We have decided to include a sparsity factor to target extra funding for schools that are small and remote. We are proposing that this would be tapered so that smaller schools receive more funding, up to a maximum of £25,000 for primary schools and £65,000 for secondary schools.

• **Primary**

Please select only one item

- Allocate a higher amount
- This is about the right amount
- Allocate a lower amount

• **Secondary**

Please select only one item

- Allocate a higher amount
- This about the right amount
- Allocate a lower amount

Please explain your reasoning and any further evidence we should take into account:

No comment

9) Do you agree that lagged pupil growth data would provide an effective basis for the growth factor in the longer term?

The growth factor will be based on local authorities' historic spend in 2018-19. For the longer term we intend to develop a more sophisticated measure and in the consultation we suggest the option of using lagged pupil growth data. We will consult on our proposals at a later stage, but would welcome any initial comments on this suggestion now.

Comments:

Yes, however the growth funding should also take into account planned pupil numbers in new free schools, which will be known to the Department of Education. In these circumstances, additional needs funding should be based on the characteristics of pupils in the three closest schools as a proxy for the likely cohort of pupils in the new school. There should also be a mechanism for local authorities to request additional growth funding in exceptional circumstances.

Funding floor

10) Do you agree with the principle of a funding floor?

To ensure stability we propose to put in place a floor that would protect schools from large overall reductions as a result of this formula. This would be in addition to the minimum funding guarantee (see question 13).

Please select only one item

- Yes
- No ✓

Please explain your reasoning and any further evidence we should take into account:

Stage 1 of the Government's proposals heavily emphasised the principle of fairness, and stated that "variations in funding should be due to differences in pupil characteristics and specific circumstances – not due to historic allocations based on out-of-date data". This view of fairness appears to have been diluted in the Stage 2 proposals, with ongoing protection to be provided to schools through the overall floor. Stability will be achieved through the annual minimum funding guarantee, which will help those schools who are currently over-funded to manage their transition to fair funding, and we do not believe that an overall floor is necessary or desirable.

11) Do you support our proposal to set the funding floor at minus 3%?

This will mean that no school will lose more than 3% of their current per-pupil funding as a result of this formula.

Please select only one item

- Yes
- No – the floor should be lower (i.e. allow losses of more than 3% per pupil) ✓
- No – the floor should be higher (i.e. restrict losses to less than 3% per pupil)

Please explain your reasoning and any further evidence we should take into account:

We do not agree with the principle of a funding floor. Stability will be achieved through the annual minimum funding guarantee, which will help those schools who are currently over-funded to manage their transition to fair funding, and we do not believe that an overall floor is necessary or desirable.

12) Do you agree that for new or growing schools (i.e. schools that are still filling up and do not have pupils in all year groups yet) the funding floor should be applied to the per-pupil funding they would have received if they were at full capacity?

Please select only one item

- Yes ✓
- No

We believe that, to treat growing schools fairly, the funding floor should take account of the fact that these schools have not yet filled all their year groups.

Please explain your reasoning and any further evidence we should take into account:

We do not agree with the principle of a funding floor. Stability will be achieved through the annual minimum funding guarantee, which will help those schools who are currently over-funded to manage their transition to fair funding, and we do not believe that an overall floor is necessary or desirable.

Transition

13) Do you support our proposal to continue the minimum funding guarantee at minus 1.5%?

The minimum funding guarantee protects schools against reductions of more than a certain percentage per pupil each year. We are proposing to continue the minimum funding guarantee at minus 1.5% per pupil per year.

Please select only one item

- Yes ✓
- No – the minimum funding guarantee should be lower (i.e. allow losses of more than 1.5% per pupil in any year)
- No – the minimum funding guarantee should be higher (i.e. restrict losses to less than 1.5% per pupil in any year)

Please explain your reasoning and any further evidence we should take into account:

The 1.5% MFG level has been proven over time to be manageable at school level.

Further considerations

14) Are there further considerations we should be taking into account about the proposed schools national funding formula?

Comments:

Fairness needs to underpin the new formula, and this can only be achieved by the removal of all protections over time.

Central school services block

15) Do you agree that we should allocate 10% of funding through a deprivation factor in the central school services block?

Please select only one item

- Yes
- No - a higher proportion should be allocated to the deprivation factor ✓
- No - a lower proportion should be allocated to the deprivation factor
- No - there should not be a deprivation factor

Please explain your reasoning and any further evidence we should take into account:

In Blackpool, an area with very high levels of deprivation, around 35 per cent of the planned spend on new central school services block functions will be spent on Education Welfare, whereas the deprivation element of the funding only accounts for 15 per cent of the total allocation. Given that there is a strong correlation between deprivation and school absence, we believe that a larger proportion of the funding for the new block should be allocated through a deprivation factor.

16) Do you support our proposal to limit reductions on local authorities' central school services block funding to 2.5% per pupil in 2018-19 and in 2019-20?

Please select only one item

- Yes ✓
- No - allow losses of more than 2.5% per pupil per year
- No - limit reductions to less than 2.5% per pupil per year

Please explain your reasoning and any further evidence we should take into account:

We agree that 2.5% is a manageable level of annual reductions for local authorities to plan for. However, any monies released from historic commitments should first be directed to the central school services block in order that any authorities standing to gain under the formula do so as quickly as possible.

17) Are there further considerations we should be taking into account about the proposed central school services block formula?

Comments:

No further comments.

Equalities analysis

The question below refers to the equalities impact assessment published with the consultation.

18) Is there any evidence relating to the 8 protected characteristics identified in the Equality Act 2010 that is not included in the equalities impact assessment and that we should take into account?

Comments:

No comment.

Report to:	SCHOOLS FORUM
Relevant Officer:	Hilary Wood, Head of Business Support and Resources
Date of Meeting:	14 March 2017

SCHOOLS FORUM RESPONSE TO HIGH NEEDS FUNDING REFORM CONSULTATION

1.0 Purpose of the report:

- 1.1 To present the draft Schools Forum response to the 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.

2.0 Recommendation(s):

- 2.1 To approve the draft consultation response for submission on behalf of Blackpool Schools Forum.

3.0 Background Information

- 3.1 On 14 December 2016, the Department for Education (DfE) published the second stage of the consultation on its proposals for reform to the high needs funding system, which 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/high-needs-funding-reform-2/>.
- 3.2 A paper was presented to Schools Forum in January 2017 (agenda Item 18) outlining the second stage consultation. Blackpool Council always responds to such consultations, but given the importance of the matter, Schools Forum agreed that it would submit its own response on this occasion. To this end, it was decided to convene a task and finish group of school representatives to compile a Schools Forum response to this consultation. All head teachers and Chairs of Governors were invited to send representatives, and the group met on 28 February 2017.
- 3.3 The draft response is attached at the appendix to this report. The key points of discussion focus on two main considerations:
- The principle of fairness – there are historic disparities in funding between the north and south of the country which will not be addressed by the proposed changes. The scale to which the Area Cost Adjustment is being applied in the

formula is having the effect of negating relative need in local authorities with low multipliers. In poor areas, the General Labour Market will be skewed by low-paid employment, and not indicative of the better paid salaries in schools.

- The balance of deprivation funding being allocated using free school meals (FSM) data and the IDACI indicator – as recognised in the schools funding formula consultation, the use of IDACI supports all those whose background may create a barrier to their education, not only those with a history of free school meal eligibility. The latest proposals include an equal weighting of ten per cent of all funding for each of FSM and IDACI; if the weighting for IDACI is increased, this would benefit Blackpool, as a large number of pupils fall in the most deprived IDACI bands relative to the rest of the country.

3.4 Once agreed, the Forum’s response will be shared with schools in case they wish to submit individual responses. It will also be shared with Blackpool’s Members of Parliament in order to that they can support Blackpool schools’ concerns at the national level.

List of acronyms:

DfE – Department for Education

IDACI – Income Deprivation Affecting Children Index

List of appendices:

Appendix 7(a): Draft consultation response – High Needs Funding Reform, Stage 2 proposals

Draft consultation response – High Needs Funding Reform, Stage 2 proposals

Overall approach

1. In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance?

- Yes
- No ✓

Please explain your reasoning and any further evidence we should take into account:

We do not believe that the proposed formula achieves fairness. There are historic disparities in funding between the north and south of the country which will not be addressed by the proposed changes. The scale to which the Area Cost Adjustment is being applied in the formula is having the effect of negating relative need in local authorities with low multipliers. In poor areas, the General Labour Market will be skewed by low-paid employment, and not indicative of the better paid salaries in schools.

Formula factors

We are proposing a formula comprising a number of formula factors with different values and weightings.

We ask respondents to bear in mind with each question on this page that we are redistributing funding. Any money that we put into one factor will have to come from another factor. We have indicated what we think is the right proportion or amount for each factor.

2. Do you agree with the following proposals?

- **Historic spend factor – to allocate each local authority a sum equal to 50% of its planned spending baseline**
 - Allocate a higher proportion
 - The proportion is about right ✓
 - Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

Until the inequities described in our response to Question 1 are addressed in the formula, then we agree that a high proportion of the allocation should be based on historic spend levels.

