



Schools Forum

Wednesday, 10 October 2018 4.00 p.m.
Civic Suite - Town Hall, Runcorn

A handwritten signature in black ink, appearing to read 'David W R', is positioned above a grey rectangular stamp.

Chief Executive

*Please contact Ann Jones - Tel: 0151 511 8276 or email:
ann.jones@halton.gov.uk for further information.
The next meeting of the Committee is on Wednesday, 16 January 2019*

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

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

SCHOOLS FORUM

At a meeting of the Schools Forum on Wednesday, 13 June 2018 at The Board Room - Municipal Building, Widnes

Present: Councillor T. McInerney, Observer
 A. McIntyre, Education, Inclusion & Provision, HBC
 A. Jones, Democratic Services, HBC
 N. Middlehurst, Financial Management, HBC
 S. Baker, Revenues & Financial Management, HBC
 M. Vasic, Strategic Director People, HBC
 E. Wright, Secondary Academy Representative
 T. Bell, 16-19 Provision Representative
 K. Albiston, PVI Representative
 A. Brown, Nursery Schools Representative
 J. O'Connor, PVI Representative
 J. Coughlan, Primary Representative - Infant School
 S. Broxton, Primary Governor Representative
 N. Hunt, Pupil Referral Unit Representative
 J. Wilson, Secondary Governor Representative
 K. Landrum (Chair), Primary School with a Nursery Representative
 S. Ainsworth, Special Schools Representative
 J. McConville, Secondary Academy Representative
 A. Sheppard, Primary VA Schools Representative
 A. Simmons, Community Primary Representative

Action

SCF1 APOLOGIES FOR ABSENCE

No apologies were received for the meeting.

SCF2 MINUTES

The minutes of the meeting held on 21 March 2018 were agreed as a correct record.

SCF3 MEMBERSHIP UPDATE

The Forum received an update regarding the membership of the Forum and recent recruitment activity carried out in order to maintain the required representation.

The following was confirmed:

- A vacancy still existed for a small primary school representative;
- A vacancy still existed for a primary academy representative;
- Anne Simmons would replace Richard Collings as a Community Primary representative;

- Angela Sheppard would represent the Primary VA sector;
- Karl Landrum would represent the Primary School with a Nursery sector; and
- Judith McConville would join the Secondary Academy group of representatives.

The importance of each sector having appropriate representation was noted, however despite several attempts to recruit to the small primary and primary academy sectors, these still remained unrepresented as nominations were not forthcoming.

RESOLVED: That the Forum confirms and notes the current membership as outlined above.

SCF4 EARLY YEARS FUNDING FORMULA

The Forum received a review of the Early Years Funding position for 2018-19.

It was reported at the meeting on 21 March 2018 a report was presented to the Forum setting out the Early Years hourly rate as a result of a reduction to the Government funded hourly rate from £5.40 in 2017-18 to £5.13 in 2018-19.

Following the Schools Forum meeting the Council received representation from early year providers querying the level of funding which was proposed to be passed through to providers. The Council then agreed to a review of the pass through rate, which was undertaken by colleagues from another North West authority, using calculations provided by the Education and Skills Funding Agency, using a February 2018 operational guide.

The Forum was advised that the review found that the Council were marginally in breach of the pass through rate, for Halton this was calculated at 94.6%. It was noted that this was as a result of the number of hours funding received from Government compared to the hours Halton had used in the pass through calculation, based on the January 2018 census figure. This had increased by approximately 51,000 (3.4%).

Members were referred to Table 1 in paragraph 3.1, which showed the revised funding. The report provided commentary regarding the revised amounts. It was explained that the large increase in contingency funding reflected the increase in hours from the census position from

January 2017 to January 2018.

Table 2 was presented to help understand how both the revised and original funding formula reconciled back to the Council's 2018-19 early years allocation. It was reported that the base rate to be paid to early year providers would now be £4.41, an increase from the amount of £4.37. The Council would retrospectively apply this revised base rate back to 1 April 2018. Early years providers requested that more notice be given to them with regards to cuts to budgets, so that they had more time to adjust and put plans in place to compensate for these.

RESOLVED: That Schools Forum

- 1) notes the review and revised 2018-19 Early Years Funding Formula; and
- 2) notes the revised basic rate paid to Early Year providers is £4.41.

SCF5 SCHOOLS BALANCES 2017-18

The Forum received a report that presented the level of funding brought forward from 2017-18 by Halton Schools.

Members were reminded that following a discussion at the Schools Forum meeting in January 2013, the excess surplus balance limits previously imposed on schools were lifted for 2012-13 and this had continued up to 2017-18. The balances however were still to be monitored by Schools Forum.

The level of balances in the individual school budget held by Halton Schools brought forward into 2018-19 was £3,694,868. This was a decrease of £1,080,964 to the balance carried forward the previous year.

Appended to the report were Appendices A and B. Appendix A detailed the individual school budget balances with comparisons to the previous year; schools which had balances above the former excess surplus balance limit were highlighted. Appendix B detailed the Non-LMS (Devolved Formula Capital) balances brought forward into 2018-19.

The report provided Members with carry over information on the primary sector, the nursery sector, the secondary sector, special schools sector and the Non-LMS balances. It was noted that the academy balances were not

included in the list as these had not been applied for.

The Forum discussed the schools with an above 8% carry over and whether they should request further information from them regarding what the money was to be used for and in particular, whether any of the carry forward was reserved to help the schools sustain their balances for next year. It was also commented that schools with a deficit carry over were just as much of a concern as those with an excess, and that these schools should be contacted as well for further information.

It was also requested that Officers write to the academies requesting their balances, so that all the Borough's schools' carryover figures were available to the Forum and in the public domain.

RESOLVED: That Schools Forum

- 1) notes the report;
- 2) agrees that all academies be requested to provide their carry over figures;
- 3) requests that all schools with an above 8% carryover be contacted regarding what the money will be used for; and
- 4) requests that all schools with a deficit carryover be contacted for further information on this.

Operational
Director -
Education,
Inclusion and
Provision

SCF6 HIGH NEEDS UPDATE

The Forum a received report which provided an update on the High Needs Funding which included a range of further budget reductions required in 2018-19 (explained in paragraph 3.2); and outlined the proposed new approach to discretionary top up funding (previously known as Enhanced Provision).

It was suggested that the ring fenced, cash limited budget for discretionary top up funding be delegated to a Panel of Headteachers or senior school staff from both the Primary and Secondary sectors, with LA officers attending in an advisory capacity only.

It was noted that in May 2018 *Peopletoo* were commissioned to undertake a review of SEND in Halton and a final report would be produced by *Peopletoo* at the end of September 2018. Paragraph 3.11 provided a list of

outcomes that were expected from the review.

Appended to the report were the following documents:

- the paper *SEND Support and Education, Health and Care Plans in Halton*;
- the application form for *request for discretionary Top-Up Funding*;
- the CARE Schedules – checklists assessing Risk of Exclusion for Primary and Secondary schools (pupil and teachers versions); and
- the paper '*Evidence of action for pupils at risk of exclusion*'.

Officers also updated the Forum with the disapplication request, submitted in relation to the Special Schools budgets. The Secretary of State had considered the case and had granted his approval on condition that the individual schools had agreed to it and that the average reduction in top up funding that schools receive would be no more than -5%. Special School's budgets would now be re-calculated. Members received an update from the Special Schools representative on the impacts that the reduction would have on their provision.

It was commented that some mainstream schools had children that were on 'the cusp' of specialist need and requested that this scenario be included in the *Peopletoo* review.

RESOLVED: That the Forum

- 1) note the proposed budget reductions outlined in paragraph 3.2; and
- 2) note the comments made regarding the guidance for supporting pupils with SEND, to ensure additional support was determined by a Headteacher panel and based on the specific needs of individual children.

SCF7 DEDICATED SCHOOLS GRANT OUTTURN 2017-18

The Forum received the final Dedicated Schools Grant (DSG) position for 2017-18 and the amount of DSG being carried forward into the 2018-19 financial year.

Further to the requirement for local authorities to submit a Section 251 Outturn return to the Department for Education, the following was reported:

- Total DSG available in 2017-18 £79.5m
- Total DSG expenditure in 2017-18 £79.0m
- Total DSG brought forward into 2018-19 £ 0.5m

It was noted that the balance of DSG had already been substantially committed and allocated for spend in 2018-19, stated in paragraph 3.5 of the report. Regular monitoring meetings would continue over the course of the year to identify areas of concern and in order to put in place ways of minimising the risk of overspending against the available allocation.

RESOLVED: That Schools Forum note that the amount of DSG from 2017-18, £466,754, is carried forward into the 2018-19 financial year.

SCF8 CENTRAL BUDGETS

A report was presented to the Forum which provided a summary of the central budgets included in the Central School Services Block.

The information was provided following a request from a member of the Forum at the last meeting in March to see the total budgets centrally managed. It was noted that funding was centrally managed for three of the four blocks: the Central School Services Block, Early Years Block and the High Needs Block.

A summary of each was provided in the report in paragraphs 3.1, 3.2 and 3.3, each providing a breakdown of spend in different areas.

The following areas were commented on:

- The premature retirement costs related to staff retired prior to 1998; although the amount continued to decrease annually, it was unlikely that there would be sufficient carry forward to meet these costs in future years;
- The special schools were looking into the recommissioning of specialist equipment no longer being used by them. A consultation period on this would start soon; and
- The Commissioning Manager's post had not yet been

filled due to a restructure taking place in the Education, Provision and Inclusion Department. The consultation process was due to close next week and it would be referred to the HR Steering Group. The Forum would be advised when the post was filled.

RESOLVED: That the Forum notes the report.

SCF9 SCHOOLS CAPITAL UPDATE 2018-19

Members received a report that provided a Schools Capital Update 2018-19, which included the following:

- Information on the receipt of funding via the Healthy Pupil Capital Fund (HPCF);
- Details of the additional capital works required for 2018-19 at Ashley School and Simms Cross Primary School; and
- The proposals for additional resource base provision at two of Halton's Primary schools to accommodate and support children with Social, Emotional and Mental Health (SEMH) needs.

The report provided commentary on each of the above and Members were advised that a report was being submitted to the Council's Executive Board on 14 June 2018, asking them to note the HPCF funding; approve the proposed works at Ashley School and Simms Cross Primary School; and approve the proposals regarding the SEMH resource bases at the two primary schools. Copies of the Statutory Notices for both Primary Schools (Beechwood and Halton Lodge) were attached to the report.

RESOLVED: That Schools Forum

- 1) Notes the Healthy Pupil Capital Fund (HPCF) and application procedure for 2018-19;
- 2) Notes the proposals for capital works at Ashley School and Simms Cross Primary School, being funded from the Basic Need Capital funding; and
- 3) Notes the proposals regarding the provision of Social, Emotional and Mental Health Resource Bases at Beechwood Primary School and Halton Lodge Primary School, together with the publishing of Statutory Notices.

Meeting ended at 6.00 p.m.

REPORT TO: Schools Forum

DATE: 10 October 2018

REPORTING OFFICER: Operational Director – Education, Inclusion & Provision

SUBJECT: Halton Schools Forum Membership Update

1.0 PURPOSE OF THE REPORT

To provide Schools Forum with a membership update.

2.0 RECOMMENDATION: That

2.1 Schools Forum confirms and notes the updates to membership as outlined in the report.

3.0 UPDATES

3.1 As the only provider, the representative for the Pupil Referral Unit, Nigel Hunt, has been renewed in September 2018 for a 4 year term.

3.2 The representative for Community Special Schools is now Heather Austin, the Head from Chesnut Lodge, following consultation with this group of Schools. This was due to the previous representative Sara Ainsworth stepping down due to her school converting to an Academy. A representative for Academy Special Schools is already in place on the Forum.

4.0 POLICY IMPLICATIONS

4.1 The pressures on school and education budgets along with the proposed changes to schools and high needs funding means that it is vital that each sector has appropriate representation.

5.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
EFA – Schools Forum Operational and Good Practice Guide – December 2016	HBC, 7 th Floor, Municipal Building, Widnes	Ann Jones
EFA – Schools Forum Structure	HBC, 7 th Floor, Municipal Building, Widnes	Ann Jones

REPORT TO: Schools Forum

DATE: 10th October 2018

REPORTING OFFICER: Senior Finance Officer

SUBJECT: ESFA Analysis of Schools Block Funding Formulae for 2018-19

WARDS: Borough wide

1.0 PURPOSE OF THE REPORT

To share with Schools Forum the overview of the formula factors chosen by local authorities to set their Schools Block funding formula for 2018-19.

2.0 RECOMMENDATION: That

2.1 The report is noted.

3.0 SUPPORTING INFORMATION

3.1 The Education and Skills Funding Agency has published a report giving an overview of the funding formulae submitted by each local authority for 2018-19. It provides charts and comments on the ranges of funding amounts used and the proportions of the Schools Block funding attributed to factors.

3.2 The report is attached as Appendix A. On each chart the value that corresponds to Halton's funding formula is highlighted.

3.3 The ESFA has also published a data file showing the funding formula used by each local authority. The analysis and data file can be found on the DfE website.

4.0 FINANCIAL IMPLICATIONS

4.1 None.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

5.1 Children & Young People in Halton

The local authority must discharge its statutory responsibilities to all schools and settings.

5.2 Employment, Learning & Skills in Halton

None.

5.3 A Healthy Halton

None.

5.4 A Safer Halton

None.

5.5 Halton's Urban Renewal

None.

6.0 RISK ANALYSIS

6.1 None

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 The Local Authority must discharge its statutory responsibilities in relation to all schools and settings.

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

8.1	Document	Place of Inspection	Contact Officer
	Schools block funding formulae 2018-19 Analysis of local authorities' schools block funding formulae	Revenues and Financial Management Division, Kingsway House Widnes	Anne Jones



Education & Skills
Funding Agency

Schools block funding formulae 2018-19

**Analysis of local authorities' schools
block funding formulae**

July 2018

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Introduction

In January 2018, local authorities in England submitted to the Education and Skills Funding Agency (ESFA) their local formulae for allocating their dedicated schools grant (DSG) schools block funding for 2018-19 to schools in their area. This document summarises the information on these local formulae.

2018-19 saw the introduction of the national funding formula (NFF). This reform means that for the first time, school funding is being distributed according to a formula based on the individual needs and characteristics of every school in the country. In order to provide stability for schools during the transition to the NFF, we have previously confirmed that local authorities continue to be responsible for distributing money between schools in their area in 2018-19 and 2019-20. Detailed information about the NFF can be found in [the national funding formula for schools and high needs: executive summary](#), which was published in September 2017.

