

Schools Forum Meeting Agenda

Thursday, 19 January 2017 at 9.00 am
to be held in Mezzanine Room 3 - Tor Hill House, Union Street, Torquay, TQ2 5QW

Membership

Roger Hughes (Chair & Pr Maint Head)
Mike Lock (Sp Ac Head)
Maurice Codd (Pr Ac Gov)
Julie Shears (PRU)
Lindsay Kings (Sec Ac Head)
Dan Hallam (Post 16)
Jan Chopping (Sec Ac Gov)

Debbie Main (Pr Ac Head)
Adam Morris (Pr Maint Head)
Daneian Rees (Sec Maint Head)
Clive Starr (Sec Ac Gov)
Tim Stevens (Early Years)
Simon Niles (Pr Ac Gov)
Jim Piper (Pr Ac Head)

1. **Apologies/Changes to Membership**
2. **Minutes of the last meeting**
3. **Matters arising**
4. **Standing Items**
 - (a) Verbal update on Autism
Roger Hughes
 - (b) Verbal update on Challenging Behaviour
Adam Morris
5. **Analysis of Steering Group for Improving Outcomes for Vulnerable Pupils - unallocated funds** (Page 3)
Rachael Williams
6. **Early Years funding update** (Pages 4 - 5)
Rachael Williams

For information relating to this meeting or to request a copy in another format or language please contact:

**Michael Freeman, Business Support Officer, C/o Town Hall, Castle Circus, Torquay,
TQ1 3DR
261**

Email: michael.freeman@torbay.gov.uk

7. **16/17 DSG out turn, statements and projected under/overspend** (Pages 6 - 7)
Rachael Williams / Rob Parr
8. **17/18 DSG** (Page 8)
Rob Parr
9. **Fair Funding consultation** (Pages 9 - 10)
Rob Parr
10. **Education Support Grant (ESG)** (Pages 11 - 12)
Rob Parr
11. **Items for next meeting**
12. **Future meeting dates**
9th March 2017
29th June 2017
12th October 2017
30th November 2017
18th January 2018
8th March 2018

To – Schools Forum – 19th Jan 2017

Analysis of unallocated funds being managed by SGIOVP (Steering Group for Improving Outcomes for Vulnerable Pupils)

Introduction

Schools' forum allocated £1.2m for a three year project (£400,000 per year) for the years 15/16 (year 1), 16/17 (year 2) and 17/18 (Year 3). There has been slippage in the delivery of the projects due to recruitment delays and the capacity of the groups managing the projects. This means that some expenditure will run into 18/19.

The aim of the project is to create sustainable changes that reduce or prevent high cost pupils needing to be educated outside the Local Authority.

Analysis of current and anticipated spending

AUTISM	Champions, training, co-ordination. TLRs and supply cover.					
	<u>Further projects...</u> An outreach assessment service?					
Total allocation	£450,000.00					
Projected costs	Y1	Y2	Y3	Y4	Total	Unallocated
	£54,863.00	£131,949.00	£125,632.00	£12,964.00	£325,408.00	£124,592.00
Challenging Behaviour	Intensive Outreach Support Service (IOSS)					
	Family Support Worker (FSW) training					
	Secondary Behaviour group. Emotional literacy training					
	Preparation of bid for Alternative Provision					
	<u>Further projects...</u> Following review of IOSS...recruit another worker?					
Total allocation	£450,000.00					
Projected costs	Y1	Y2	Y3	Y4	Total	Unallocated
	£53,757.00	£86,748.00	£116,357.00	£113,099.00	£369,961.00	£80,039.00
Centrally held £100K p.a.	Consultancy and STITCH					
Total allocation	£300,000.00					
	Y1	Y2	Y3	Y4	Total	Unallocated
	£4,823.00	£40,000.00	£0.00	£0.00	£44,823.00	£255,177.00
TOTAL UNALLOCATED						<u>£459,738.00</u>

Recommendation

- The Local Authority reserves a sum of £100k (out of the unallocated funds) for the year 17/18 to create a contingency for the higher needs block

Rachael Williams
Head of Education, Learning and Skills

To – Schools Forum – 19th Jan 2017**Early Years Funding Update Report**

Context

On the 1st December 2016 the DfE published its response to their consultation for the implementation of a new Early Years National Funding Formula (EYNFF) for 3 and 4 year olds. The transition to the new way of funding Early Years children will start in April 2017 for the universal 15 hours and will also apply to the extended entitlement to 30 hours from September 2017.

Local Funding Rates

The current funding for 3 & 4 Year olds is allocated to the Local Authority at £3.47. This rate is then subsidised by the Dedicated Schools Grant to increase the rate paid to PVI providers to £4.08 and to Schools to £3.76.