- **Basic entitlement – to allocate to each local authority £4,000 per pupil**
 - Allocate a higher amount
 - This is about the right amount ✓
 - Allocate a lower amount

Please explain your reasoning and any further evidence we should take into account:

While we have said that this is about the right amount, we believe that the £10k place funding amount should be reviewed. This figure has not changed since the introduction of the place-plus system in 2013/14, and should be reviewed to ensure that it remains appropriate.

3. We propose to use the following weightings for each of the formula factors listed below, adding up to 100%. Do you agree?

• **Population – 50%**

- Allocate a higher proportion
- The proportion is about right ✓
- Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

• **Free school meals (FSM) eligibility – 10%**

- Allocate a higher proportion
- The proportion is about right
- Allocate a lower proportion ✓

Please explain your reasoning and any further evidence we should take into account:

The free school meals data potentially understates the number of pupils in an area that actually meet the eligibility criteria for a number of reasons. While we agree that this should form part of the basket of indicators, we believe that a higher proportion should be allocated through the area-based IDACI measure.

• **Income deprivation affecting children index (IDACI) – 10%**

- Allocate a higher proportion
- The proportion is about right
- Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

Deprivation is a strong proxy indicator for additional needs, and the area-based IDACI measure has a robust evidence base. As stated in the national school funding formula consultation, many “just managing” families do not qualify for FSM deprivation funding, and the use of IDACI supports all those whose background may create a barrier to their education, not only those with a history of free school meal eligibility. For this reason, and given the potential understating of free school meals data, we believe that a higher proportion should be allocated through the area-based deprivation factor.

• **Key stage 2 low attainment – 7.5%**

- Allocate a higher proportion
- The proportion is about right ✓
- Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

- **Key stage 4 low attainment – 7.5%**

- Allocate a higher proportion
- The proportion is about right ✓
- Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

- **Children in bad health – 7.5%**

- Allocate a higher proportion
- The proportion is about right ✓
- Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

- **Disability living allowance (DLA) – 7.5%**

- Allocate a higher proportion
- The proportion is about right ✓
- Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

Funding floor

4. Do you agree with the principle of protecting local authorities from reductions in funding as a result of this formula? This is referred to as a funding floor in the consultation document.

- Yes ✓
- No

Please explain your reasoning and any further evidence we should take into account:

This is essential in order to ensure that funding can continue in support of provision that is already in place for pupils with high needs. It will provide stability for local authorities as well as schools and providers funded through the High Needs Block.

5. Do you support our proposal to set the funding floor such that no local authority will see a reduction in funding, compared to their spending baseline?

- Yes ✓
- No

Please explain your reasoning and any further evidence we should take into account:

This is essential in order to ensure that funding can continue in support of provision that is already in place for pupils with high needs. It will provide stability for local authorities as well as schools and providers funded through the High Needs Block.

Local budget flexibility

6. Do you agree with our proposals to allow limited flexibility between schools and high needs budgets in 2018-19?

- Yes ✓
- No

Please explain your reasoning and any further evidence we should take into account:

Yes, as this provides an opportunity for local decisions in response to local need.

7. Do you have any suggestions about the level of flexibility we should allow between schools and high needs budgets in 2019-20 and beyond?

We are developing our proposals on the level of flexibility to allow in the longer term. We will consult fully on our proposals at a later stage, but would welcome any initial comments now.

This should be retained in the future system, but flexibility needs to be both ways between the Schools Block and the High Needs Block with the support of the majority of schools in an area. The proposed reforms of funding for Alternative Provision need to be progressed in the same timescale, in order to help address increasing pressures being experienced across the country

Further considerations

8. Are there further considerations we should be taking into account about the proposed high needs national funding formula?

There are significant and growing pressures on High Needs budgets right across the country, with many local authorities spending from reserves in order to meet their ongoing spending requirements. The "historic spend" referred to in the proposed formula is actually "historic income", as it does not reflect actual levels of monies being spent. An exercise needs to be undertaken to understand the scale of this national problem, with more money being put into the whole system.

One of the aspects placing pressure on the system is the increasing number of children and young people suffering with mental health issues that prevent them accessing mainstream education. This is an area that requires further analysis at national level in order to fully understand the extent of the problem.

Equalities analysis

The question below refers to the equalities impact assessment published with the consultation.

9. Is there any evidence relating to the 8 protected characteristics identified in the Equality Act 2010 that is not included in the equalities impact assessment and that we should take into account?

We feel that the proposals do not correct existing inequalities in funding to meet the needs of children with disabilities across the country.

Report to:	SCHOOLS FORUM
Relevant Officer:	Mark Golden, Finance Manager
Date of Meeting:	14 March 2017

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 8(a).

1.2 To report the amount of Dedicated Schools Grant reserves as at 31 January 2017 along with details of future commitments – Appendix 8(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 8(a) - Dedicated Schools Grant 2016/2017 Budget Monitoring Report to 31 January 2017.

Appendix 8(b) - DSG Reserves as at 31 January 2017.

Appendix 8(a) - Dedicated Schools Grant 2016-17 Budget Monitoring Report to 31 January 2017

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	(57,634)	20,146	20,146	0	
- Third Party & Public Liability Insurance (de-delegated)	304	0	(55)	249	331	82	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	(3)	14	14	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	(57,600)	21,951	22,033	82	
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	(300)	242	242	0	
Top-up Funding	296	0	0	296	296	0	
Transport	0	105	0	105	121	16	
Pupil Referral Units							
Place Funding	2,580	0	0	2,580	2,580	0	
Top-up Funding	1,565	(105)	(0)	1,459	1,383	(76)	Based on actual top-up payments for Summer and Autumn terms
Mainstream Schools							
Top-up Funding	777	0	0	777	863	86	Based on actual top-up payments for Summer and Autumn terms; includes 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	3,136	279	Additional placements and transport costs
Specialist Advisory and Referral Service (SARS)	1,068	0	0	1,068	1,058	(10)	Underspend on SEN equipment
Access and Inclusion	268	0	0	268	212	(56)	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	(2,453)	15,110	15,425	314	
Early Years Block							
2 Year Old Grants	2,122	0	0	2,122	1,849	(274)	Funding will be adjusted by DfE based on participation
Early Years Pupil Premium	120	0	0	120	119	(1)	Funding will be adjusted by DfE based on participation
3 & 4 Year Old Grants	4,377	0	0	4,377	4,509	132	Funding will be adjusted by DfE based on participation
Early Years Central Services	940	0	0	940	840	(100)	Speech & Language budget over-stated; Supplies and Services underspends
Total Early Years Block	7,559	0	0	7,559	7,317	(242)	
Total Expenditure	104,673	0	(60,053)	44,620	44,775	154	
Dedicated Schools Grant Income	(104,481)	0	60,363	(44,118)	(43,977)	142	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	60,053	(44,620)	(44,478)	142	
In year (under)/over spend	0	0	0	0	296	296	

Appendix 8(b) - Dedicated Schools Grant Reserve as at 31 January 2017

Cost Centre	Account Code	Description	Brought Forward 01/04/16	Expenditure/ (Income) to 31/01/17	Carried Forward 01/02/17	Comments
ZE0001	99G1	Uncommitted DSG Reserve	1,033,133	(173,900)	1,207,033	NNDR windfall following Highfield conversion
ZE0001	99G1	Early Years Allocation	383,000	376,250	6,750	
ZE0001	99G1	2016-17 DSG in year deficit	192,000	191,938	62	
ZE0001	9821	Equal Pay Earmarked Reserve	0	(33,144)	33,144	Refund as over charged in 15-16
ZE0001	9603	Rates Holding Account	50,000	0	50,000	Funding will last until 30th Sept 2017
		SSA Voluntary Redundancy Reserve	50,000	0	50,000	
		Schools Safeguarding Post	147,885	63,194	84,691	
		Pension Strain Reserve	25,000	0	25,000	
ZE0001	9641	Insurance Holding Account	100,000	0	100,000	
			1,981,018	424,338	1,556,680	

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Report to:	SCHOOLS FORUM
Relevant Officer:	Hilary Wood, Head of Business Support and Resources
Date of Meeting:	14 March 2017

PUPIL REFERRAL UNIT FINANCES 2016/2017

1.0 Purpose of the report:

- 1.1 To inform Schools Forum of the financial difficulties currently being experienced by Educational Diversity as a result of increasing pupil numbers.

2.0 Recommendation(s):

- 2.1 That a one-off payment of £57,500 is made to Educational Diversity to account for the average number of pupils in the school in excess of the commissioned places in 2016/2017.
- 2.2 To review the Pupil Referral Unit (PRU) charging arrangements,
- 2.3 To determine that, if the period of time on the Elective Home Education register is less than a certain amount of time, the previous school can be charged if the pupil then goes onto the roll of the PRU.
- 2.4 To debate whether more could be done to incentivise mainstream schools to support pupils in order to avoid the need for admission into the PRU.