For 2018-19, each local authorities' schools block DSG allocation was calculated based on the notional NFF allocations for schools in their area. Local authorities then set their own funding formula in order to distribute their schools block allocation. This document provides an overview of the 2018-19 formula factor values chosen by local authorities as at 23 March 2018. For 2018-19, schools are funded using a maximum of 14 clearly defined factors.

The data in this document shows that many authorities have moved towards the values in the NFF when setting their 2018-19 funding formula. When allowing for the area cost adjustments (ACA)¹ which are applied to each of the factors in the NFF it shows, 73 LAs have moved every one of their factor values in their local formulae closer to the NFF, with 41 mirroring the NFF factor values almost exactly. Sixty two LAs have set their minimum funding guarantee at 0.5% or above, meaning all schools in that area will gain in cash terms compared to 2017-18, and 112 LAs have brought in a minimum per pupil funding factor, mirroring its introduction in the NFF. In light of this significant progress in the first year of the NFF, and to continue to support a smooth transition, local authorities will continue to determine local formulae in 2020-21.

This document provides charts and brief commentary on the ranges of unit funding amounts authorities have selected in 2018-19, and the proportions of schools block funding distributed under each of the permitted factors. This document is accompanied by a data file, more details about which can be found in the "Information about the data

¹ The NFF applies an area cost adjustment (ACA) to each of the individual factors. The data shown in this document does not include the ACA adjustment. When comparing the factors used by each authority against the NFF the ACA adjustment, where applicable, should to be taken into account.

file” section at the end of this document. Small details of funding formulae may change subsequently compared to the figures presented here as a result of late amendments.

Note that in the charts shown throughout the document the range of values along the x-axis include the value at the lower end and exclude the maximum value. So for example a band labelled 4% to 6% will include values of exactly 4% but will exclude values of exactly 6%. The charts are colour coded throughout the document:

- charts showing percentages are black/grey
- all other charts are blue.

A similar summary about [local authorities' funding formulae for 2017-18](#) was published by the DfE last year.

Commentary

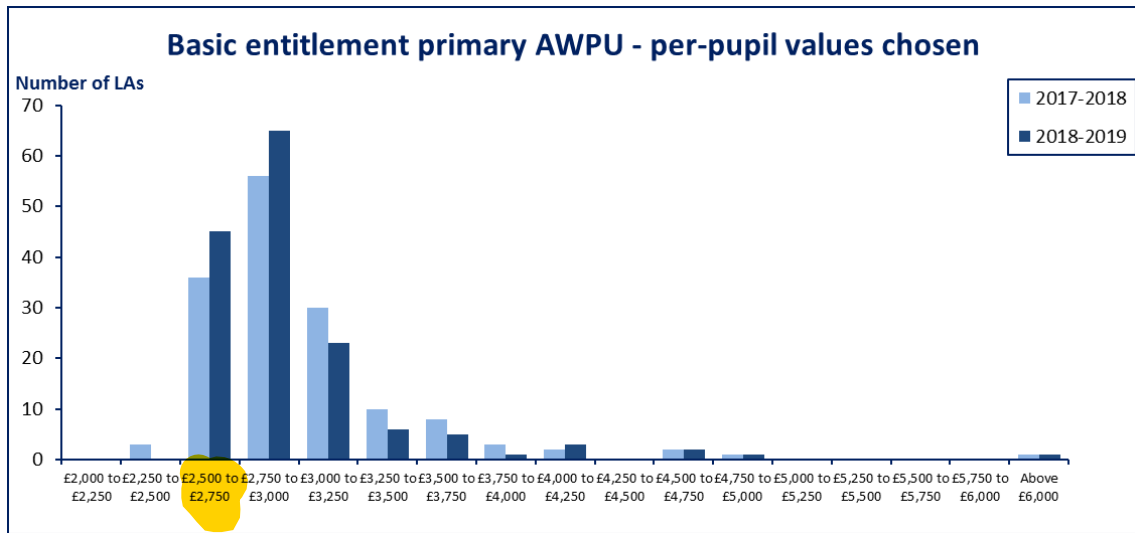
This chapter looks at each of the principal formula factors in turn. It sets out the values that local authorities have chosen for those factors in their local formulae for 2018-19, how these have changed from previous years and, where relevant, how they compare to the values in the NFF, as set out in the [NFF technical note](#). It should be noted that these comparison to the NFF are not precise, due to the effect of the Area Cost Adjustment (ACA), which reflects variation in local costs. Individual factor values in the NFF do not include the impact of the ACA, which is applied (at a rate of 1 - 1.18) as a separate element within the overall NFF calculation. By contrast, the values of factors in individual local authorities' local formulae implicitly include the effect of the ACA. It also sets out the proportion of funding allocated through each factor².

Basic per-pupil entitlement

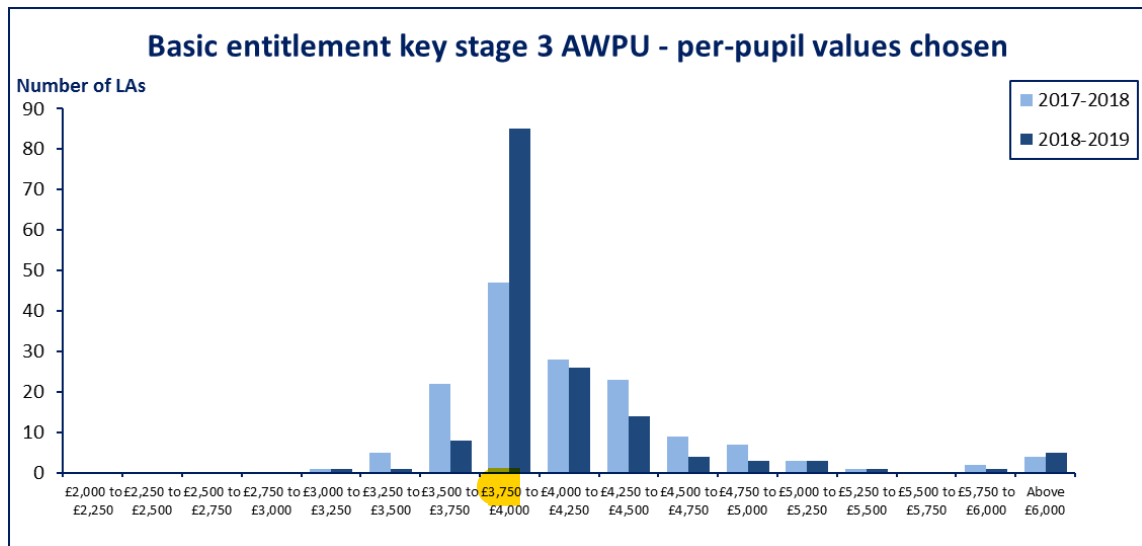
This is a mandatory factor which every local authority must use in their 2018-19 formula. Local authorities are permitted to choose different age-weighted pupil unit (AWPU) rates for primary pupils, for key stage 3 pupils and for key stage 4 pupils; but they must specify a primary AWPU of at least £2,000, and key stage 3 and key stage 4 AWPU values of at least £3,000.

The majority (88%) of primary AWPU's selected by local authorities are in the range of £2,500 to £3,250, although there are a few significant outliers of over £4,000. Seventeen of the 20 local authorities with the highest primary AWPU's are in London. The AWPU's are very similar to last year although the distribution of the primary rate show a move towards the rate of £2,746.99 stated in the [NFF technical note](#).

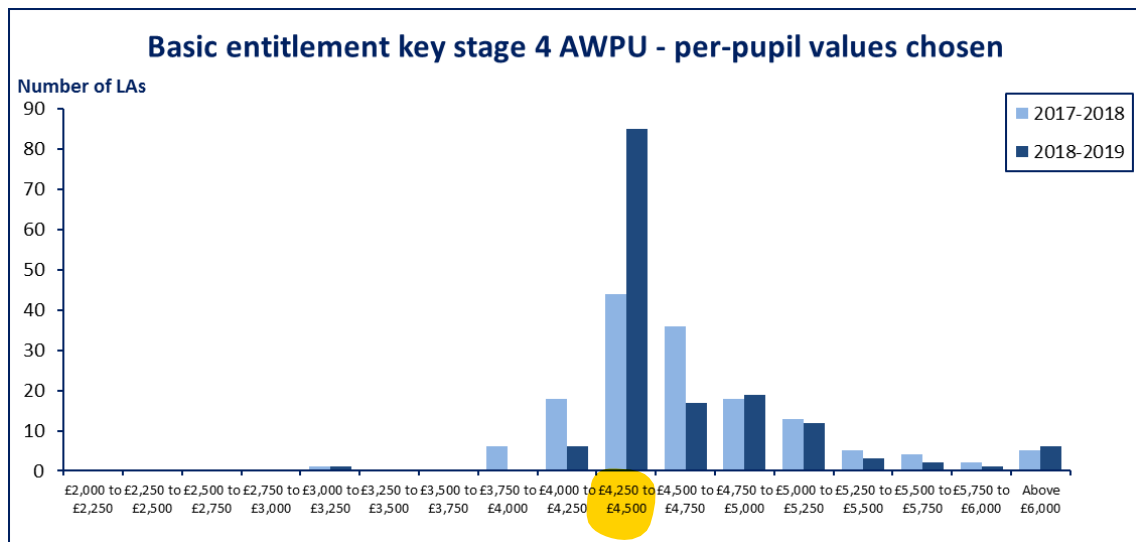
² In the charts showing the ranges of unit funding amounts local authorities have used for the formula factors, only those authorities which have chosen to use that factor in their formula in each year are shown. However, in the charts showing the proportion of funding allocated using the factors, all local authorities are displayed, with those not choosing to use the factor (where its use is not mandatory) shown as allocating 0%.



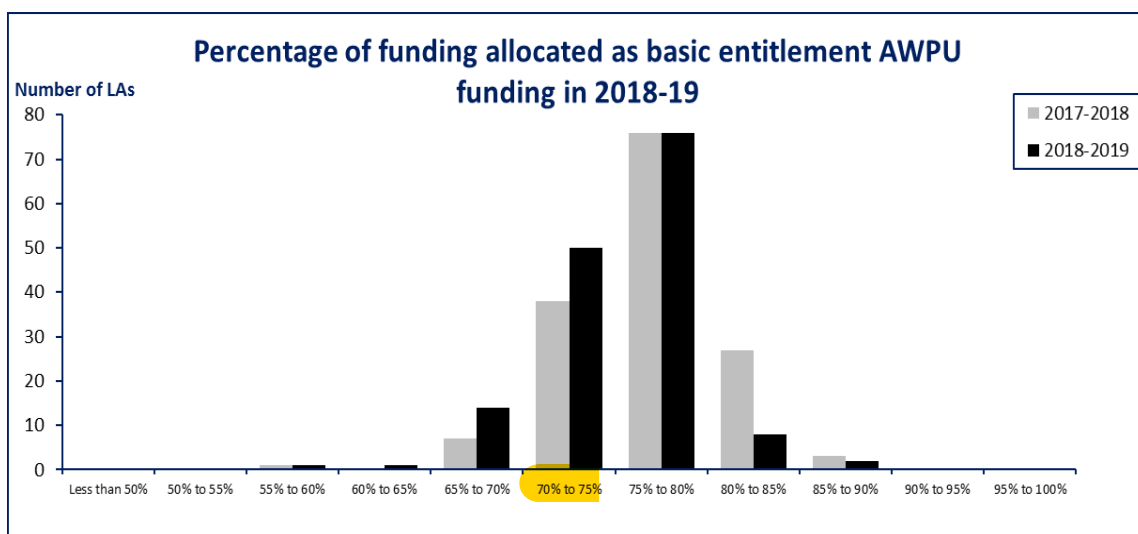
The distribution of the KS3 and KS4 rates show a move towards the NFF rates of £3,862.65 and £4,385.81 given in the [NFF technical note](#). For key stage 3 AWPUs, 88% of local authorities are allocating between £3,500 and £4,500 per pupil, and for key stage 4, the majority (84%) are allocating between £4,000 and £5,000 per pupil. Again, the authorities with the largest secondary AWPUs are mostly in London³.



³ City of London have a value of £3,000 for their key stage 3 and key stage 4 AWPUs in 2017-18 and 2018-19, which is shown on the chart; however they do not have any key stage 3 or key stage 4 pupils at their sole school so allocate no funding through these indicators.



The final chart in this section shows the proportions of schools block funding that local authorities are allocating through the basic entitlement factor. Overall, the proportion of funding being spent on the AWPU ranges from 59% to 87%, with 50% of local authorities allocating between 75% and 80%. Across all authorities, 74.9% of funding is being allocated through basic entitlement, compared to 76.9% of funding in the 2017-18 formulae.



Deprivation

This is another mandatory factor which every local authority must use in their 2018-19 formula. Local authorities can distribute their deprivation funding using any combination of the three indicators: children eligible for free school meals, children eligible for free school meals in any of the last 6 years or Income Deprivation Affecting Children Index (IDACI) data.

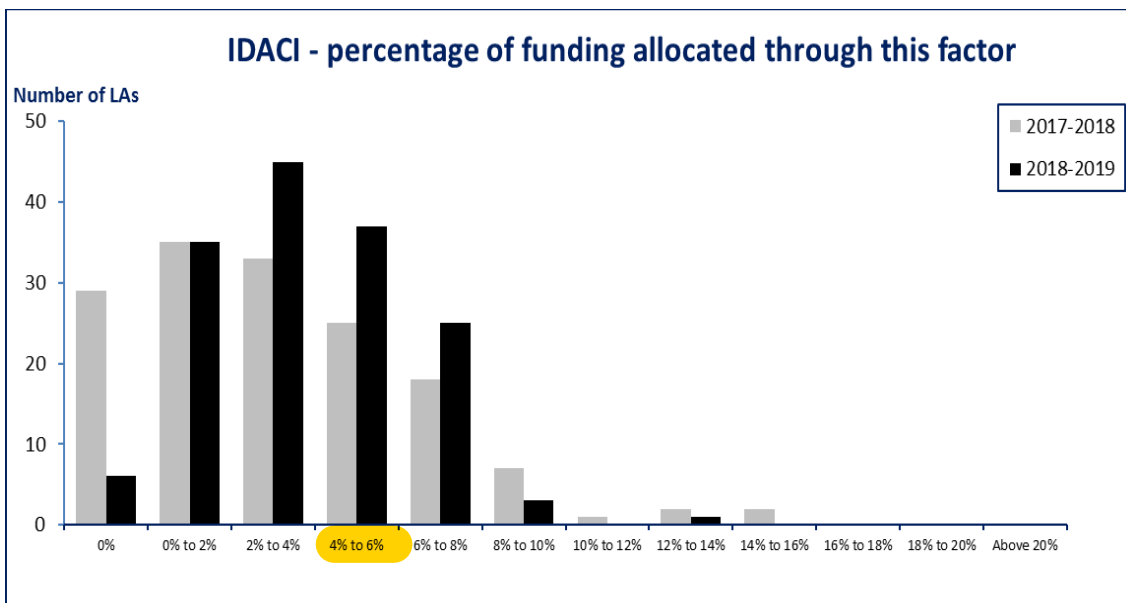
IDACI scores are taken from the English Indices of Deprivation (IMD) published by the Department for Communities and Local Government. IDACI is a measure of income

deprivation and identifies the proportion of children in out-of-work households or on low incomes.