Funding rates from April 2017:

The Local Authority has been allocated £4.30 per hour for 3 and 4 year old children. From this the Local Authority needs to be able to provide a budget for the SEND Inclusion fund, deprivation funding and 5% retained funds to cover services provided by the Local Authority (e.g. eligibility checking, payments etc).

From this the Local Authority has calculated that the funding rate for 3 & 4 Year old funded children from April 2017 onwards will be £3.82 per hour for all 3 and 4 year old children who are accessing either the universal 15 or extended 30 hour entitlement.

A consultation, currently out, will seek feedback on key elements of the local authority funding formula, including Deprivation Payments, Transitional Payments and the Inclusion Fund.

Transitional Payment

The introduction of the national Early Years Funding Formula will result in Private, Voluntary and Independent settings receiving a reduction in their hourly rate of 26p per hour per funded child. The risks locally and implications for children as a result of this are:

- Local sufficiency, providers may decide to reduce the number of funded places they offer for both 15 hours and the extended 30 hour entitlement impacting on the Local Authority sufficiency duty.
- Providers may limit the hours children can access their funded childcare, impacting on the Local Authorities duty to provide flexible childcare to meet the needs of working families.
- Sustainability, providers may not continue to be viable if there is a sudden reduction in the funding rate from April 2017. A transitional period until April 2018 would allow for more accurate business planning, by providers, to ensure they are equip to implement the new base rate of funding.
- Quality of provision, the sudden reduction in funding may result in cost saving decisions that impact on the quality of care provided to children. This could impact on current Ofsted ratings, settings ability to offer funded childcare and overall outcomes for children.

To mitigate against these risks it is recommended that the Schools Forum consider providing a transitional period of additional funding for the 2017/2018 financial year to support moving towards the national funding formula. It is anticipated that this funding would be in the region of £150,000, broken down as:

18p per hour x 570 hours x 1500 children = £153,900.00

1500 children is based on estimates of 1000 children attending 15 hours per week and 500 children attending an additional 15 hours per week at PVIs only.

Inclusion Fund – Alfey (Activity Led Funding for Early Years)

Through the consultation the DfE have placed a duty on all Local Authorities to provide an inclusion fund to support children with identified additional needs access their free early education entitlement. This fund is to be allocated from within the Early Years funding rate provided by central government.

Currently, PVI providers are able to apply for additional funding (Alfey payments) via a moderated scale. This is linked to the identified needs of both the child and provider and covers the 15 hours free childcare. The introduction of the extended 30 hour entitlement has implications on the allocation required for the inclusion fund with associated risks and implications for children. These include:

- A further reduction in the base rate to allow for an increase in funding allocated from the inclusion fund, this would bring the base rate for PVI providers down to £3.74 per hour.
- A potential reduction in Alfey rates paid to providers, due to the current allocation of funding needing to be stretched, to meet the 30 hour extended entitlement. This could impact on designated support, appropriate resources and equipment and overall outcomes for children with identified needs.
- Access to provision, providers may not be able to meet the needs of identified children without appropriate levels of funding resulting in children not being able to access their free entitlement.

To mitigate against these risks it is recommended that the Schools Forum consider allocating additional money from the Higher Needs Block to ensure that there are no amendments to Alfey funding, which is paid to Private, Voluntary and Independent Settings. It is anticipated that this funding will be in the region of £100,000.

Recommendations

1. Consider the recommendation to allocate a transitional top up payment, to all PVI providers, for 2017/2018 of approximately £153,900.00 in total. This would equate to 18p per child per hour resulting in a hourly rate of £4.00 per hour for PVI providers.
2. Consider the recommendation to allocate additional funds of £100,000 from the Higher Needs Block to minimise the impact on the current inclusion fund (Alfey).

Emma Kerridge
Senior Early Years Advisory Teacher

To – Schools Forum – 19th Jan 2017

2016/17 Dedicated Schools Grant (DSG) – Forecast Outturn

Introduction

The DfE confirmed that the 2016/17 Dedicated Schools Grant (DSG) is £90m of which an estimated £53m is deducted to fund Academy Schools leaving £37m for our maintained schools and education services.

Dedicated Schools Grant (DSG) funded activities are forecast to **overspend by £329k**. This is the first time since the inception DSG that this is likely to be the case.

The main areas of under/overspends

Joint funded placements and Independent special school costs are a volatile area; at this stage these services are forecast to **underspend** by £82k.

Other smaller **overspends** across Children's including SEN, and recoupmnt totalling £9k

Statementing / EHCP contingency (in-year adjustments to statementing / EHCP) is forecast to **overspend** by £150k – see separate paper on detailed analysis.

Special Schools Contingency is forecast to **overspend** by £202k due to increasing places and top up costs.

Early Years – SEN inclusion – nursery provider is forecast to **overspend** by £50k due to increasing eligible pupils taking up nursery places and increase in the hourly rate to providers.