3.0 Background Information

- 3.1 Educational Diversity is commissioned to provide 258 places in the Pupil Referral Unit (PRU). Numbers typically start low in September of each academic year, and increase during the course of the year. In previous years, average numbers over the 12 months have remained within the commissioned places. However, pupil numbers have been steadily increasing, and in the 2016/2017 financial year it is estimated that the average will reach 263.75 across the 12 month period, with almost 300 pupils in March 2017.
- 3.2 Place funding is fixed at £10,000 for each commissioned place, so remains static at £2,580,000. Top-up funding is calculated on a monthly basis according to the number of pupils in the school, so does respond to the increasing pupil numbers. However, the growing numbers are placing unmanageable pressures on the school, and they are forecasting that they will have deficit reserves by the end of the year.

- 3.3 Under normal circumstances, a trend of growing numbers would prompt discussions with Schools Forum about increasing the commissioned places. However, the local authority is concerned about the size of the PRU, and wants the numbers to reduce, not grow. Discussions are taking place in a variety of fora with a view to improving inclusion in mainstream settings, which would lead to a reduction of pupils being admitted into Educational Diversity. Furthermore, the pressures on the High Needs Block are continuing to increase, with no further funding allocations contained in the latest Government proposals.
- 3.4 Given the large number of pupils in the current financial year, the Local Authority would like to request that a one-off adjustment is made to the place funding, to recognise that the average number of pupils has exceeded the commissioned places. The amount requested is £57,500, which equates to 263.75 actual pupils less the 258 commissioned places, i.e. 5.75 multiplied by £10,000 per place. Steps will need to be taken to contain pupil numbers going to the PRU in future so that this does not become a permanent requirement placing even further pressure on the High Needs Block.
- 3.5 Even with this additional funding, Educational Diversity may still be in an overall deficit position at the year-end, meaning that it would need to apply to the local authority for a licensed deficit, in accordance with the Scheme for Financing Schools. One of the requirements of the Scheme is that a recovery plan is in place over a period of no more than three years. The school has already taken measures to reduce expenditure, and has further medium- and long-term plans to continue to do so.
- 3.6 With respect to pupil numbers, it is interesting to note a few statistics: there are currently 120 Year 11 pupils in the PRU, which equates to 40 per cent of the total cohort, and is a similar size of year group to some of Blackpool's mainstream schools; so far this academic year, Educational Diversity has admitted 25 new-to-area pupils through the In-Year Fair Access process, as well as 16 pupils who have come off the Elective Home Educated register – unlike pupils who come out of Blackpool schools, no charges can be raised for new-to-area or former home-educated pupils.
- 3.7 The Department for Education plans to introduce changes regarding Alternative Provision, and is currently gathering views on the options. It has stated that it would like mainstream schools to be accountable for commissioning any alternative provision that their pupils need, which could lead to changes in behaviour regarding exclusions of pupils. However, this change would require amendments to primary legislation, so will take time to implement.
- 3.8 With respect to the In-Year Fair Access process, the local authority has just completed a review of the protocol for secondary school, and the new process will

launch in April 2017. One of the intentions is to ensure that all pupils capable of accessing mainstream education get the opportunity to do so, and that the default position does not become admission to the PRU.

- 3.9 Elective Home Education is becoming an increasing problem, with more than 150 children currently on Blackpool's register. Of the pupils who have come off the register and gone into the PRU, some were only out of school for a matter of a month. Under the current charging arrangements, no charge can be levied on the previous school, but the local authority would like to recommend that Schools Forum reviews this situation, and determines that, if the period of time on the Elective Home Education register is less than a certain amount of time, the previous school can be charged if the pupil then goes onto the roll of the PRU.
- 3.10 Given the pressures that the increasing numbers are placing on finances, Schools Forum is asked to debate whether more could be done to incentivise mainstream schools to support pupils in order to avoid the need for admission into the PRU.

List of acronyms:

PRU – Pupil Referral Unit

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Report to:	SCHOOLS FORUM
Relevant Officer:	Hilary Wood, Head of Business Support and Resources
Date of Meeting:	14 March 2017

EARY YEARS FUNDING FORMULA 2017/2018

1.0 Purpose of the report:

1.1 Schools Forum is asked to agree to the local authority's proposed formula for three- and four-year old early education, and to note the proposed funding rate for two-year olds. The proposed formula is based on new arrangements set out by the Department for Education, and following consultation with providers.

2.0 Recommendation(s):

2.1 To agree to the local authority's proposed formula for three- and four-year old early education for 2017/2018 as outlined in paragraph 3.5. Voting is restricted to school and PVI members.

2.2 To note the local authority's proposed funding rate for two-year olds at £5.00 per hour from April 2017.

3.0 Background Information

3.1 In August 2016, the Department for Education issued a consultation on proposed changes to the way local authorities are funded for early years provision, and how they, in turn, should distribute funding to providers of the free entitlement through their local funding formula. In December 2016, the outcome of the consultation was published, which set out the arrangements that will come into effect from 1st April 2017.

3.2 The full details of the Department for Education's new arrangements 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. The document explains how there will be a re-allocation of funding between local authorities through a new national formula. This unfortunately results in a reduction of funding as a whole for Blackpool. In 2016/2017, Blackpool's allocation of funding for the 15 hour entitlement was £5.317 million, and this will fall to £5.18 million in 2017/18, a reduction of 2.6 per cent.

- 3.3 However, new restrictions on how much of the funding can be retained by Councils mean that there will actually be an increase in the funding that is distributed to providers through the formula in 2017/2018 compared to 2016/2017. In 2016/2017, the amount of central expenditure equated to 17 per cent of the three- and four-year old funding, but from April 2017, the maximum permitted amount to be retained will be restricted to seven per cent. Furthermore, this will fall to five per cent from 2018/2019 onwards. The effect of this is that the amount available for the 15-hour entitlement will increase by c.£200,000 in 2017/18 compared to the current year.
- 3.4 The DfE has introduced new requirements for the design of local funding formulae that will require some changes to the way Blackpool sets its funding rates for nursery providers. In order to comply with these requirements, the local authority carried out a review of the funding formula in collaboration with the Early Years Strategic Group. It subsequently issued a consultation to providers setting out its proposals for changes to Blackpool's funding formula for three- and four-year olds (see Appendix 10(b)). The same formula will apply when working parents are able to access the extension to 30 hours of childcare from September 2017.
- 3.5 The consultation ran from 1 to 19 February 2017, during which time a twilight briefing session for providers was held. The proposals can be summarised as follows:
- The introduction of a single base rate of £3.90 for all providers from 2017/2018. The DfE requires all local authorities to have a universal base rate from 2018/2019, but allows some flexibility for the first year of implementation. Since the proposed base rate would mean an increase for all types of providers, it is proposed that this is introduced straight away. The current base rates are £3.83 for school nursery classes, £3.75 for PVI settings, and £3.44 for childminders.
 - The retention of a deprivation supplement, using the same methodology as in the current formula. This is the only mandatory supplement required under the new arrangements. The methodology used in Blackpool's formula is to allocate funding to children from the top 30 per cent of post codes based on the Index of Multiple Deprivation, which results in a unique supplement for each setting of up to 16p per child per hour.
 - The introduction of a quality supplement with two elements:
 - As in the current formula, 5p per child per hour for providers who can demonstrate clear evidence of outstanding practice in the Early Years Foundation Stage in their latest Ofsted assessment;
 - An additional 8p per child per hour for settings employing staff with Early Years Teacher status (or Early Years Professional), or other suitably qualified

teacher (i.e. QTS foundation stage/primary), on the condition that the education provision is led by a member of staff with one of these qualifications. This means that settings that are Outstanding and also employ a qualified teacher or Early Years Teacher would receive a quality supplement of 13p.

- No supplement for flexibility. Given that the nursery market in Blackpool already provides a high level of flexibility, we believe that this should be a business decision for each provider.
- No supplement for English as an Additional Language, given that there is a very low incidence of this in Blackpool, and it is acknowledged that younger children typically adapt more easily to language acquisition.
- The creation of an Early Years Inclusion Fund of £25,000 as set out below.

3.6 **Inclusion Fund**

- 3.7 All local authorities are required to establish an Inclusion Fund in their local funding systems for three- and four-year olds with Special Educational Needs (SEN) taking the free entitlement. The purpose of the Fund is to support local authorities to work with providers to address the needs of individual children with SEN.
- 3.8 The Inclusion Fund is to be established by combining amounts from either one or both of the Early Years block and High Needs block of the Dedicated Schools Grant. This is therefore not additional money available to Blackpool nursery providers, but a re-badging of existing funding. The value of the Fund must take into account the number of children with SEN in the local area, their level of need, and the overall capacity of the local childcare market to support these children.
- 3.9 Currently, no funding from the Early Years block is allocated for this purpose. A very small amount of resource is available through the High Needs block to provide specific pieces of equipment to support children in nursery settings, and this could potentially be re-badged as part of the Inclusion Fund. In order for the Early Years block to contribute to the Inclusion Fund, the funding would need to come from the monies available to be distributed through the formula. Any Inclusion Fund established in this way would be subject to an application process against set criteria, but would allow the targeting of additional monies to settings in order that they could put support in place for eligible children with SEN. These extra resources would be in addition to general SEN advice and support provided by the Council, and would help to support those settings that offer inclusive provision.
- 3.10 The Council is required to publish details of its Inclusion Fund for three- and four-year olds as part of their Local Offer. The very limited amount of equipment funding

currently spent would be unlikely to satisfy the Department for Education's requirements for an Inclusion Fund.