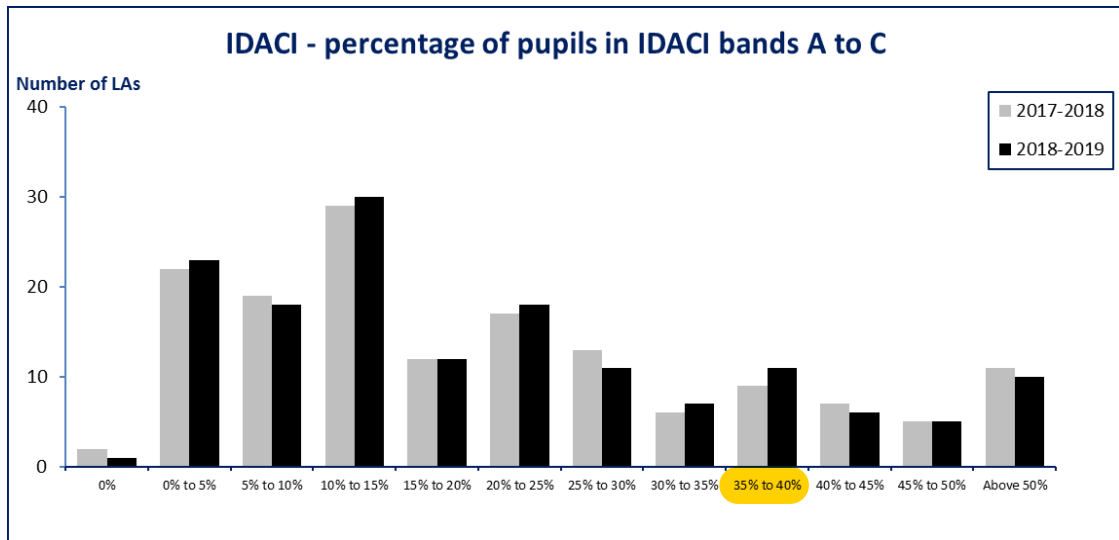
The IDACI scores are grouped into 7 bands as per the table below:

IDACI score	IDACI band value
$x < 0.20$	G
$0.20 \leq x < 0.25$	F
$0.25 \leq x < 0.30$	E
$0.30 \leq x < 0.35$	D
$0.35 \leq x < 0.40$	C
$0.40 \leq x < 0.50$	B
$x \geq 0.50$	A

The first chart in this section indicates that there is some variation between local authorities in the amount of funding allocated through this element of the factor. Of the 146 authorities using IDACI in their deprivation factor 19% are using it to allocate more than 6% of their total funding compared to 20% in 2017-18.



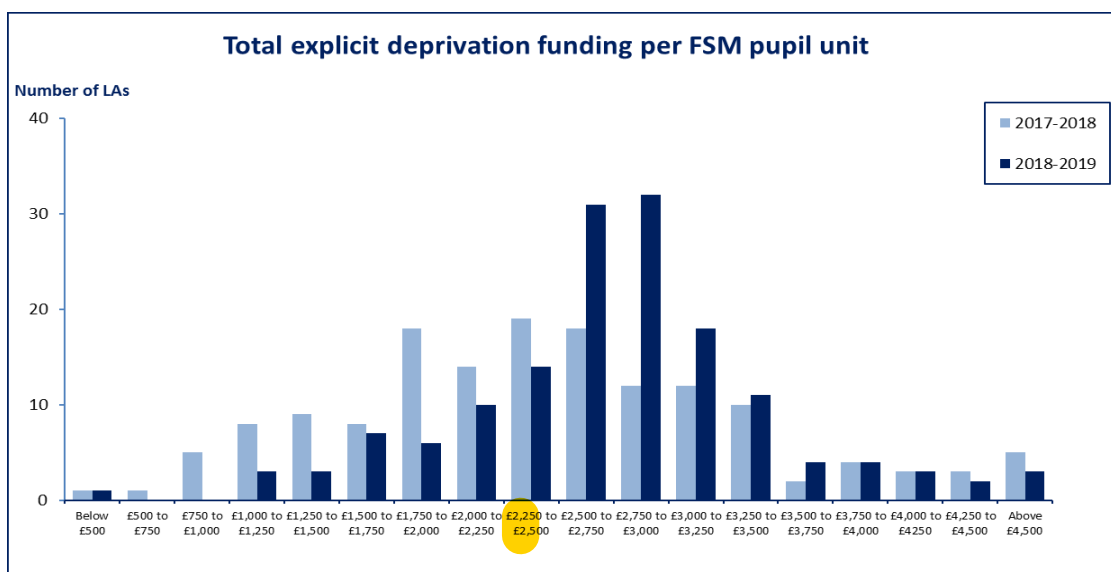
In 2018-19 33% of authorities have more than 25% of their pupils in IDACI bands A to C (compared to 34% in bands A to C in 2017-18) and 10 authorities have more than 50% of pupils in bands A to C in 2018-19 (compared to 11 authorities in 2017-18).



Because of the different permutations of deprivation indicator selections available for local authorities to use for this factor, it is not immediately straightforward to calculate per-pupil funding amounts on a comparable basis. For the purpose of this analysis, total funding allocated through the deprivation factors is divided by the number of FSM pupils, to obtain an estimate of the deprivation funding per FSM pupil, as below.

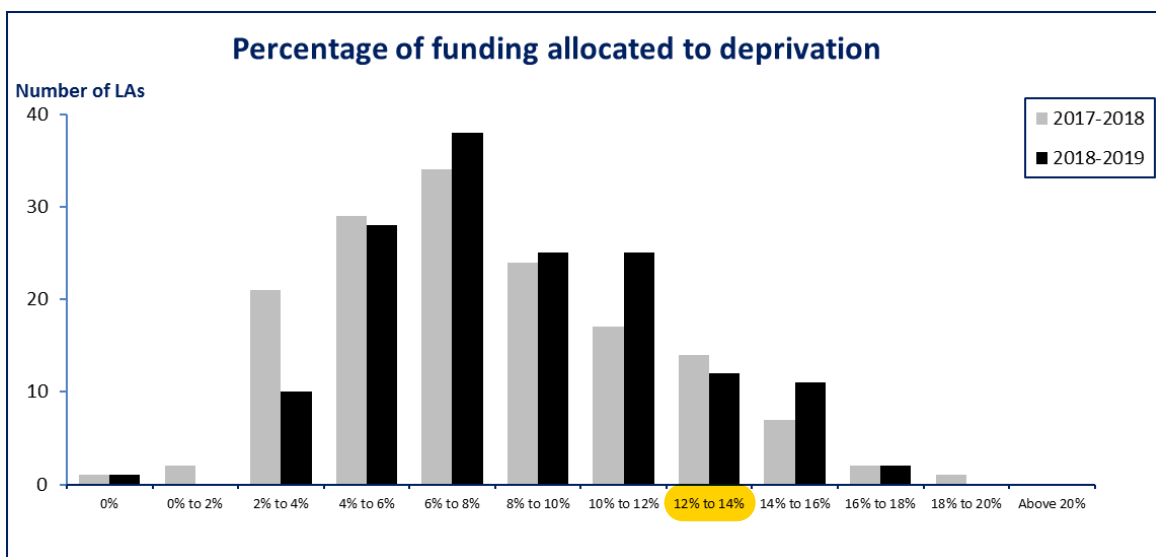
$$\text{Total deprivation per FSM pupil for each LA} = \left(\frac{\text{Total Deprivation funding in FSM+IDACI}}{\text{Number of FSM pupils}} \right)$$

The chart below indicates that there is some variation between local authorities in the amount of funding allocated per FSM pupil. 66% are allocating between £1,500 and £3,000 per FSM pupil.



There is considerable variation in the proportion of schools block funding which local authorities are allocating to schools through the deprivation factor, ranging from 0% to 18%, as illustrated by the chart below. While the deprivation factor is mandatory, the Isles of Scilly this year have no money allocated to it as no pupils meet the criteria for any of the deprivation categories used.

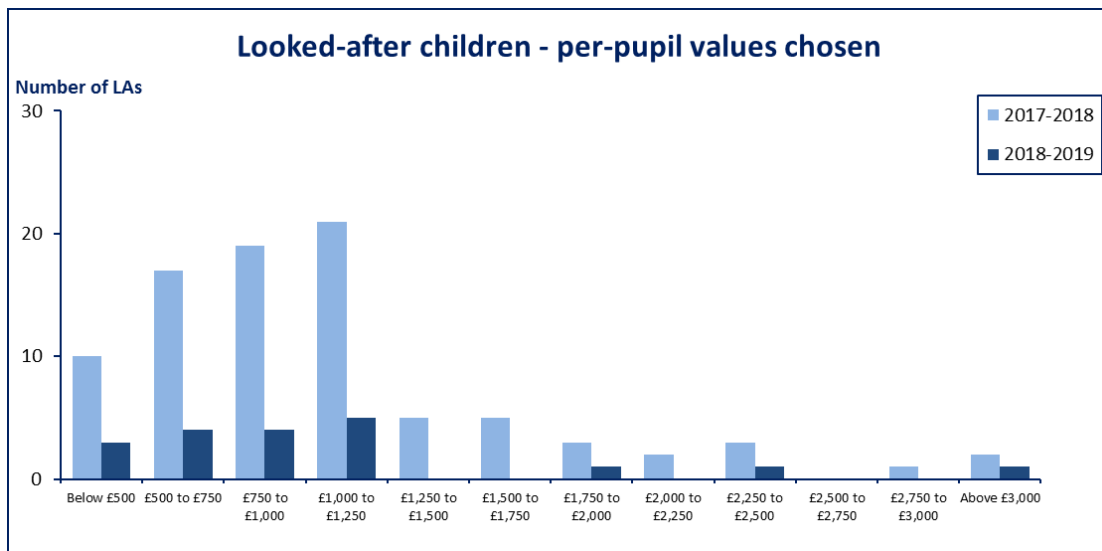
There is some variation in allocation within authorities from last year (as highlighted in the graph below), but across all authorities, the allocation has increased to 8.2% in 2018-19 compared to 7.7% in 2017-18.



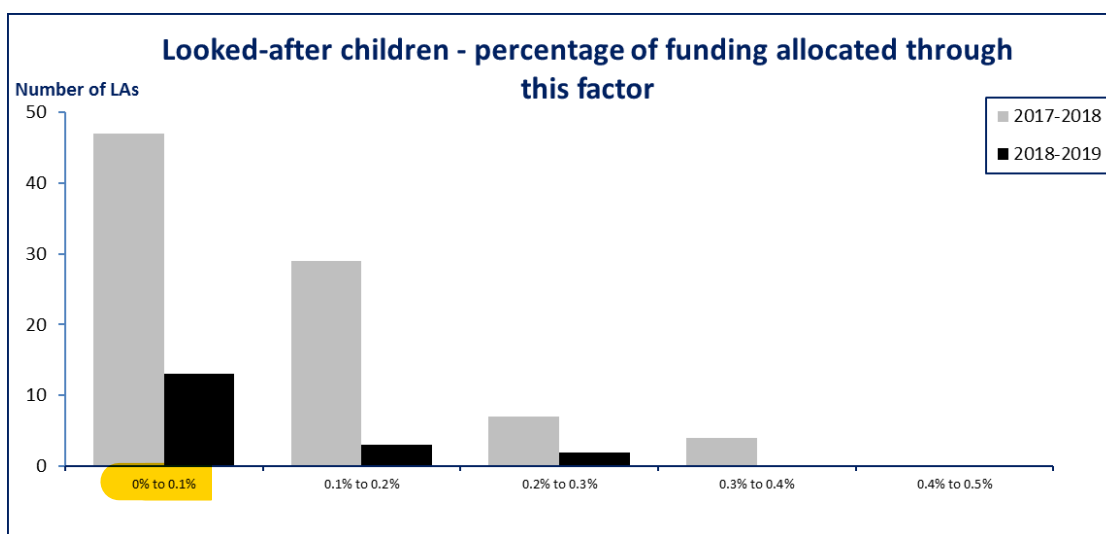
Looked-after children

Use of this factor in funding formulae is optional, and only 19 local authorities have chosen to use it, compared to 88 in 2017-18. The factor is not included in the NFF and this may be the reason for the large decrease in the number of local authorities using it in their 2018-19 formula.

As in 2017-18, the indicator authorities can use for this factor is children looked after for any period of time as at the end of March 2017 (as recorded on the March 2017 SSDA903 collection). Of the authorities that are using the factor 84% are allocating less than £1,250 per pupil. The chart below shows for those authorities using the factor the amount allocated per pupil.



Across all local authorities (including those not using the factor), a total of 0.01% of schools block funding is being allocated through the looked-after children factor.