Implications

Mitigating actions will not address the overspend in DSG to achieve a break even position by year end. Additional scrutiny of the process being used to allocate funds has been instigated.

The volatile position of the DSG budget and in particular the pressure on the higher needs block is of national concern and debate. Sharing of information across Local Authorities demonstrates a similar emerging trend, actions being taken by other areas includes the top slicing of the DSG budget resulting in a reduced rate per pupil.

In December 2016, the Department for Education made available a grant to Local Authorities to carry out a strategic review of their high needs provision. We propose to use this fund to provide an increase in our capacity to review the planning of special provision using a collaborative approach with a focus on addressing the rising costs.

Torbay proposes to use the DSG reserve to manage this overspend resulting in no reduction to the rate per pupil. However this mitigating action is not sustainable into future years and will require decisive action to bring the budget to a breakeven position.

Recommendations

To use the DSG reserve to manage the overspend resulting in no reduction to the rate per pupil.

Rachael Williams Head of Education, Learning and Skills

Statementing / Education, Health & Care Plan Funding for 15/16 & 16/17

	15/16	16/17	Increase / (Decrease)
Number of pupils with a statement	353	362	9.00
Number of FTE's with a statement	325	334	9.00
	£	£	£
Funding below £6k allocated through school formula elements	1,826,139	1,914,223	88,084
Funding above £6k allocated as a top-up per eligible pupil	733,446	926,146	192,700
Statementing / EHCP Contingency	211,600	238,400	26,800
In-Year adjustments			
April	50,118	110,476	60,358
May	62,034	23,628	(38,406)
June	7,714	19,756	12,042
July	10,711	8,445	(2,266)
August	23,130	114,700	91,570
September	21,280	63,804	42,524
October	43,397	34,132	(9,265)
November	(9,658)	(4,951)	4,707
December	5,680	5,680	0
January	9,739	9,739	0
February	11,323	11,323	0
March	(8,000)	(8,000)	0
Total - In-Year adjustments	227,468	388,732	
Projected (underspend) / overspend	15,868	150,332	

Notes

Based on April 16 to Nov 16 in-yr adjustments and the same allocation for the remainder of the financial year as 15/16, it is anticipated the statementing / EHCP contingency will overspend by £150k.

Comparison of initial DSG funding between 16/17 and 17/18 before academy recoupmnt

Funding type	16/17 DSG as at 17/12/15 from EFA £	17/18 DSG as at 20/12/16 from EFA £	Increase / (Decrease) £	Note
Schools Block	72,648,318	71,463,330	(1,184,987)	1
Early Years - 3 & 4 Yr Olds	3,661,026	4,529,613	868,587	2
Early Years - 3 & 4 Yr Olds (Increase to 30 hrs from Sept 17)	0	745,758	745,758	2
Early Years - 2 Yr Olds	1,110,408	1,279,548	169,141	2
Early Years Pupil Premium	115,339	83,761	(31,578)	2
Post 16 Transfer - South Devon College	0	1,020,000	1,020,000	3
Early Years - Disability Access Fund	0	30,750	30,750	4
NQT Induction	24,000	0	(24,000)	5
High Needs Block	14,425,000	16,135,000	1,710,000	6
Total Initial DSG	91,984,091	95,287,760	3,303,670	

Note

The Schools Block allocation for 16/17 was based on 16,494 pupils and the 17/18 is based on 16,676 pupils.

As part of the rebasing of the 16/17 DSG return submitted to EFA, funding has moved from the Schools Block into High Needs Block.

1. This includes £286k transferred in from Education Services Grant for the retained duties element for Local Authorities to fund services they provide to all schools, including academies.
2. The Early Years allocations for 17/18 will be updated in-year by the EFA once the Jan 17 & Jan 18 numbers are known, these allocations are currently based on Jan 16 numbers.
3. This funding has been added to the DSG for the first time in 17/18 but will be recouped from the EFA to pay directly to South Devon College.
4. This funding is new for 17/18 and each eligible pupil will receive £615.
5. This funding has been incorporated within the Schools Block for 17/18.
6. This includes our share of the £130m additional funding for High Needs (Torbay share £220k).