3.11 The Council's consultation therefore proposed that £25,000 is retained from the formula funding to contribute to the Inclusion Fund. This equates to 2p on the hourly base rate. Criteria would be set by the Council in collaboration with the Early Years Strategic Group. However, given the low level of proposed funding, the number of eligible children would need to be limited to those with more complex needs. The amount of the Inclusion Fund would be reviewed on an annual basis to ensure that it remained sufficient to meet the level of need.

3.12 **Consultation responses**

3.13 The consultation received 46 individual responses. The results can be seen at Appendix 10(a) to this report. There was a majority of responses supporting each of the Council's proposals:

- 85 per cent agreed to the introduction of a universal base rate from 2017/2018;
- 80 per cent supported the retention of the methodology for the deprivation supplement;
- 68 per cent agreed with the proposal to retain the current 5p quality supplement for setting with outstanding provision, with the same number supporting the introduction of an 8p quality supplement for settings whose provision is led by a someone with an appropriate teaching qualification;
- 75 per cent agreed that a flexibility supplement was not needed;
- 57 per cent agreed that a supplement for English as an Additional Language was not needed, with 30 per cent disagreeing, and 13 per cent expressing no opinion;
- 75 per cent supported the creation of an Inclusion Fund, with 64 per cent agreeing that £25,000 was the correct amount.

3.14 The Council therefore intends to implement the Early Years funding formula for 2017/2018 on the basis of the proposals outlined in paragraph 3.5 of this report.

3.15 **Two-year old funding rates**

3.16 Blackpool's funding for eligible two-year olds will increase from £4.85 per hour to £5.20 from April 2017. Given the restrictions on central retention by local authorities of funding for three- and four-year olds, it is proposed that the funding rate for providers is increased to £5.00 per hour from April 2017, with the remainder (3.8 per cent) being added to the funding retained centrally. This will cover functions such as the administration of the two-year old grant, which were previously funded from the monies retained from the three- and four-year old grant.

3.17 **Council retained expenditure**

3.18 As already explained, the re-allocation of funding between local authorities will result in a reduction of funding as a whole for Blackpool. The Government has stated that, from April 2017, it wants the funding for things such as development support and training to be distributed to providers, in order that they can decide how to use the funding to best meet the needs of their business.

3.19 This means that there will be a significant reduction in the amount that the Council will have available to provide Early Years support and training that it previously provided to settings free at the point of access. A review of services is currently underway to identify how the Council can reduce its expenditure by more than £400,000, and providers will be notified of the outcome of the review in due course.

List of acronyms:

PVI – Private, Voluntary and Independent

SEN – Special Educational Needs

List of Appendices:

Appendix 10(a) - Blackpool's Early Years Funding Formula Review 2017/2018 - Consultation Document

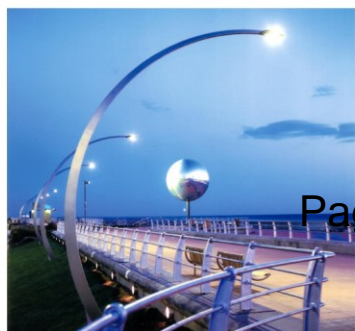
Appendix 10(b) – Blackpool's Early Years Funding Formula Review 2017/2018 – Consultation Responses

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Blackpool's Early Years Funding Formula Review 2017/18

Consultation Document February 2017

Blackpool Council



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3. Detailed Proposals	4
4. Council support	8
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1. Introduction

In August 2016, the Department for Education issued a consultation on proposed changes to the way local authorities are funded for early years provision, and how they, in turn, should distribute funding to providers of the free entitlement through their local funding formula. In December 2017, the outcome of the consultation was published, which set out the arrangements that will come into effect from 1st April 2017.

This consultation paper sets out Blackpool’s proposals for changes to the funding formula for 3- and 4-year old accessing the 15 hour free entitlement to early education. The same formula will apply when working parents are able to access the extension to 30 hours of childcare from September 2017.

2. Background

The proposals set out in this consultation are in accordance with the Government’s parameters for the design of the formula for early years funding. They have been arrived at in collaboration with the Early Years Strategic Group, which consists of:

- School nursery representatives – Mrs Jo Hirst (Headteacher of Bispham Endowed CE Primary School)
Mrs Elaine Allen (Headteacher of St John Vianney RC Primary School)
- PVI representatives – Mr Keith Beardmore (The Manor Nursery)
Mrs Carol Webb (Busy Bees Pre School)
Mr Richard Rendell (Langdale Nursery)
- Childminder representative – Ms Laura Hughes

An opportunity for further explanation of the changes detailed in this consultation paper will be available at a dedicated briefing session to be held on Thursday 9th February 2017 at Blackpool City Learning Centre from 6.30 p.m.

The remaining key dates for preparation of 2017/18 early years funding are as follows:

- 1st February 2017** Consultation period opens
- 9th February 2017 Briefing session
- 19th February 2017** Consultation period closes
- 14th March 2017 Agree final proposals at Schools Forum
- By 31st March 2017 Issue 2017/18 hourly rates and indicative budgets to all providers
- 1st April 2017 New rates come into effect

3. Detailed Proposals

The full details of the Department for Education's new arrangements 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 .

The document explains how there will be a re-allocation of funding between local authorities through a new national formula. This unfortunately results in a reduction of funding as a whole for Blackpool. However, new restrictions on how much of the funding can be retained by Councils mean that there will actually be an increase in the funding that is distributed to providers through the formula in 2017/18 compared to 2016/17.

The Department for Education has introduced new requirements for the design of local funding formulae that will require some changes to the way Blackpool sets its funding rates for nursery providers. The following sections explain the options, and set out our proposed approach.

3.1 Base Rate

Blackpool's current formula contains three individual base rates – for school nurseries, for Private, Voluntary and Independent (PVI) providers, and for childminders– in order to reflect the differing child-to-carer ratios and qualification requirements.

The base rates for 2016/17 are as follows:

- School nurseries - £3.83 per child per hour
- PVI nurseries - £3.75 per child per hour
- Childminders - £3.44 per child per hour

The new arrangements require local authorities to move to all types of setting receiving a universal level of base rate by 2018/19 at the latest. We have the option to retain different levels of base rate for different sectors for one year only in 2017/18.

Proposal - Given that there is sufficient funding in the overall envelope for all sectors to receive an increase in the base rate in 2017/18, we propose to move to a universal base rate straightaway in 2017/18. This will ensure certainty of funding for all sectors, and avoid further fluctuations in 2018/19. The proposed rate is **£3.90** per child per hour.

Q 1: Do you agree with the proposal to introduce a universal base rate of £3.90 for all providers in 2017/18?

- Yes
- No
- No opinion
- Comments?

3.2 Supplements

In addition to the base rate, local formulae must contain one or more supplements to recognise additional costs falling to settings, or to offer incentives for enhanced provision. The total of all supplements is restricted to no more than 10 per cent of the total funding distributed through the formula. However, the higher the percentage of funding that goes through the supplements, the lower the amount available for the base rate, and vice versa.

3.2(a) Deprivation supplement

This is the only mandatory supplement, but local authorities have discretion over the way that it is calculated. It must be based on the deprivation related to each child's home address, rather than the address of the setting.

Blackpool's current deprivation supplement uses the Index of Multiple Deprivation, which combines a number of economic, social and housing indicators into a single deprivation score for each small area in England. This allows each area to be ranked relative to one another according to their level of deprivation. An additional hourly amount is added for every child who has a postcode in one of the 30% most deprived areas within England. The total of these amounts is equated across all children in the setting to calculate one unique provider deprivation rate. The rates currently used are as follows:

- Top 0 – 10% of deprived postcodes: 16p
- Top 11 – 20% of deprived postcodes: 8p
- Top 21 – 30% of deprived postcodes: 4p

This results in a unique deprivation supplement for each provider of between 0p and 16p per child per hour on top of the base rate.

Proposal – We propose to retain the existing system and rates for the deprivation supplement.

Q 2: Do you agree with the proposal to retain the existing system and rates for the deprivation supplement?

- Yes
- No
- No opinion
- Comments?

3.2(b) Quality supplement

The Government's proposals allow an optional supplement for quality for the following purposes:

- To support workforce qualifications, and/or
- To support system leadership

Blackpool's current formula contains a quality supplement of an additional 5p per child per hour, which is allocated to all providers that have been graded as "Outstanding". This provides a reward to those settings already providing excellent standards of nursery education, and an incentive for others to attain this level.

We also recognise that the removal of the differentiated base rates means that school nurseries will no longer receive funding to recognise the additional costs of employing a qualified teacher. Furthermore, an increasing number of PVI settings are employing Early Years Teachers in order to provide a higher quality of education

Proposal – We propose to introduce a quality supplement with two elements: 5p per child per hour for providers who can demonstrate clear evidence of outstanding practice in the Early Years Foundation

Stage in their latest Ofsted assessment; 8p per child per hour for settings employing staff with Early Years Teacher status (or Early Years Professional), or other suitably qualified teacher (i.e. QTS foundation stage/primary), on the condition that the education provision is led by a member of staff with one of these qualifications. This means that settings that are Outstanding and also employ a qualified teacher or Early Years Teacher would receive a quality supplement of 13p.