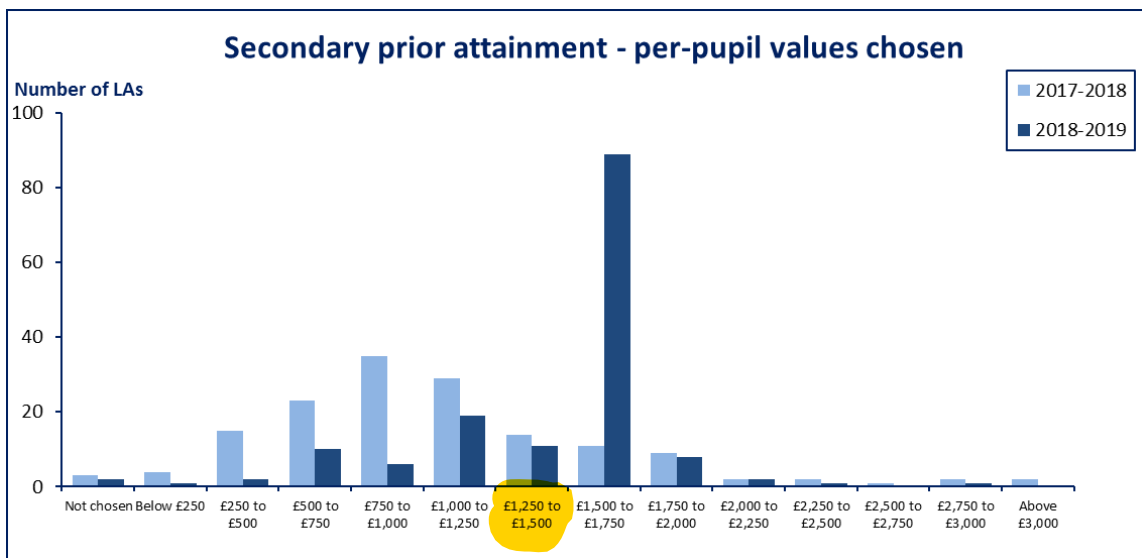
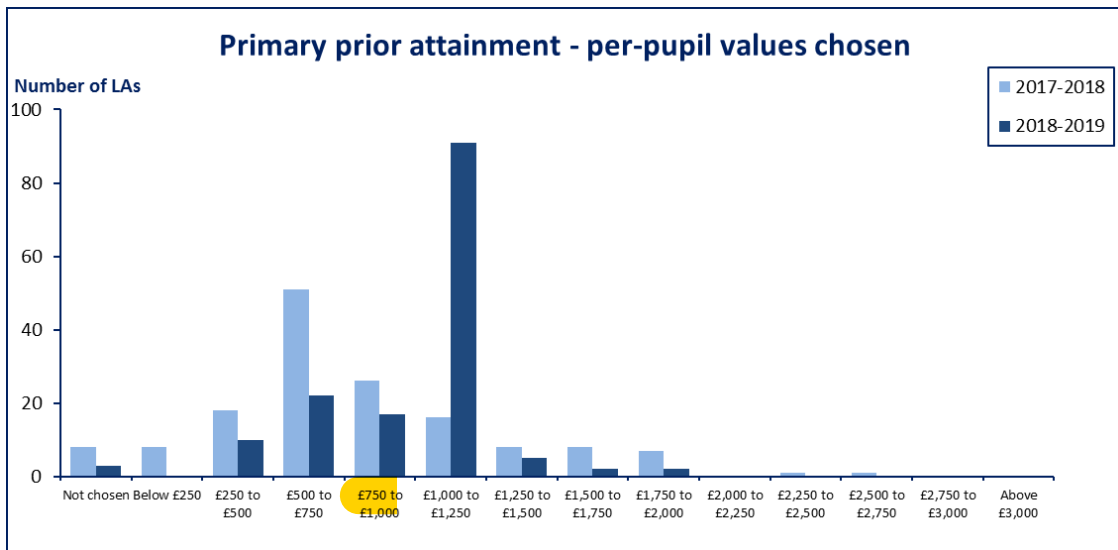
Prior attainment

Use of this factor is optional, but the factor is included in the NFF. 149 local authorities are using the indicator for primary pupils (compared to 144 in the 2017-18 formulae) and 150 are using the indicator for secondary pupils (149 last year). Two authorities have not included this factor in their formula.

For primary pupils, the indicator is the number of children in years 1 to 5 assessed under the new early years foundation stage profile as not achieving a good level of development, and the number in year 6 not achieving 73 points or more or 78 points or more under the old profile (authorities could pick between whether to use the 73 or 78

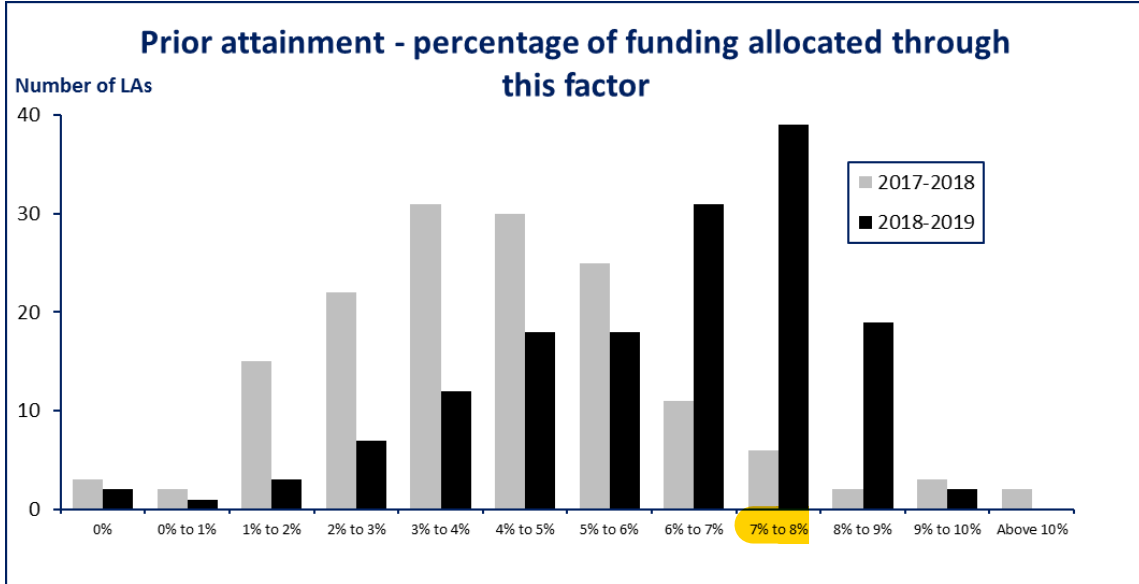
point indicator). In their formula local authorities can scale back the proportion of years 1 to 5 pupils not meeting the ‘good development’ criterion.

For secondary pupils a new national curriculum and assessment was introduced in the 2015-16 academic year, which years 7 and 8 have been assessed under. The proportion of pupils who fall in the low prior attainment bracket is higher than the proportion in years 9-11, so a national weighting has been applied to each of these years to prevent them overly influencing the funding levels. Separate weightings have been applied to year 7 pupils and to year 8 pupils. Please see page 15 of the [schools revenue funding 2018-19: operational guide](#) for further details.



The distribution of the low prior attainment rates for both primary and secondary pupils shows a significant movement towards the NFF values of £1,050 and £1,550 respectively.

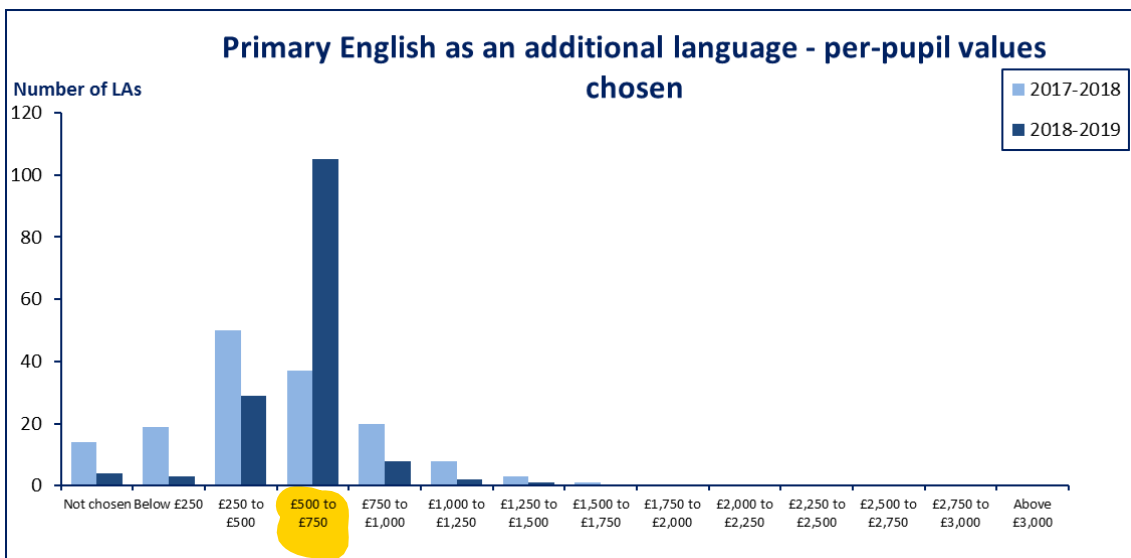
The NFF increased the amount of funding nationally that is allocated through the low prior attainment factor. This shift is being mirrored in local formulae. The chart below shows that 72% of local authorities are allocating between 5% and 10% of their schools block funding through this factor compared to only 31% last year. Across all authorities, 6.2% of funding is allocated through this factor compared to 4.3% last year.



English as an additional language (EAL)

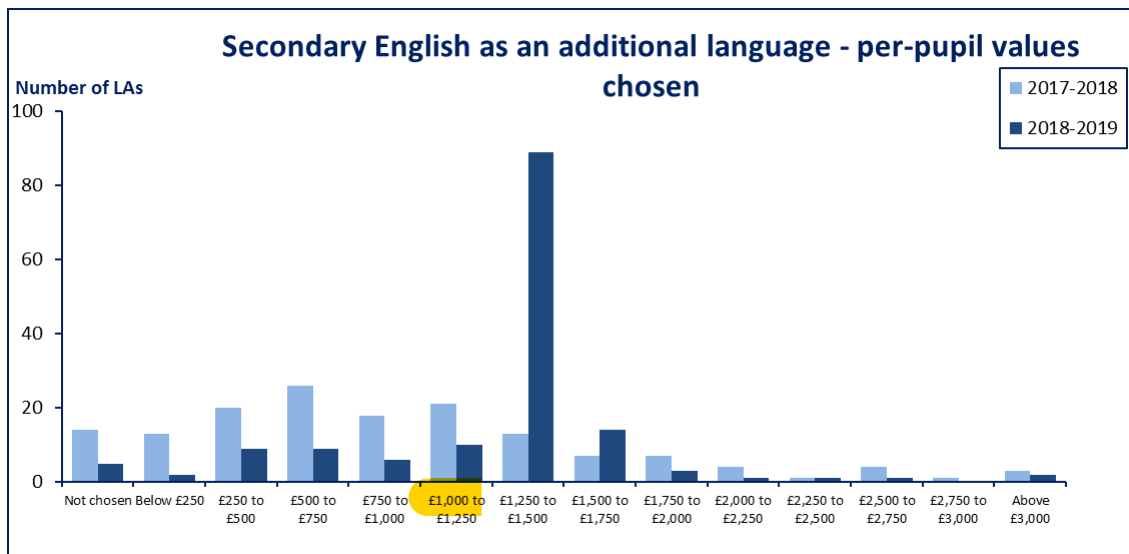
Use of this factor is optional, but the factor is included in the NFF. 148 local authorities have chosen to use it, compared with 139 in 2017-18.

Local authorities can choose one of three indicators for this factor: the number of pupils with EAL who entered the compulsory school system in either the last one, two or three years.

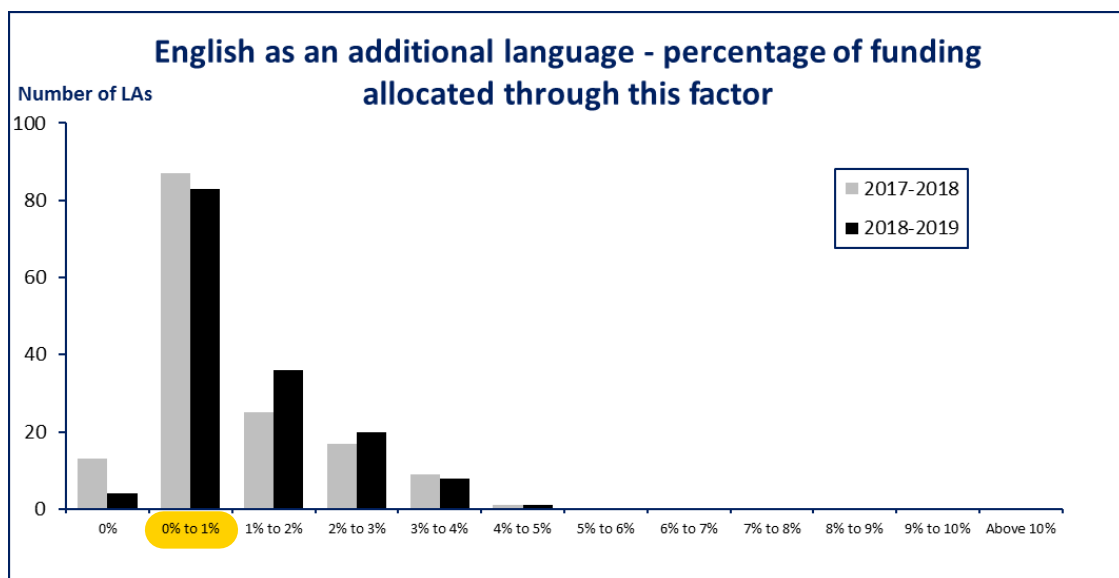


The distribution of the EAL rates for both primary and secondary pupils shows a significant movement towards the NFF values of £515 and £1,385. For the primary

indicator 69% of local authorities are allocating between £500 and £750 per pupil. For the secondary indicator 59% are allocating between £1,250 and £1,500 per pupil.