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National Fair Funding Formula

- Stage 2 of the consultation was launched on 14th December 2016. The consultation closes on the 22nd March 2017. The consultation consists of 18 questions for the Schools Block and 9 questions for the High Needs Block.
- Based on illustrative figures provided by EFA, if the proposed NFF had been implemented in full in 16/17 the Schools Block Funding in Torbay would have **increased by £2.9m**. If they had implemented in 16/17 with an element of transitional protection for those LA's who would lose funding, Torbay would still have **gained by £1.7m**.
- LA's are encouraged to move towards using the new funding levels / unit values proposed from 2018/19 (soft formula) but are able to distribute funding based on their local formula in 18/19. From 2019/20 (hard formula), the proposed new formula would be implemented and LA's removed from the process as allocations would be issued to schools directly by EFA.
- DSG is currently divided into 3 blocks: schools, high needs and early years. It is proposed to create a fourth block 'central schools block'. This would contain funding for central schools services such as admissions, asset management, pupil welfare and statutory and regulatory duties. From 18/19 all of these blocks will be calculated by the NFF.
- Pupil premium will remain outside of the new process and continue to be paid as a separate grant.
- New De-Delegation for 17/18 (maintained schools only) - The Local Authority with agreement from the Schools Forum is able to retain funding which would previously have been funded from the general rate of Education Services Grant which will cease from Sept 17. This would cover services such as Statutory & Regulatory duties, Finance (accounting functions, budgeting and compliance), Audit (S151 officer responsibilities), property landlord duties, monitoring of National Curriculum assessments.
- In 18/19 the Schools Block will be ring fenced, but LA's will be able to transfer funding from their Schools Block to High Needs with agreement of the Schools Forum.
- In 19/20 when the national (Hard Formula) is introduced, the majority of funding to Schools will be made directly by EFA. However the LA is likely to still be involved with the funding of SEN, Nursery & Pupil Growth, details of this will be realised by EFA at a later date. From 19/20 the EFA are looking at the role and composition of Schools Forum and will consider what alternative frameworks could be put in place to best support effective partnerships.

- From Sept17 there will be a £50m national School Improvement Grant for Local Authorities to continue to monitor and commission school improvement for low performing maintained school. Allocations per authority have not yet been released.

Recommendation

- School Forum to coordinate a response to the consultation.

Rob Parr
Principal Accountant
01803 208273

To – Schools Forum – 19th Jan 2017

Education Services Grant

Context

The Education Services Grant (ESG) for retained duties has been transferred into the Local Authorities DSG in 17/18 for the responsibilities that the authority holds for all schools. This funding may be retained centrally from all schools with the agreement of Schools Forum.

The amount to be retained by the Local Authority will need to be agreed by the relevant maintained schools members for the schools forum (primary, secondary, special and PRU).

In addition the Local Authority is expected to set a single rate per 5 to 16 year old pupils for all mainstream maintained schools for de-delegated activities.

The Education Services Grant (ESG) gives local authorities and academy trusts money to fund their schools' services. The local authority retains elements of the Education Services Grant to fund key activities these include:-

- School Improvement
- Appointment of a Director of Children's Services
- Education welfare services (attendance and child performance and employment)
- Preparation of revenue budgets, information on income and expenditure relating to education
- Religious Education – set up a standard advisory council on religious education
- Central support services – visual and performing arts, outdoor education, pupil support
- Monitoring and implementing assessment processes

The majority of these functions remain as statutory obligations regardless of the designation of the school.

Proposal

Please see attached document

Recommendation

The Local Authority to retain the funding to provide the retained duties set out in the proposal.

Rachael Williams
Head of Education, Learning and Skills

Education Services Grant (retained duties)**Transfer to DSG and additional De-delegation (general duties) for 17/18****Responsibilities Local Authorities hold for all Schools (funding transferred into DSG from 17/18)** £

Statutory & Regulatory Duties - Director of Children's Services / Planning for the Education Service as a whole / administration of grants / formulation and review of Schools Funding Formula / authorisation & monitoring of central expenditure	81,500
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Education Welfare - Functions in relation to the exclusion of pupils / School Attendance	36,000
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Asset Management - Management of the LA's capital programme including preparation and review of the plan / landlord duties for all buildings owned by the LA, including those leased to academies	98,500
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Standing Advisory Committees for Religious Education (SACRE)	8,000
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School Improvement / Support	62,000
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Total transfer from ESG to DSG in 17/18	286,000
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Responsibilities Local Authorities hold for Maintained Schools ONLY (can be de-delegated in 17/18) £

Statutory & Regulatory Duties - Advice on best value & procurement of goods and services / monitoring of compliance with scheme for financing schools / internal audit and other tasks related to the LA's Chief Finance Officer (S151) responsibilities / Establish and maintaining computer systems and data storage.	24,200
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Education Welfare - Inspection of attendance registers (covered in DSG element above)	0
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Asset Management - General landlord duties to ensure school buildings have appropriate facilities for pupils & staff, reasonable weather resistance, water, light, heat ventilation, general H & S etc (covered by capital grant)	0
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Central Support Services - Provision of tuition in music or other music related activities (covered by grant)	0
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Monitoring of National Curriculum Assessments (covered in DSG element of School Improvement above)	0
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Total potential De-delegation from Maintained Schools	24,200
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Pupil numbers as at Oct 16 for Maintained Schools	3,930
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Potential per pupil funding rate for De-delegation	6.16
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