Q 3: Do you agree with the proposal to retain the existing quality supplement of 5p per child per hour for providers who can demonstrate clear evidence of outstanding practice in the Early Years Foundation Stage in their latest Ofsted assessment?

- Yes
- No
- No opinion
- Comments?

Q 4: Do you agree with the proposal to introduce a further quality supplement of 8p per child per hour for providers whose education is led by staff with Early Years Teacher status (or Early Years Professional), or other suitably qualified teacher (i.e. QTS foundation stage/primary)?

- Yes
- No
- No opinion
- Comments?

3.2(c) Flexibility supplement

A flexibility supplement is permitted to support providers in offering flexible provision for parents. This could, for example, be childcare wraparound care, out-of-hours provision, or to encourage a particular type of provider in an area (such as to meet a need for childminders in an area). However, the nursery market in Blackpool already provides a high level of flexibility, and we believe that this should be a business decision for each provider.

Proposal –We do not propose to introduce a flexibility supplement.

Q 5: Do you agree with the proposal not to introduce a flexibility supplement?

- Yes
- No
- No opinion
- Comments?

3.2(d) English as an additional language supplement

This is a new supplement that is allowed in order to recognise the additional costs of supporting children whose first language is not English. However, there is very low incidence of this in Blackpool, and it is acknowledged that younger children typically adapt more easily to language acquisition.

Proposal –We do not propose to introduce a supplement for English as an Additional Language.

Q 6: Do you agree with the proposal not to introduce a supplement for English as an Additional Language?

- Yes
- No
- No opinion
- Comments?

3.2(e) Rurality/sparsity supplement

A rurality/sparsity supplement is permitted to allow local authorities to support providers serving rural areas less likely to benefit from economies of scale. However, this is not applicable in Blackpool.

3.3 Inclusion Fund

All local authorities are required to establish an Inclusion Fund in their local funding systems for 3- and 4-year olds with Special Educational Needs (SEN) taking the free entitlement. The purpose of the Fund is to support local authorities to work with providers to address the needs of individual children with SEN.

The Inclusion Fund is to be established by combining amounts from either one or both of the Early Years block and High Needs block of the Dedicated Schools Grant. This is therefore not additional money available to Blackpool nursery providers, but a re-badging of existing funding. The value of the Fund must take into account the number of children with SEN in the local area, their level of need, and the overall capacity of the local childcare market to support these children.

Currently, no funding from the Early Years block is allocated for this purpose. A very small amount of resource is available through the High Needs block to provide specific pieces of equipment to support children in nursery settings, and this could potentially be re-badged as part of the Inclusion Fund. In order for the Early Years block to contribute to the Inclusion Fund, the funding would need to come from the monies available to be distributed through the formula. Any Inclusion Fund established in this way would be subject to an application process against set criteria, but would allow the targeting of additional monies to settings in order that they could put support in place for eligible children with SEN. These extra resources would be in addition to general SEN advice and support provided by the Council, and would help to support those settings that offer inclusive provision.

The Council is required to publish details of its Inclusion Fund for 3- and 4-year olds as part of their Local Offer. The very limited amount of equipment funding currently spent would be unlikely to satisfy the Department for Education's requirements for an Inclusion Fund.

Proposal – It is proposed that £25,000 is retained from the formula funding to contribute to the Inclusion Fund. This equates to 2p on the hourly base rate. Criteria would be set by the Council in collaboration with the Early Years Strategic Group. However, given the low level of proposed funding, the number of eligible children would need to be limited to those with more complex needs. The amount of the Inclusion Fund would be reviewed on an annual basis to ensure that it remained sufficient to meet the level of need.

Q 7: Do you agree with the proposal to contribute to the Inclusion Fund from the Early Years block?

- Yes
- No
- No opinion
- Comments?

Q 8: If you answered Yes to question 8, do you agree with the proposed amount of £25,000 as a contribution to the Inclusion Fund?

- Yes
- No
- No opinion
- Comments?

4. Council Support

As already explained, the re-allocation of funding between local authorities will result in a reduction of funding as a whole for Blackpool. However, new restrictions on how much of the funding can be retained by Councils mean that there will actually be an increase in the funding that is distributed to providers through the formula in 2017/18 compared to 2016/17. The Government has stated that it wants the funding for things such as development support and training to be distributed to providers, in order that they can decide how to use the funding to best meet the needs of their business.

This means that there will be a significant reduction in the amount that the Council will have available from April 2017 to provide Early Years support and training that it could previously provide to settings free at the point of access. A review of services is currently underway in order to identify how the Council can reduce its expenditure by more than £400,000, and providers will be notified of the outcome of the review in due course.

5. Consultation Responses

This consultation closes on **Sunday 19th February 2017**.

It would be helpful if you could complete your responses to the questions posed and any associated comments using the following web survey link which will be available from 6th January:

<https://www.surveymonkey.co.uk/r/V9NSJP2>

Or alternatively you can complete a hard copy of the survey by printing the final section of this document and returning to:

Paul Sharples
Schools Funding and PFI Manager
Blackpool Council
No.1 Bickerstaffe Square
P.O. Box 4
Blackpool,
FY1 1NA

There will also be an opportunity to discuss the proposals and complete the survey in person during the briefing session on 9th February 2017.

Consultation Response Form

Q 1: Do you agree with the proposal to introduce a universal base rate of £3.90 for all providers in 2017/18?

- Yes
- No
- No opinion

Comments? _____

Q 2: Do you agree with the proposal to retain the existing system and rates for the deprivation supplement?

- Yes
- No
- No opinion

Comments? _____

Q 3: Do you agree with the proposal to retain the existing quality supplement of 5p per child per hour for providers who can demonstrate clear evidence of outstanding practice in the Early Years Foundation Stage in their latest Ofsted assessment?

- Yes
- No
- No opinion

Comments? _____

Q 4: Do you agree with the proposal to introduce a further quality supplement of 8p per child per hour for providers whose education is led by staff with Early Years Teacher status (or Early Years Professional), or other suitably qualified teacher (i.e. QTS foundation stage/primary)?

- Yes
- No
- No opinion

Comments? _____

Q 5: Do you agree with the proposal not to introduce a flexibility supplement?

- Yes
- No
- No opinion

Comments? _____

Q 6: Do you agree with the proposal not to introduce a supplement for English as an Additional Language?

- Yes
- No
- No opinion

Comments? _____

Q 7: Do you agree with the proposal to contribute to the Inclusion Fund from the Early Years block?

- Yes
- No
- No opinion

Comments? _____

Q 8: If you answered Yes to question 8, do you agree with the proposed amount of £25,000 as a contribution to the Inclusion Fund?

- Yes
- No
- No opinion

Comments? _____

Q 9: Do you have any other comments on these proposals which have not been covered already?

Comments? _____

Name of Respondent

Title

Organisation

Who do you represent:

- School nursery

- PVI nursery

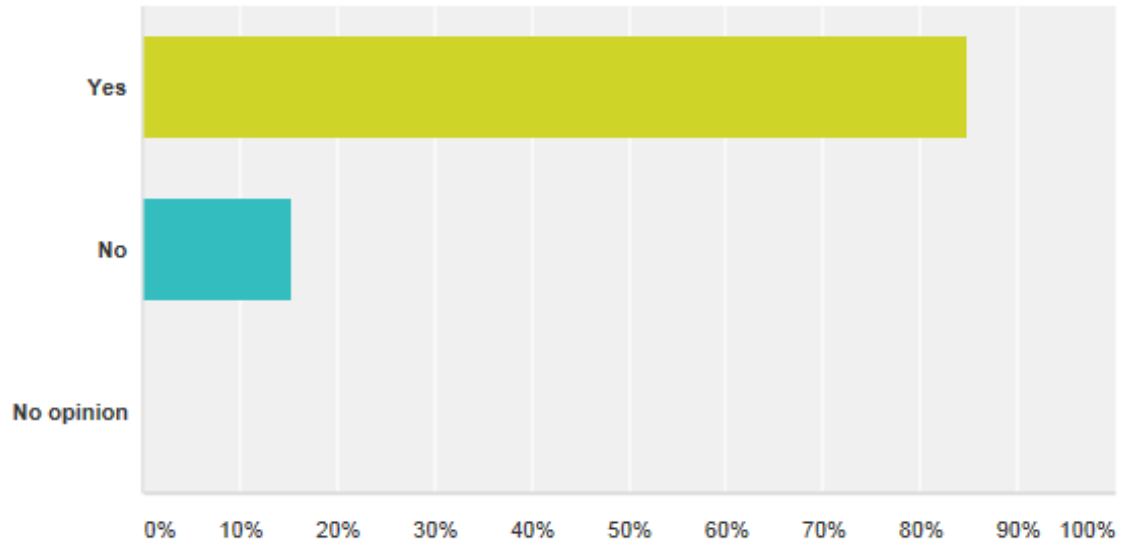
- Childminder

- Other

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Do you agree with the proposal to introduce a universal base rate of £3.90 for all providers in 2017/18?