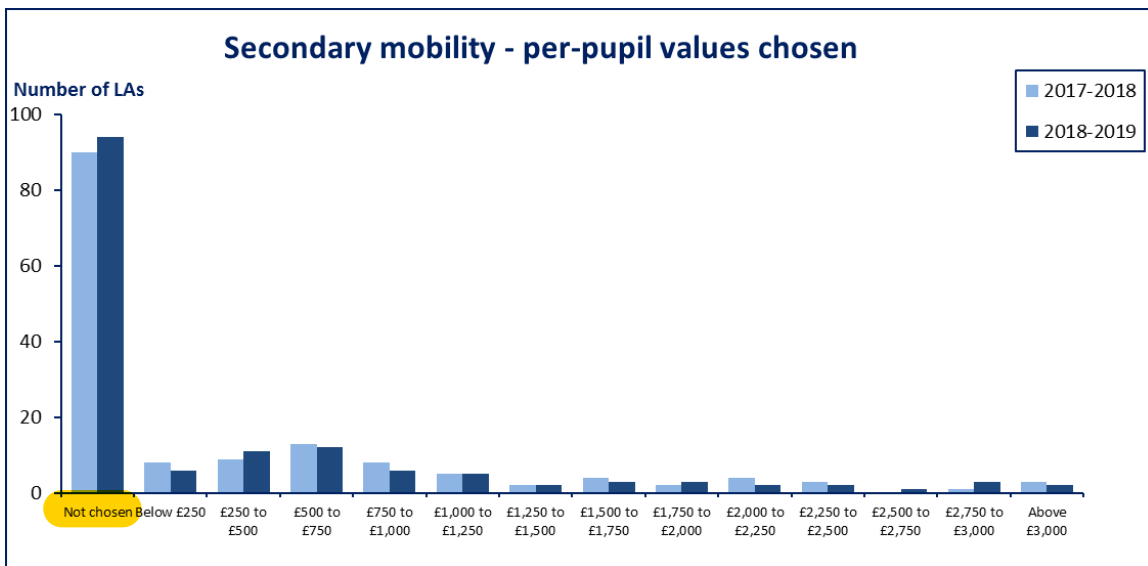
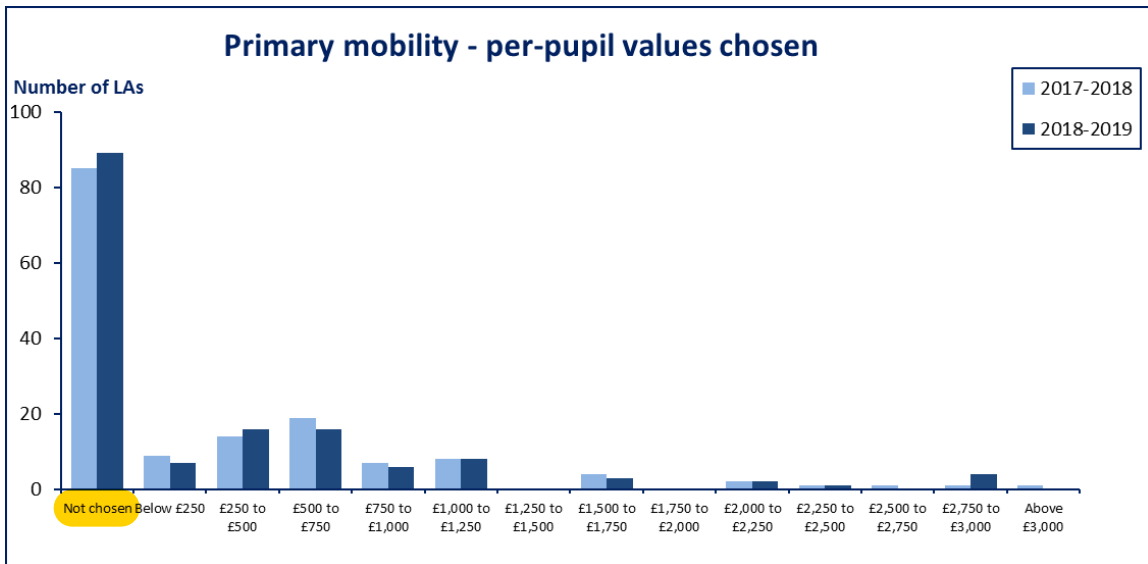


With pupils attracting funding through the EAL factor being smaller in number than those attracting funding through many other factors, across all local authorities 1.1% of funding is allocated through this factor, compared to 0.9% in 2017-18.

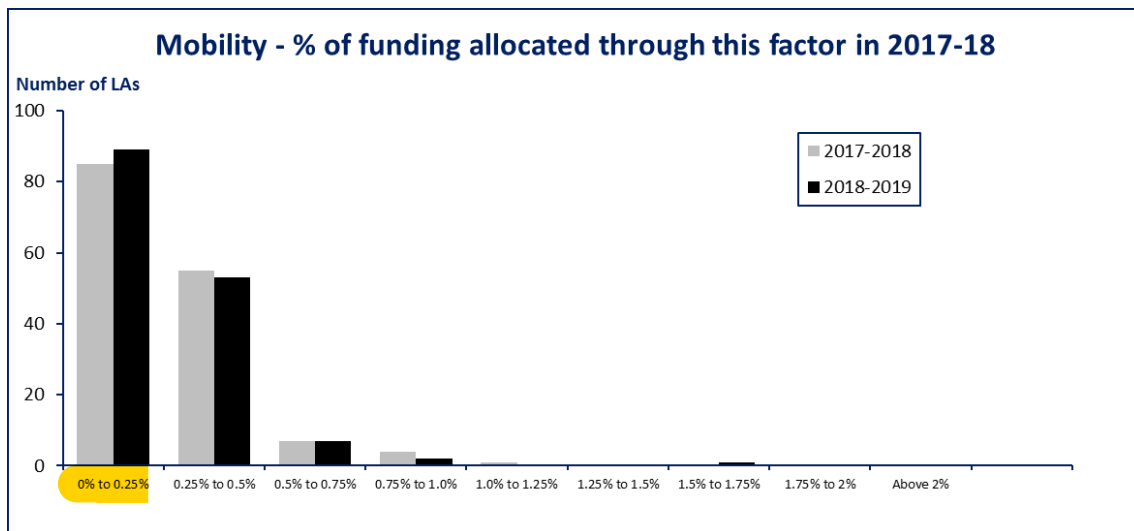


Mobility

Use of this factor is optional, and only 63 of the 152 local authorities have chosen to use it compared to 67 in 2017-18. Mobility is included in the NFF, but is currently funded on a 'historic' basis – in other words only authorities that used the factor in their local formulae in 2017-18 received funding through this factor in their 2018-19 NFF allocations. This may explain why the proportion of authorities using the factor remained relatively stable. The indicator for this factor is the number of 'mobile' pupils in excess of 10% of pupils, and is payable on the number of pupils exceeding this cut off (for example if a school has 12% mobile pupils, funding is applied to 2%).



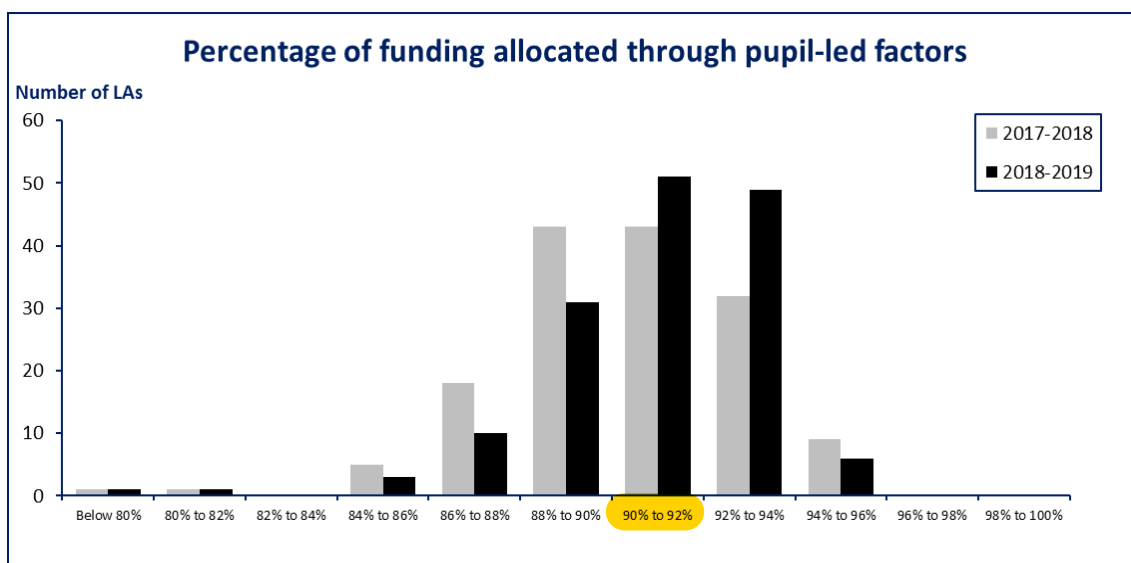
Primary per-pupil amounts range from £65 to £2,981, and the secondary per-pupil amounts from £14 to £18,826.



Only one of the local authorities which are incorporating the mobility factor into their 2018-19 funding formulae are using it to allocate more than 1% of their schools block funding, and only three are allocating more than 0.5%. Across all local authorities as a whole, some 0.1% of schools block funding is being allocated through this factor, the same as in the 2017-18 formulae.

Total funding through the pupil-led factors

The factors highlighted above (that is basic per-pupil entitlement, deprivation, looked-after children, prior attainment, English as an additional language, and mobility) are pupil-led. Although there is considerable variation across local authorities in the choices of factors used, the per-pupil amounts, and the proportions of funding allocated through each one, overall there is strong consistency in the proportions of funding allocated through the pupil-led factors as a whole.

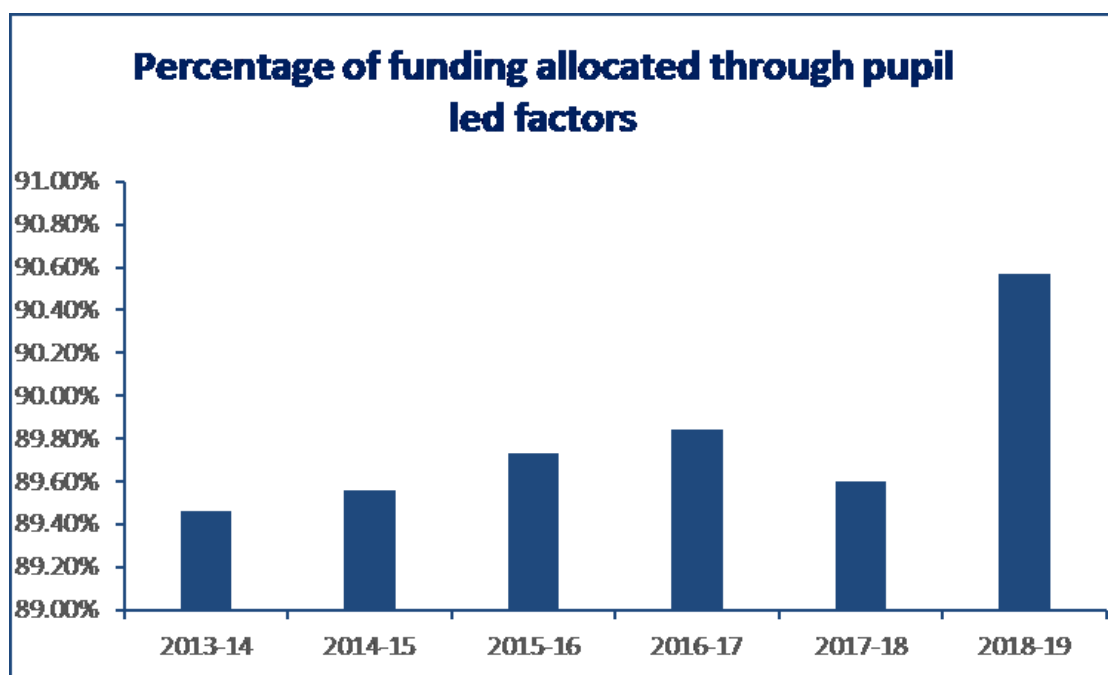


A requirement for the 2018-19 formulae is that across each local authority as a whole, a minimum of 80% of schools block funding must be allocated through these pupil-led factors. Note that the Isles of Scilly has only a single school, and does not formally receive DSG schools block funding in the same way as the other authorities, so the 80%

requirement, which is set out in the DSG conditions of grant, does not apply to them; they are the block on the chart above shown below the 80% level.

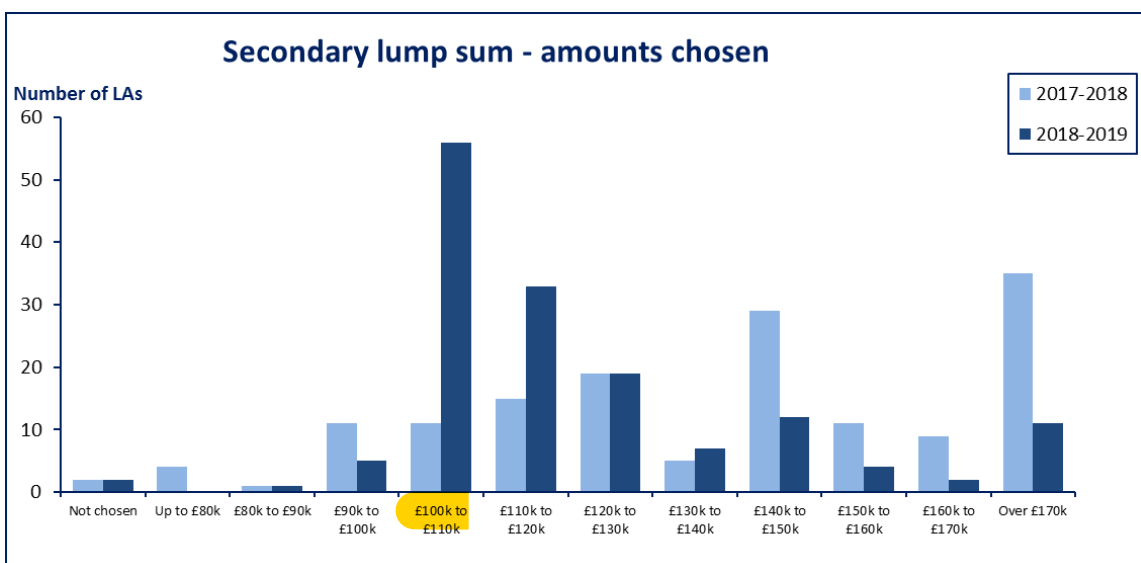
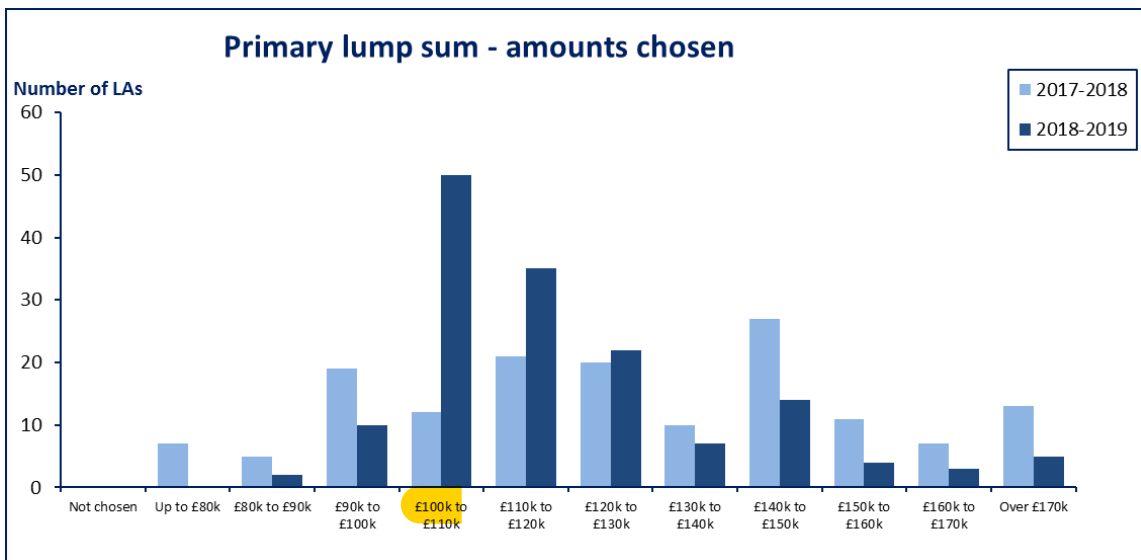
All other authorities are allocating more than 80% of their funding through a combination of the pupil-led factors, the lowest being 81.6%. In total 86% of authorities are allocating between 88% and 94% of their funding through these factors.

Across all authorities, a total of 90.57% of funding in 2018-19 formulae is being allocated through the pupil-led factors. This compares to 89.6% of funding in 2017-18, 89.84% in 2016-17, 89.73% in 2015-16, 89.56% in 2014-15 and 89.46% in 2013-14.



Lump sum

In the 2018-19 formulae, local authorities can use this factor to allocate a lump sum of the same amount to all schools, up to a maximum of £175,000. Separate lump sums can be specified for primary schools and secondary schools. All-through schools receive the lump sum specified for secondary schools. Middle schools receive a weighted combination of the two, based on the number of year groups of each phase present at the school. For a school which amalgamated during the 2017-18 financial year, authorities must allocate it additional lump sum funding, so that it receives 85% of the combined lump sums that its predecessors would have received under the 2018-19 formula.



Although this is an optional factor, like last year all local authorities have chosen to include it in their 2018-19 funding formulae⁴.

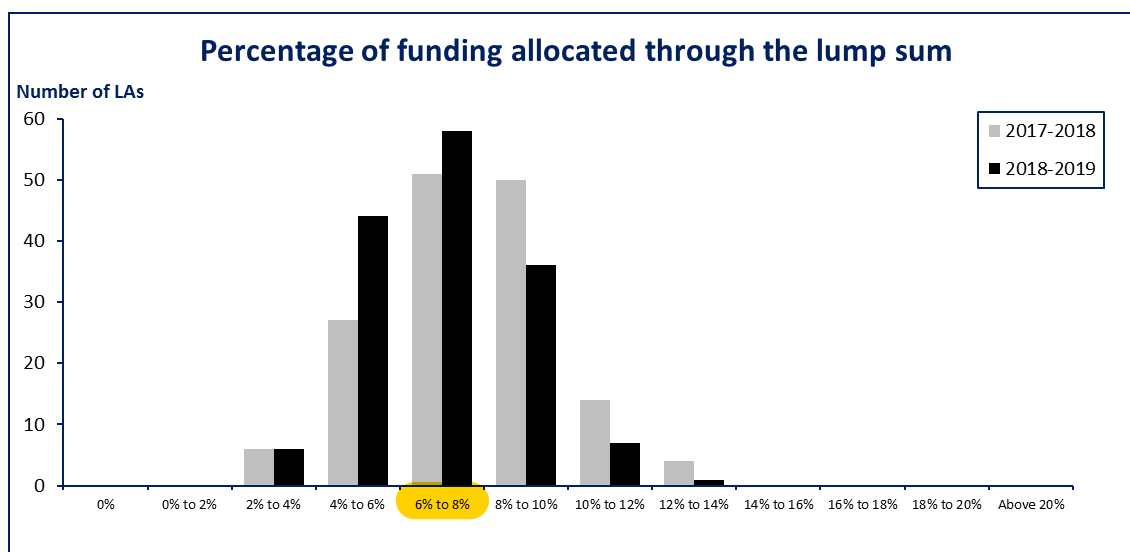
There has been a large shift in the distribution of the lump sum values used with most LAs choosing to use the NFF amount of £110,000 or a value close to it. However there is still substantial variation in the value of the lump sums selected for both primary and secondary schools. The range has narrowed to values between £85,000 and £175,000 in 2018-19 compared to value between £48,480 and £175,000 in 2017-18. The maximum value of £175,000 was chosen by 5 authorities for their primary lump sum amount and 10 for their secondary lump sum. This is compared to 13 authorities using the maximum primary lump sum and 33 the secondary maximum lump sum in 2017-18.

City of London and Haringey are the LAs represented by the “Not chosen” bar for 2018-19 secondary lump sum amounts.

There are 119 authorities that have selected equal primary and secondary lump sum amounts. Twenty two have selected a greater secondary lump sum than primary; and 11 authorities have selected a greater primary lump sum than secondary.

Note that in the lump sum - amounts chosen charts, lump sum choices of exactly a multiple of £10,000 are shown in the category for which that is the top of the band. For example the 2 local authorities with a primary lump sum of £140,000 are included in the “£130k to £140k” category.

Overall, local authorities are allocating a slightly lower proportion of their schools block funding through the lump sum factor than last year: 7.3% in 2018-19 compared to 8.1% in 2017-18.



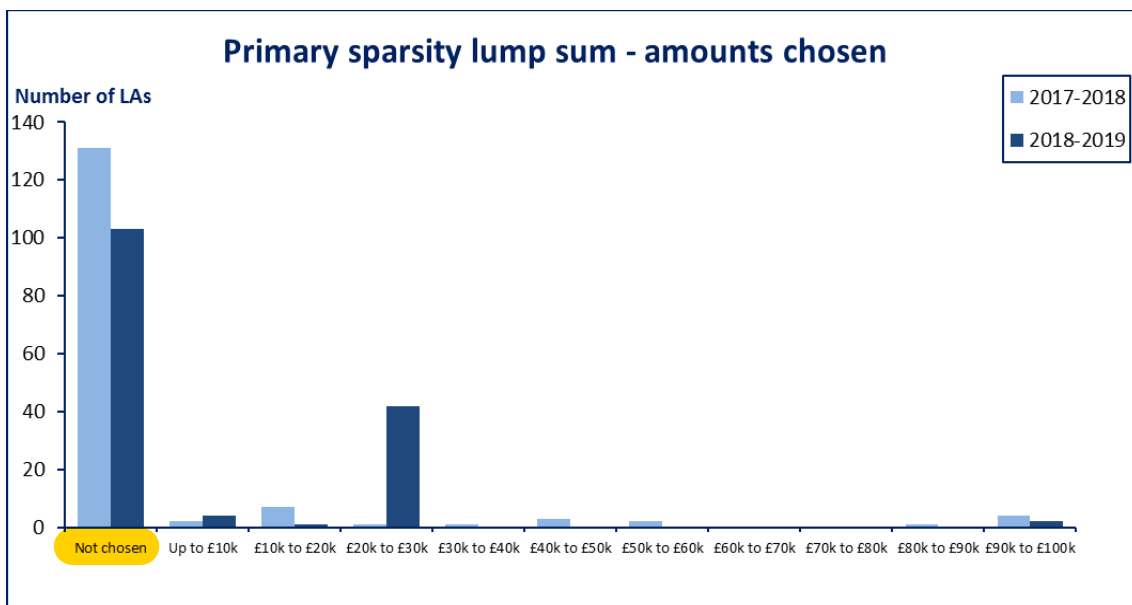
Sparsity

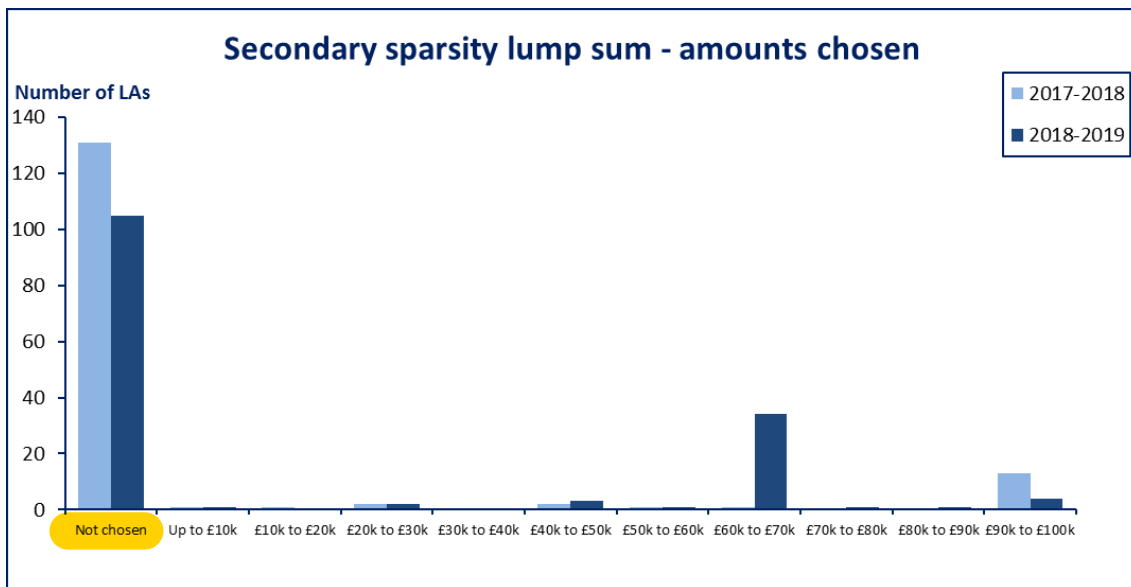
This factor was introduced into the funding formula arrangements in 2014-15. Whether a school is deemed to be sparse depends on two considerations: its “sparsity distance” and the average number of pupils per year group.

A school’s sparsity distance is derived from those pupils for whom it is their closest school (irrespective of whether they attend it). For all those pupils, the average distance to their second nearest school is calculated. Distances are calculated using the crow flies distance from a pupil’s postcode to a school’s postcode.

The sparsity factor may be applied to small schools where the average distance to pupils’ second nearest school is at least two miles (for primary schools, middle schools and all through schools) or three miles (for secondary schools). Schools must also have an average number of pupils per year group no larger than 21.4 pupils for primary schools, 120 pupils for secondary schools, 69.2 pupils for middle schools or 62.5 pupils for all-through schools. Local authorities can narrow the eligibility criteria for the factor, by increasing the average distance to the second nearest school and / or reducing the

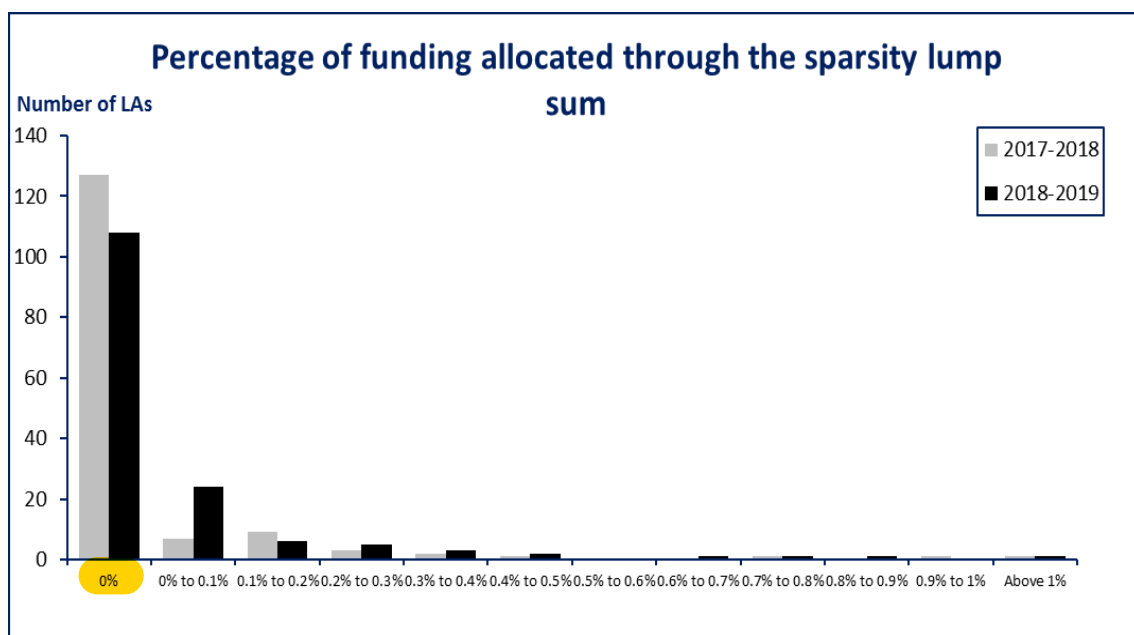
average pupil number maximum thresholds, but they cannot widen the eligibility criteria. Local authorities can set different sparsity lump sum amounts for each of these four phases of school, up to a maximum of £100,000 per school. They can also choose in each case whether to apply a ‘taper’ so that the funding given to a sparse school depends on how many pupils they have (so that the smaller schools receive higher sparsity funding) or that all sparse schools receive the same specified sparsity lump sum. Additional sparsity funding of £50,000 can also be allocated to very small, sparse secondary schools. In 2018-19 authorities were also allowed to apply to use the rules set out in the [NFF technical note](#). These rules allow for a lump sum of up to £25,000 for primary schools and £65,000 for secondary schools, middle school and all-through schools. Where the school has fewer pupils than half the year group threshold a weighting is applied to the lump sum amount meaning affected schools only receive a portion of the lump sum.