Answered: 46 Skipped: 0

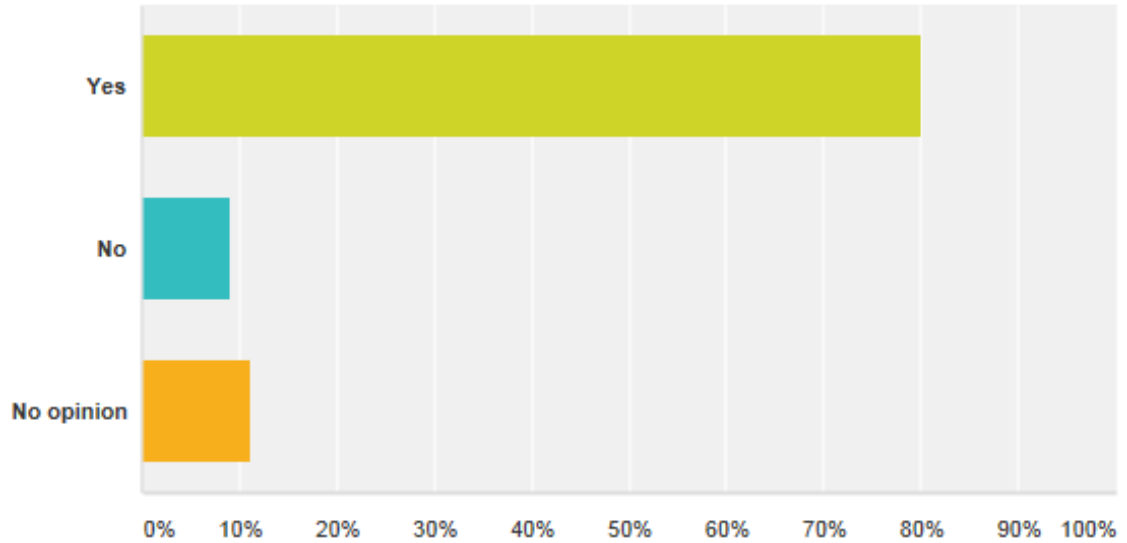


Answer Choices	Responses
– Yes	84.78% 39
– No	15.22% 7
– No opinion	0.00% 0
Total	46

QUESTION 2

Do you agree with the proposal to retain the existing system and rates for the deprivation supplement?

Answered: 45 Skipped: 1

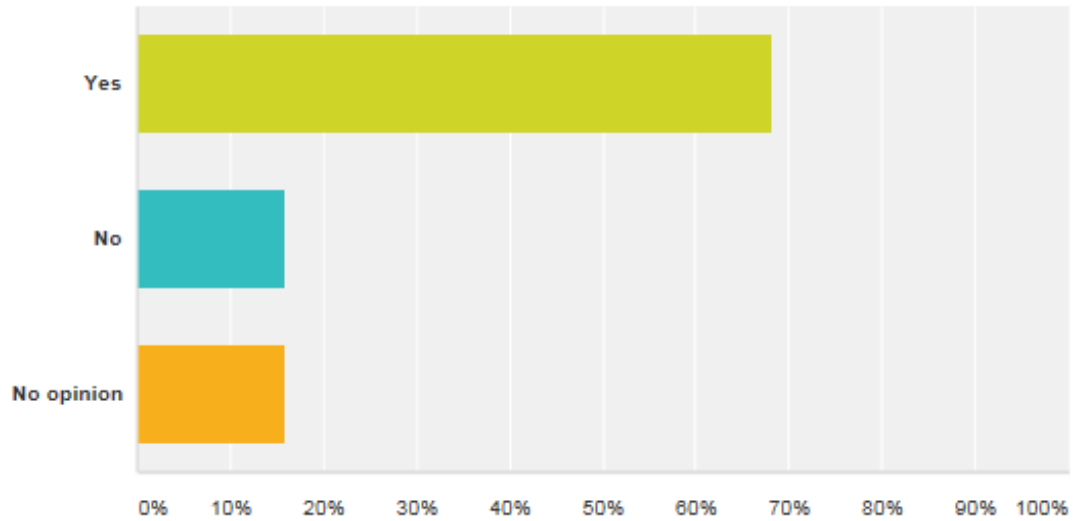


Answer Choices	Responses	
– Yes	80.00%	36
– No	8.89%	4
– No opinion	11.11%	5
Total		45

QUESTION 3

Do you agree with the proposal to retain the existing quality supplement of 5p per child per hour for providers who can demonstrate clear evidence of outstanding practice in the Early Years Foundation Stage in their latest Ofsted assessment?

Answered: 44 Skipped: 2

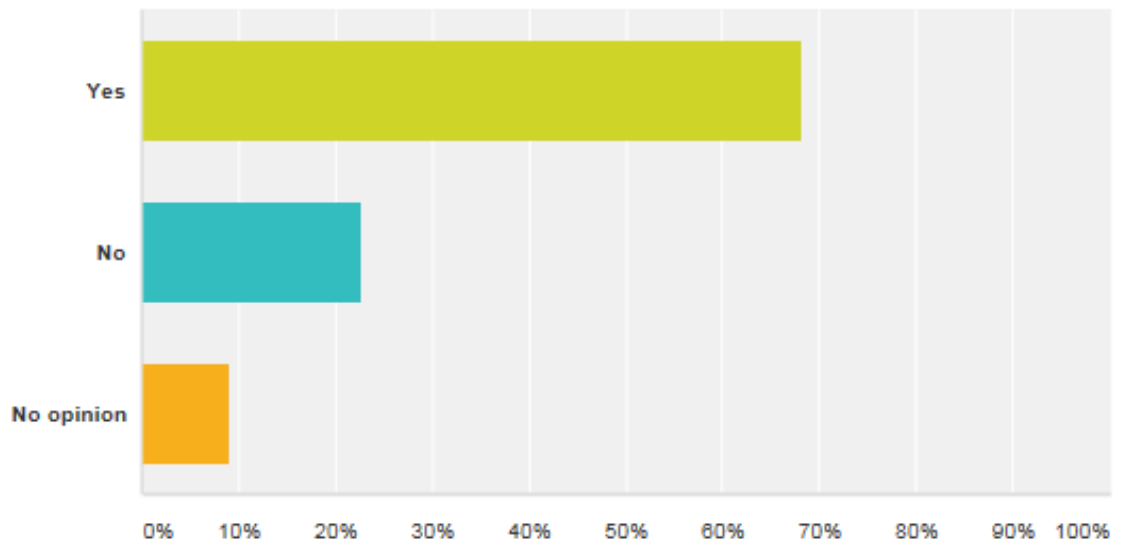


Answer Choices	Responses
– Yes	68.18% 30
– No	15.91% 7
– No opinion	15.91% 7

QUESTION 4

Do you agree with the proposal to introduce a further quality supplement of 8p per child per hour for providers whose education is led by staff with Early Years Teacher status (or Early Years Professional), or other suitably qualified teacher (i.e. QTS foundation stage/primary)?

Answered: 44 Skipped: 2

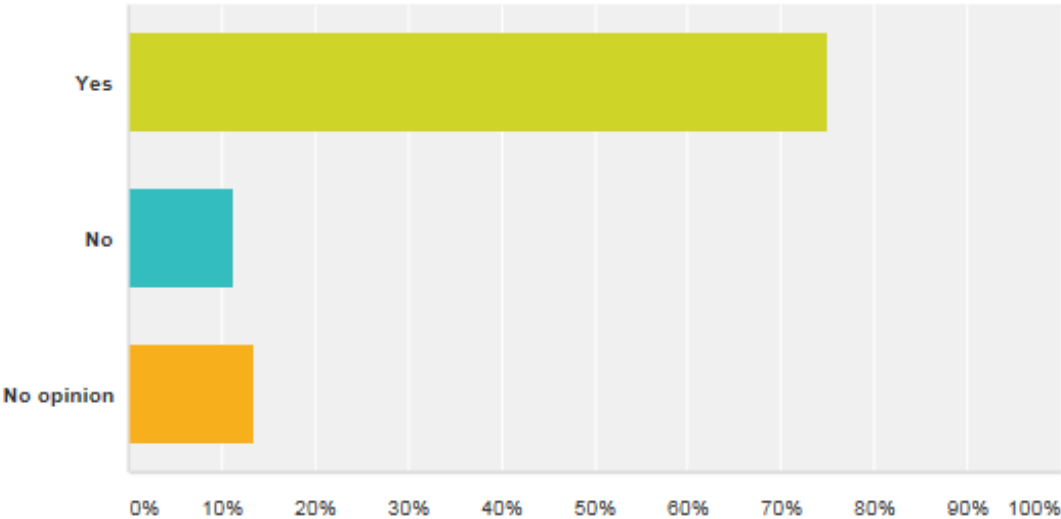


Answer Choices	Responses
– Yes	68.18% 30
– No	22.73% 10
– No opinion	9.09% 4
Total	44

QUESTION 5

Do you agree with the proposal not to introduce a flexibility supplement?