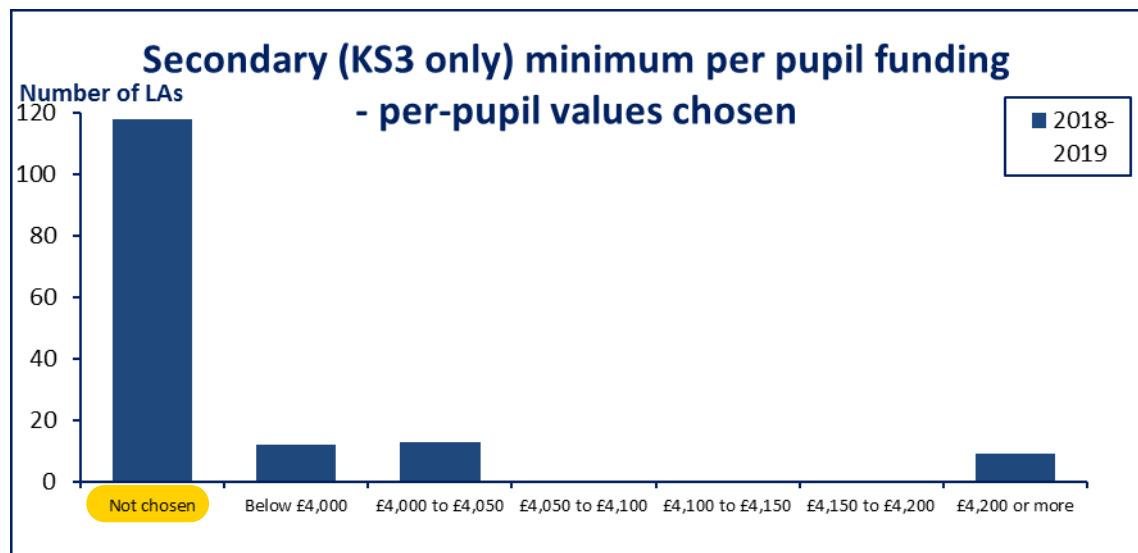
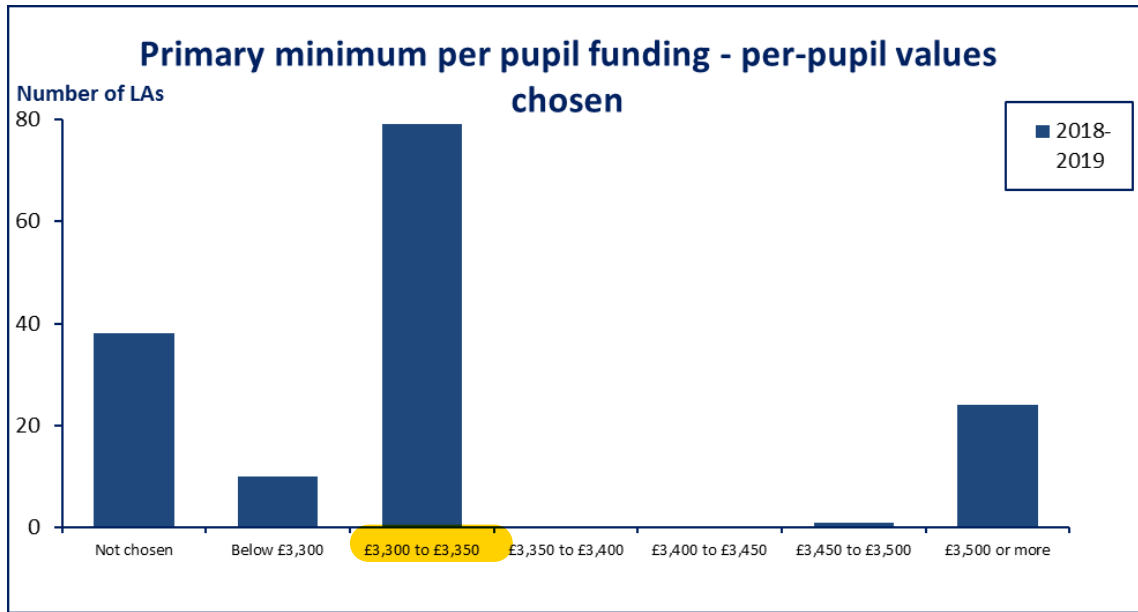
In 2018-19 50 authorities are using the sparsity factor compared to 25 in 2017-18. The increase in authority’s using this factor reflects a number of authorities using the NFF rates. Many of those authorities not using the factor do not have any schools meeting the maximum permissible average year group size and minimum permissible distance thresholds for eligibility for funding through the factor, so do not have any sparse schools.

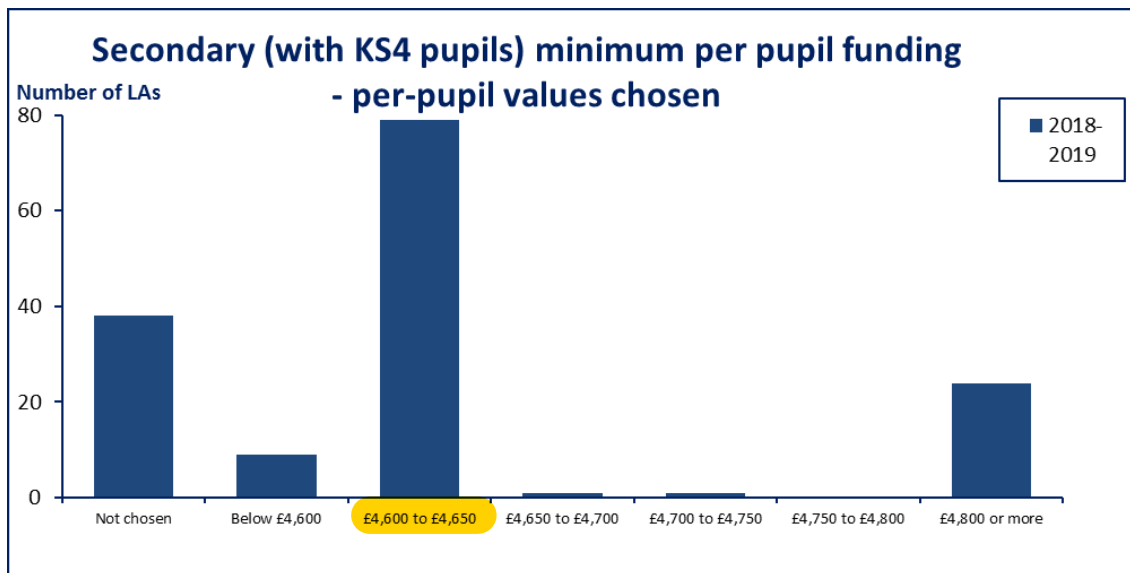
Of those that are using the factor, and excluding the Isles of Scilly (a notional 3.9%), the proportion of their schools block funding which they are allocating through this factor ranged from 0.01% to 0.86%. Across all authorities, 0.06% of funding has been allocated through this factor, compared to 0.05% in the 2017-18 formulae.



Guaranteed minimum per pupil level of funding

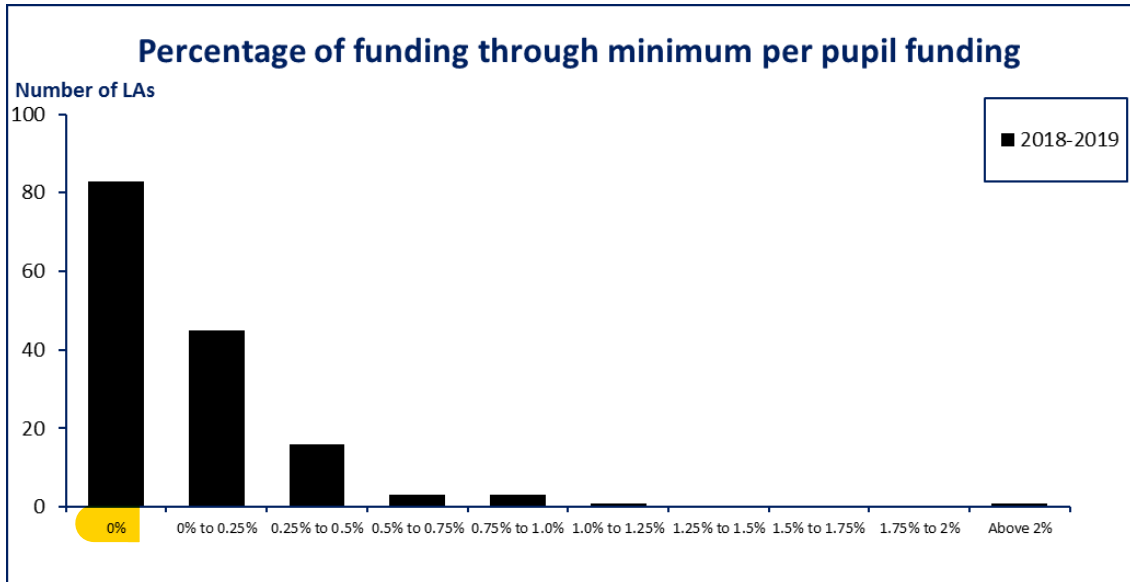
The national funding formula provides local authorities with a guaranteed minimum per-pupil funding of £3,300 for primary pupils and £4,800 for secondary pupils in 2018-19, based on the school's total core funding. In 2018-19 local authorities could use this factor in their local formulae for the first time. They were able to set minimum per pupil funding rates for primary and secondary pupils (for secondary pupils in middle schools with no key stage 4 pupils a KS3 only rate could also be set).





Of the 152 local authorities 114 used the factor in 2018-19 (although only 34 selected a rate for secondary schools with no key stage 4 pupils this is largely due to those local authorities having no qualifying middle schools).

Fifty-two percent of authorities used the 2018-19 NFF transitional primary per pupil rate of £3,300 and 52% of authorities also used the NFF transitional secondary per pupil rate of £4,600.



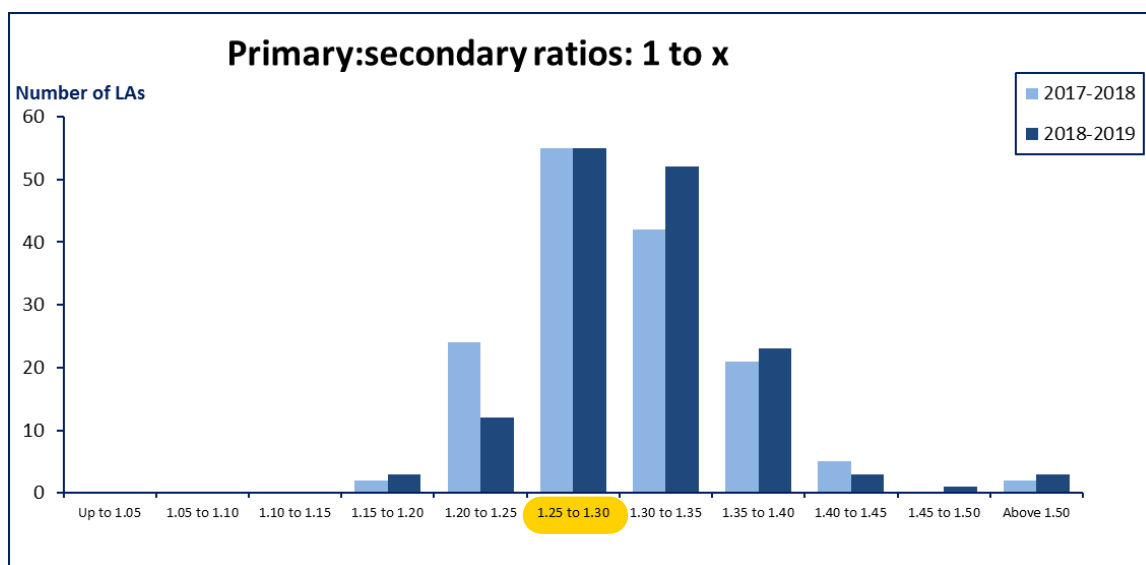
Although 114 authorities used the factor only 69 actually allocated funding through it. This is because all schools in the other 45 authorities were already receiving over the minimum level through the other funding factors. Only 2 authorities allocated more than 1% of their funding through the minimum per pupil level of funding.

Other formula factors

Information for each local authority on the formula factors not discussed in this note (London fringe, split sites, rates, PFI funding, and exceptional circumstances) can be found in the accompanying data file.

Primary:secondary funding ratios

Local authorities' 2018-19 schools block funding formulae have been used to calculate the relative differences in per-pupil funding allocated to secondary pupils compared to primary pupils. With the exception of the City of London, which has a single maintained primary school so does not have secondary pupils, the ratios of secondary to primary per-pupil funding under 2018-19 formulae are shown on the chart below. A ratio of 1 : 1.24, for instance, indicates that secondary-age pupils in a local authority receive, on average, 24% more funding per head than primary-age pupils.



The overall ratio nationally across all local authorities is 1 : 1.296, a slight increase from the 2017-18 formulae where it was 1 : 1.289. The average local authority ratio is 1 : 1.311, a slight increase on the ratio of 1 : 1.304 in 2017-18 formulae. For 42 authorities, their ratio in 2018-19 has decreased by more than 0.01 compared to last year, while for 60 authorities, their ratio has increased by more than 0.01. For the remaining 49 authorities, their ratio changed by less than 0.01 either way.

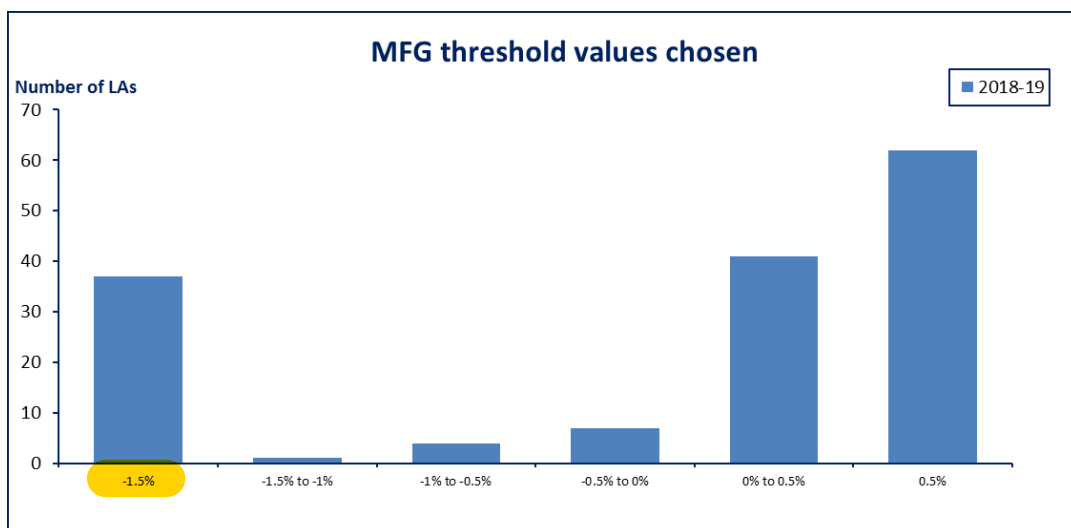
These ratios have been calculated for each local authority from the information they submitted to the ESFA as follows. The first step is to split funding for primary pupils and funding for secondary pupils. For the factors with separate primary and secondary indicators (for example, basic entitlement and deprivation), this split is simply the amount

of funding allocated through each type of indicator. For the other factors (with the exception of historic commitments for sixth form funding, which is excluded), the amount of funding allocated to each school in the local authority area is split between primary and secondary in proportion to the number of pupils in each phase at the school. These amounts are aggregated to estimate the total funding for primary pupils and the total funding for secondary pupils. These amounts are then divided, respectively, by the number of primary schools block-funded pupils on roll and the number of secondary schools block-funded pupils on roll in the authority. This gives per pupil funding amounts for primary and secondary phases, and the ratio of the two is taken.