Answered: 44 Skipped: 2



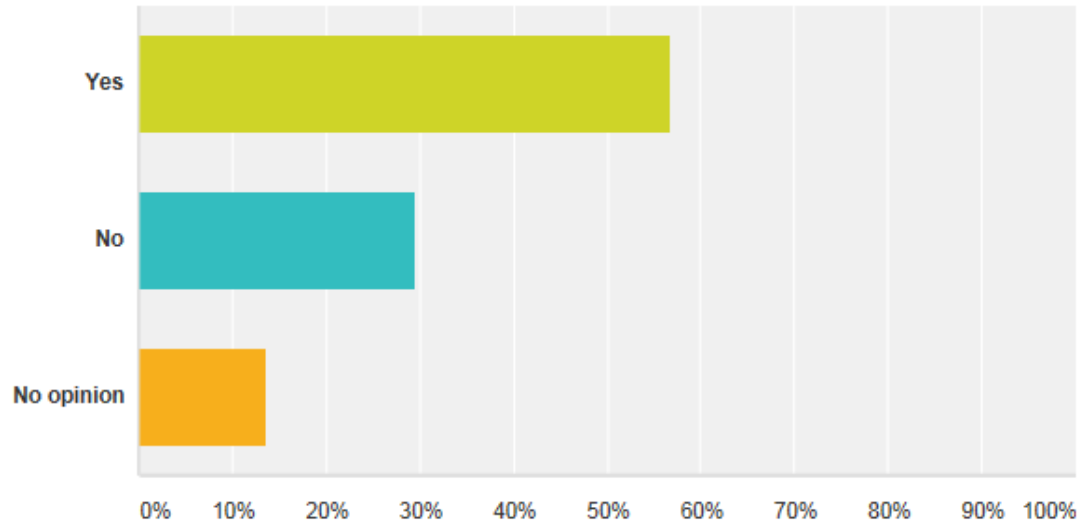
Answer Choices	Responses
– Yes	75.00% 33
– No	11.36% 5
– No opinion	13.64% 6
Total	44

Comments (0)

QUESTION 6

Do you agree with the proposal not to introduce a supplement for English as an Additional Language?

Answered: 44 Skipped: 2

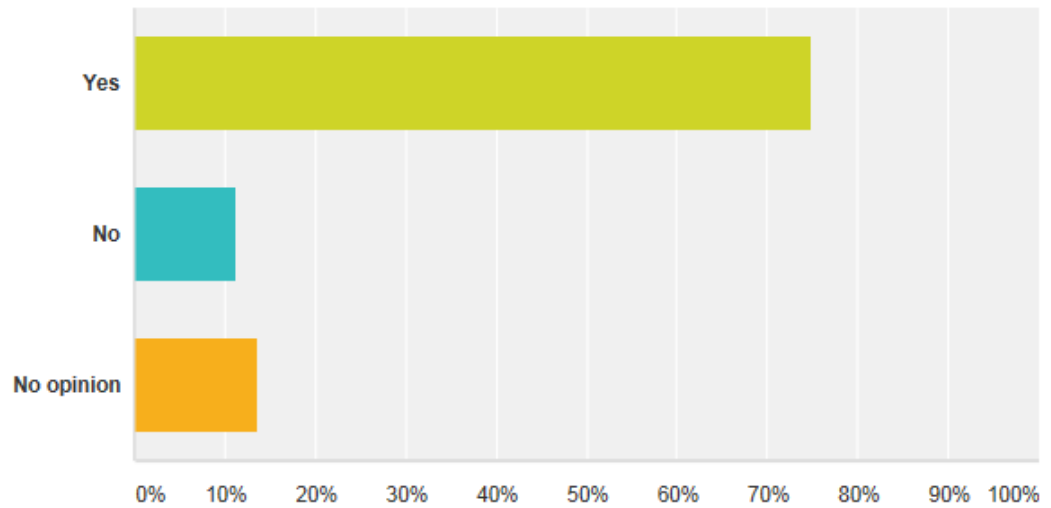


Answer Choices	Responses
– Yes	56.82% 25
– No	29.55% 13
– No opinion	13.64% 6
Total	44

QUESTION 7

Do you agree with the proposal to contribute to the Inclusion Fund from the Early Years block?

Answered: 44 Skipped: 2

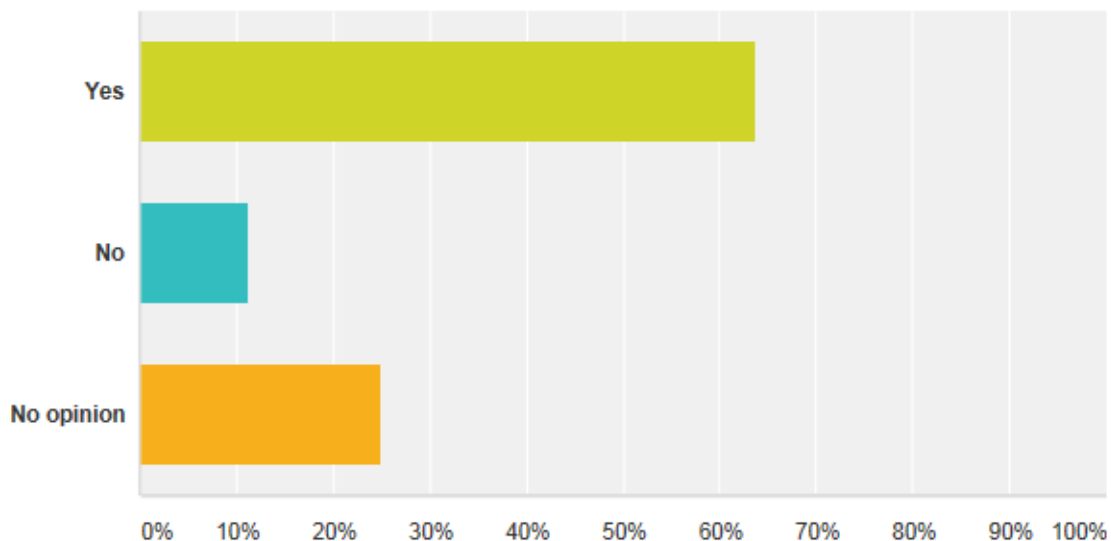


Answer Choices	Responses	
– Yes	75.00%	33
– No	11.36%	5
– No opinion	13.64%	6
Total		44

QUESTION 8

If you answered Yes to question 7, do you agree with the proposed amount of £25,000 as a contribution to the Inclusion Fund?

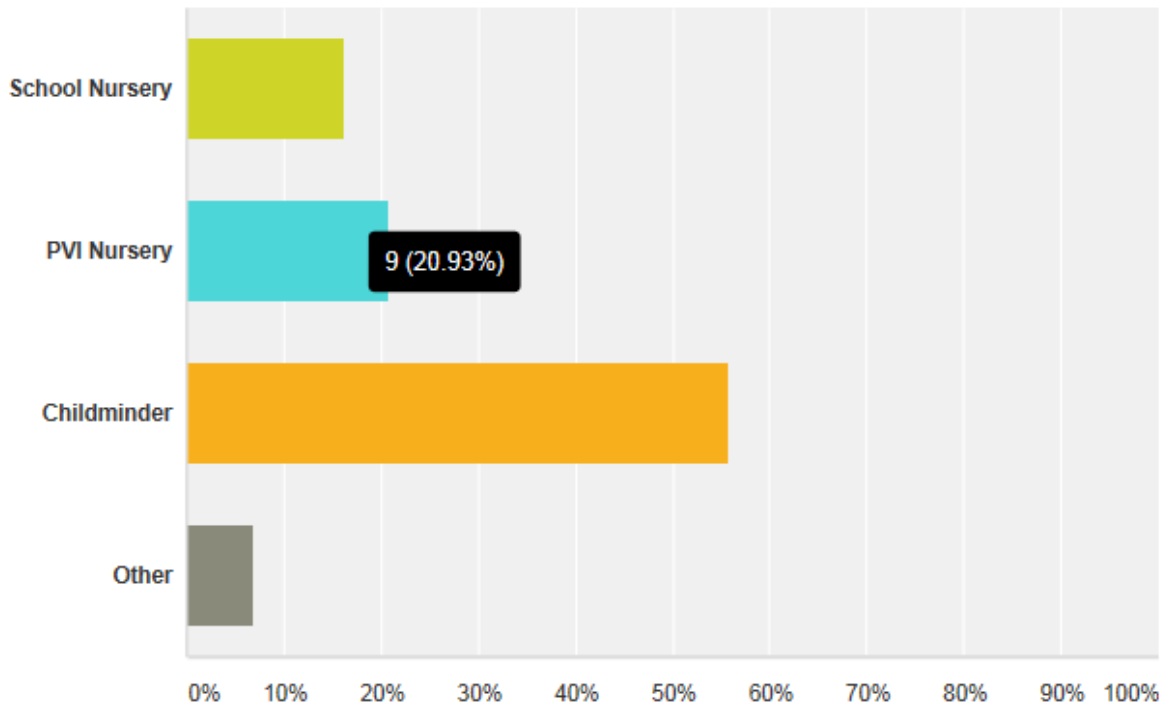
Answered: 44 Skipped: 2



Answer Choices	Responses	
– Yes	63.64%	28
– No	11.36%	5
– No opinion	25.00%	11
Total		44

Who do you represent?

Answered: 43 Skipped: 3



Answer Choices	Responses	
– School Nursery	16.28%	7
– PVI Nursery	20.93%	9
– Childminder	55.81%	24
– Other	6.98%	3
Total		43

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Report to:	SCHOOLS FORUM
Relevant Officer:	Hilary Wood, Head of Business Support and Resources
Date of Meeting:	14 March 2017

DEDICATED SCHOOLS GRANT BUDGET PROPOSALS 2017/2018

1.0 Purpose of the report:

- 1.1 To note the details of the announcement of Dedicated Schools Grant (DSG) funding to the authority, and consider the local authority's proposals for its allocation.

2.0 Recommendation(s):

- 2.1 To approve the proposed Dedicated Schools Grant budget for 2017/2018.

3.0 Background Information

- 3.1 On 20 December 2016 the Department for Education announced details of the provisional school funding settlement for 2017/2018. Blackpool's initial DSG allocation for 2017/2018 has been announced as £106.5 million; this compares to the current year allocation of £104.5 million to the authority.
- 3.2 As in previous years, the underlying Schools Block will be kept at flat cash per pupil for 2017/2018. This means that, while school funding is protected in cash terms, there is no provision for an inflationary increase. Pupil numbers at the October 2016 census had decreased compared to the 2015 data from 17,768 to 17,757 pupils. The Schools Block unit of funding has decreased from £4,534.18 to £4,493.13 per pupil as a result of a baselining exercise carried out by the Education Funding Agency (EFA).
- 3.3 From April 2017, the retained element of the Education Services Grant (ESG) of £282,000 will be transferred into DSG. This funds the education functions that local authorities are responsible for in respect of all pupils in the area, regardless of whether they attend maintained or academy schools. This includes aspects of education welfare, asset management, and statutory and regulatory duties. Since this covers existing functions, additional Council costs will be moved across into DSG in 2017/2018.
- 3.4 In the High Needs Block allocation, additional funding of £129.9 million has been made available nationally in 2017/2018 for growth in population. Blackpool's share of this allocation is £231,000.

3.5 Also in the High Needs Block, there is a technical adjustment with respect to the element 2 (£6,000) place funding for post-16 education. This was previously funded from the Department for Education's post-16 budget, but is being transferred to feature as part of DSG from April 2017. The adjustment equates to £654,000 for Blackpool.

3.6 With respect to the Early Years Block, there are a number of adjustments to note:

- The national formula for 3- and 4-year old education has resulted in a decrease in the allocation to Blackpool of £137,000 in respect of the 15-hour entitlement.
- An additional amount of £920,000 has been included in DSG with regard to the new entitlement to 30 hours of childcare for eligible working parents.
- There is a slight decrease in the Early Years Pupil Premium allocation based on actual numbers of £7,000.
- The new Disability Access Fund for 3- and 4-year olds of £37,000 has also been added to DSG. This will be allocated to settings as a one-off payment for children in their setting who are in receipt of Disability Living Allowance.
- The revised allocation for 2-year old funding results in an increase of £89,000 in 2017/2018.

3.7 Funding for Early Years will be adjusted during 2017/2018 using January 2017 (5/12ths) and January 2018 (7/12ths) pupil numbers to reflect actual participation.

3.8 The table below summarises the initial allocation of DSG for 2017/2018:

	£m
Provisional 2016/17 DSG Allocation	104.481
Adjustments:	
2017/2018 pupil number decrease (11 pupils @ £4,494.13 per pupil)	(0.049)
Transfer of retained element of Education Services Grant into DSG	0.282
High Needs population uplift 2017/2018	0.231
Technical adjustment re post-16 element 2 funding	0.654
Reduction in 15-hour entitlement for 3- and 4-year olds	(0.137)
New funding for 30-hour entitlement for 3- and 4- year olds	0.920
Decrease in Early Years Pupil Premium	(0.007)

New funding for Disability Access Fund for 3- and 4-year olds	0.037
Increase in 2-YO funding	0.089
Initial 2017/2018 DSG Allocation	106.501

- 3.9 The local authority has prepared a proposed DSG budget for 2017/2018 as shown at the appendix to this report. As in 2016/2017, the budget requirement of £106.6million exceeds the initial allocation. The projected overspend of £124,000 will need to be met from the accumulated uncommitted reserves carried forward into 2017/2018.
- 3.10 As previously discussed by Schools Forum, this level of overspend will not be sustainable in the long term, reliance cannot be placed on reserves to cover ongoing expenditure. The pressures on the budget are predominantly coming from the High Needs Block, where increases in numbers in special schools, the Pupil Referral Unit, and out of borough placements are all combining and resulting in increasing overspends. Given that the Government’s Stage 2 proposals for the reform of High Needs funding do not result in any increases for Blackpool, it will be all the more important to review the ongoing use of DSG to ensure that future requirements can be met within the available funding.
- 3.11 Blackpool is not alone in experiencing pressures on High Needs budgets. In support of this, the Department for Education has made funding available to local authorities to carry out strategic reviews of high needs provision. The Council is currently considering how best to deploy the available funding to bring about fundamental change resulting in the more effective use of resources, and further information will be brought back to Schools Forum in due course.

List of acronyms:

DSG – Dedicated Schools Grant
EFA – Education Funding Agency
ESG – Education Services Grant

List of Appendices:

Appendix 11(a) Proposed allocation of Dedicated Schools Grant (DSG)
2017/2018

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Appendix 11(a): Proposed allocation of DSG 2017/2018

	2017/18 Total	2016/17 Total	% Change	Notes
Schools Block				
Local Schools Budget	77,748,068	77,779,449	0%	
- Third Party & Public Liability Insurance (de-delegated)	278,542	304,463	-9%	
- Union Duties (de-delegated)	19,516	26,857	-27%	
- Free School Meals Eligibility Checks (de-delegated)	13,268	16,870	-21%	
- Education Functions (retained)	94,750	-		New funding arrangements for 2017/18
Pupil Growth Contingency	71,143	204,883	-65%	Growth funding for Gateway in school budget
Servicing of Schools Forum	15,000	15,000	0%	
Licences & Subscriptions	79,962	78,763	2%	
School Admissions	139,828	124,828	12%	Restriction on historic spend lifted by DfE
Contribution to Combined Budgets	1,000,000	1,000,000	0%	
Former ESG retained duties				
- Education Welfare	204,000	-		New funding arrangements for 2017/18
- Asset Management	56,600	-		New funding arrangements for 2017/18
- Statutory / Regulatory duties	77,000	-		New funding arrangements for 2017/18
	<u>79,797,677</u>	<u>79,551,113</u>	0%	
High Needs Block				
Special Schools				
Place Funding	3,880,000	3,692,500	5%	
Top-up Funding	2,150,746	1,974,709	9%	
Total Special Schools	<u>6,030,746</u>	<u>5,667,209</u>	6%	
SERFs				
Place Funding	500,000	541,667	-8%	
Top-up Funding	280,412	296,183	-5%	
Transport	119,906	105,149	14%	
Total SERFs	<u>900,318</u>	<u>942,999</u>	-5%	
Pupil Referral Units				
Place Funding	2,580,000	2,580,000	0%	
Top-up Funding	1,385,851	1,459,351	-5%	
Total Pupil Referral Units	<u>3,965,851</u>	<u>4,039,351</u>	-2%	
Mainstream Schools				
Top-up Funding	777,221	776,721	0%	
Exceptional Circumstances Funding	57,100	50,000	14%	Budget 17/18 based on actuals in 16/17
Total top-up for Mainstream Schools	<u>834,321</u>	<u>826,721</u>	1%	
Post-16 Education	1,725,144	1,066,133	62%	Includes Element 2 funding of £654k
Out of Borough	3,224,535	2,857,385	13%	Increase in numbers
Specialist Advisory and Referral Service (SARS)	1,070,353	1,068,053	0%	
Diversity	266,949	268,379	-1%	
Other High Needs Central Services (Management, Central Support Costs, Admin Support, Pension Top-slice)	771,865	826,505	-7%	
	<u>18,790,082</u>	<u>17,562,735</u>		
Early Years Block				
2 Year Old Grants	1,717,375	2,122,000	-19%	
3 & 4 Year Old Grants	5,672,916	4,377,000	30%	Includes extension to 30 hours from Sep 17
Early Years Pupil Premium	113,483	120,000	-5%	
Disability Access Fund	36,900	-		New funding arrangements for 2017/18
Other Early Years Central Services (Management, Central Support Costs, Admin Support, Pension Top-slice)	495,689	940,088	-47%	7% of 3&4 Year Old and 3.8% of 2 Year Old
	<u>8,036,363</u>	<u>7,559,088</u>	6%	
Total expenditure	<u>106,624,122</u>	<u>104,672,936</u>	2%	
DSG income	<u>(106,500,577)</u>	<u>(104,481,000)</u>	2%	
Projected call on reserves	<u>123,545</u>	<u>191,936</u>	-36%	

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