This calculation excludes the effects on schools' funding of applying the minimum funding guarantee (MFG), and excludes any further capping or scaling factors applied by local authorities to ensure that the total funding allocated through their formulae is affordable within the total DSG schools block they have been allocated for financial year 2018-19. For academies, the calculation is based on the amount of schools block funding they would receive in 2018-19 if they were a maintained school.

Minimum funding guarantee

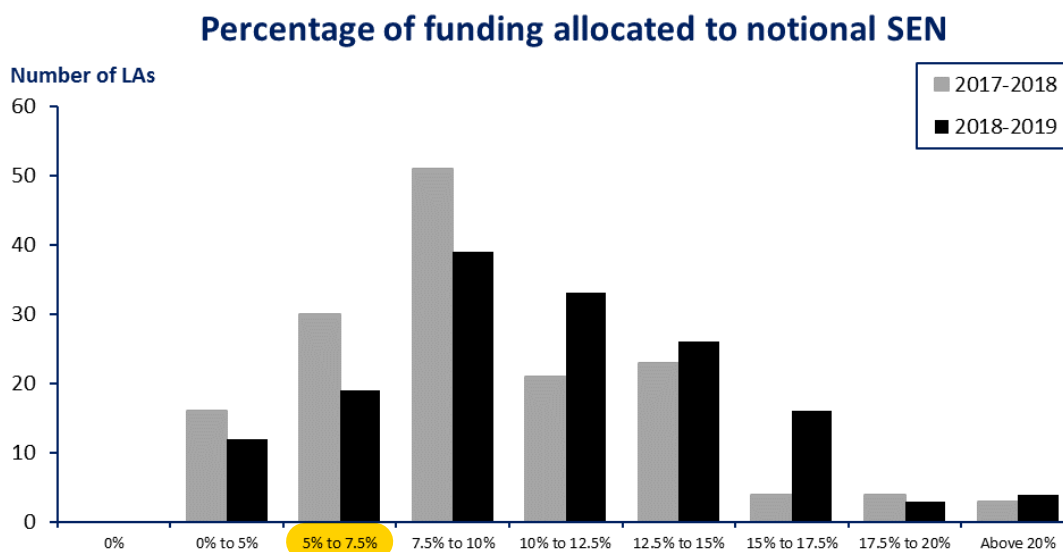
The MFG protects the per-pupil funding of schools from one year to the next. For 2018-19 authorities can choose to set a rate between -1.5% and 0.5% (in previous years the threshold was fixed at -1.5%). This change allows Local Authorities to mirror the 0.5% funding floor protection included in the NFF.



The chart above shows that 67.8% of authorities have chosen either zero or a positive MFG threshold meaning that no schools in those authorities will see a decrease in their per pupil level of funding in 2018-19. It also shows that 41% have selected a threshold of 0.5% mirroring the funding floor protection as described in the [NFF technical note](#).

Notional SEN

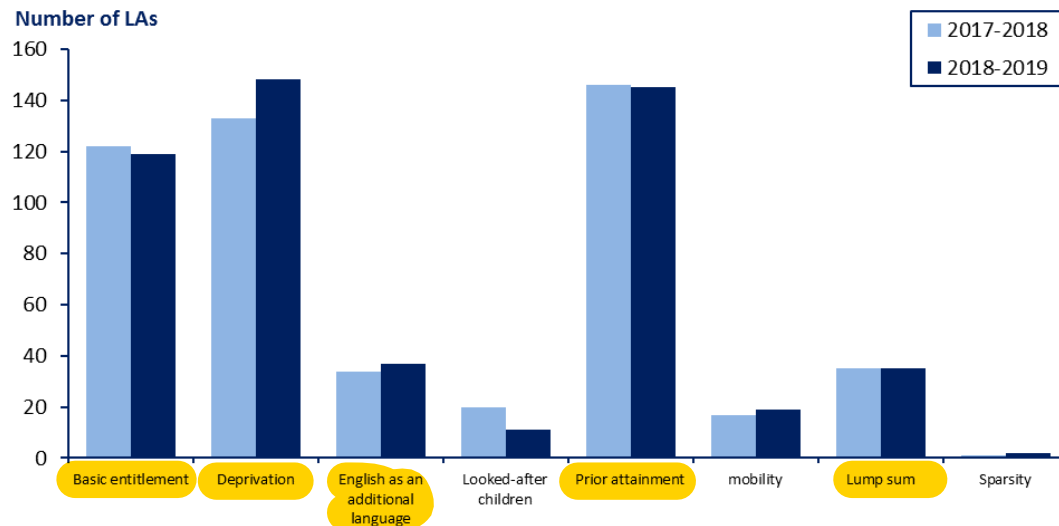
Funding for notional special educational needs (notional SEN) is not a separate formula factor. Rather, local authorities must specify how much of the schools block funding a school receives through the formula constitutes its notional SEN budget. In their funding formulae for 2018-19, local authorities specify what percentage of funding allocated through each factor contributes to the notional SEN budget.



The chart above shows how, at overall local authority level, the notional SEN budget in 2018-19 varies as a percentage of the total schools block formula allocation (before the application of MFG, capping and scaling). Some 117 (77%) of authorities are allocating between 5% and 15% of schools block funding as notional SEN.

The overall percentage of formula allocation which is designated as the notional SEN budget across all local authorities is 11.1%, an increase from 9.8% in each of the years 2014-15 through to 2017-18. The median notional SEN allocation is 10.4%. However, as the chart shows, like last year there is a wide variation across local authorities.

Formula factors used to allocate notional SEN



The chart above shows the number of local authorities for which each factor is being used to determine schools' notional SEN budgets. In the 2018-19 formulae deprivation is the factor most commonly contributing to notional SEN with 148 authorities doing this.

The majority of authorities are also assigning a percentage of their basic entitlement and prior attainment funding into notional SEN. For the formula factors not displayed on the chart (such as split sites) only a few authorities are using these for notional SEN. Full details on the use of factors to calculate notional SEN in 2018-19 can be found in the accompanying data file.

Overall, the pattern of factors used to calculate notional SEN is similar to 2017-18 formulae.

Growth fund

Subject to the approval of their schools forum, local authorities are able to retain some of their schools block funding centrally (that is, rather than allocate it to their individual schools) for a growth fund. This can be used only for the purposes of supporting growth in pre-16 pupil numbers to meet basic need pressures, to support additional classes needed to meet the infant class size regulation, and to meet the costs of new schools. Authorities must use the fund on the same basis for the benefit of both maintained schools and academies in their area.

Some 129 of the 152 authorities are retaining a growth fund in 2018-19, compared to 132 doing this in their 2017-18 formulae. The total value of these growth funds is £186.3m. Growth fund amounts for individual authorities range from £35,000 to £10.9m.

Falling rolls fund

Local authorities were also able to retain funding centrally to support schools currently experiencing falling rolls to prepare for an expected future population bulge, again subject to the approval of their schools forum. The falling rolls fund should be restricted to population increases expected in two to three years in necessary schools which are classed by Ofsted as good or outstanding. The fund cannot be used by authorities to prop up unpopular or failing schools.

Only 27 authorities are retaining a falling rolls fund in their 2018-19 formulae (down from 28 in 2017-18), with a total value of £9m. Falling rolls fund amounts for individual authorities range from £50,000 to £1.8m.

Information about the data file

Alongside this document, the DfE has published a detailed data file in Microsoft Excel format showing the 2018-19 funding formula used by each local authority, as they stood at 23 March 2018.

“Proforma” sheet

The sheet entitled “Proforma” allows the full data for a single authority to be displayed on the screen. Click on the purple cell near the top of the page next to the LA Name label, then click on the drop-down arrow that appears alongside, to select a new local authority.

“Final MI data 1819” sheet

The sheet entitled “Final MI data 1819” gives the proforma data values for each authority in a large table. This section provides a description of all the columns displayed here.

Minimum level of per pupil funding

This section shows which local authorities have chosen to use the guaranteed minimum per pupil level of funding introduced in 2018-19. The section includes details of the rates applied to each of the year groups as well as details of whether mobility and premises funding has been excluded from the allocation when calculating if additional funding is due under the factor.

Reception Uplift

The “Reception Uplift” column indicates which local authorities have opted to increase the count of primary pupils to which the basic entitlement primary indicator applies, to include pupils with deferred entry into reception later in the year. The other column in this section indicates the number of pupils this applies to.

Basic entitlement

This section shows the per-pupil funding amounts local authorities have chosen for the primary and secondary indicators in their 2018-19 formulae; the number of pupils in mainstream maintained schools and academies in the authority as a whole to which each indicator applies; the total amount of schools block funding allocated to maintained schools and academies through each factor; the proportion of schools block funding allocated through each factor; and the proportion of the factor’s funding which contributes towards notional SEN budgets.

Deprivation, looked-after children, prior attainment, English as an additional language, mobility

These sections also show the per-pupil amounts chosen, the number of pupils, the total/proportion of funding allocated to schools through each factor, and contribution to notional SEN budgets. For the indicators where local authorities had a choice as to which specific measure to use for their formulae, columns indicate the selection. Explanations for the entries in these columns are given below. For each, the entry “N/A” means that a local authority has chosen not to use a particular factor or indicator.

English as an additional language – Primary (1/2/3/NA), Secondary (1/2/3/NA):

- EAL 1 Primary / EAL 1 Secondary: Indicator used is the number of pupils with EAL who entered the compulsory school system in the last year.
- EAL 2 Primary / EAL 2 Secondary: Indicator used is the number of pupils with EAL who entered the compulsory school system in either of the last 2 years.
- EAL 3 Primary / EAL 3 Secondary: Indicator used is the number of pupils with EAL who entered the compulsory school system in any of the last 3 years.

Prior attainment – Primary Low Attainment (73/78/NA):

- Low Attainment % old FSP 73: Indicator used is the number pupils in year 6 who did not achieve 73 points or more in the old early years foundation stage profile.
- Low Attainment % old FSP 78: Indicator used is the number pupils in year 6 who did not achieve 78 points or more in the old early years foundation stage profile.

Lump sum

Lump sum funding is shown in two places in the data file. Most funding through the lump sum factor is shown in the group of columns entitled “Lump sum”. However there is also a small amount of lump sum funding displayed in the “Exceptional circumstances” section, in columns 2 to 5 of this group (all of which have a column title “Additional lump sum...”). The data here relates specifically to additional lump sum funding which authorities are allocating to schools which amalgamated during the 2017-18 financial year. As explained previously, authorities must allocate such schools additional lump sum funding, so that they receive 85% of the combined lump sums of its predecessors. Authorities could also apply to continue protection for schools which amalgamated during the 2016-17 financial year. The data are presented in this way because authorities recorded any additional lump sum funding for previous year amalgamations in a different section of their formula submission.

Therefore the total amount of funding that each authority is allocating through the lump sum factor is obtained by summing the values in the “Lump Sum total” and “Additional lump sum total” columns. Similarly, the proportion allocated through the lump sum factor

is obtained by summing the values in the “Lump Sum proportion” and “Additional lump sum proportion” columns.

Sparsity

Sparsity funding is also shown in two places in the data file. Most funding through the sparsity factor is shown in the group of columns entitled “Sparsity”. However there is also a small amount of sparsity funding displayed in the “Exceptional circumstances” section, in the group of three columns (headed “Additional sparsity lump sum...”) following the additional lump sum data. The data here relates specifically to additional sparsity funding which authorities are allocating to very small, sparse secondary schools.

(London) fringe payments, split sites, rates, PFI funding, sixth form, exceptional circumstances

These sections of the data file show the total funding and proportions of funding allocated to schools through each factor.

Schools block

The “Total Funding Schools Block Formula Excl MFG Funding Total (£)” column gives the total amount of money allocated to mainstream maintained schools and academies in 2018-19 under local authorities’ basic funding formulae. This section also includes any additional funding allocated through the guaranteed minimum per pupil level of funding.

Minimum funding guarantee

The MFG protects the per-pupil funding of schools from one year to the next and for 2018-19 authorities can choose to set a rate between -1.5% and 0.5%. The column “Minimum Funding Guarantee (£)” is the total funding authorities are allocating to their schools, over and above the amounts derived through their basic formula, to ensure this condition is met.

In addition, local authorities are allowed to set capping and scaling factors to ensure that the amount of funding allocated through their formula (and including any additional funding to ensure the MFG is met) fits within the total DSG schools block available to them. Any change in the per-pupil funding amount in 2018-19 compared to 2017-18 for an individual school can be capped at a level specified by the local authority: these caps are given in the column “Capping Factor”. Any school which sees its per-pupil funding increase by more than the level of the cap will see any additional increase scaled back, to some extent (see next paragraph). For example, in this column a 0% cap means that the local authority will start scaling back any increase in per-pupil funding. A capping factor of 2% means that any rise in per-pupil funding of more than 2% will be scaled back. Where a local authority has set an MFG rate greater than zero then where a cap is applied it is

calculated from the MFG value (so if the authority chooses an MFG rate of 0.5% and a cap of 2.5% then gains exceeding 3% will be capped).

The column “Scaling Factor” indicates the amounts by which schools’ increases in per pupil funding over the level of the cap will be reduced. So, for example, a 100% scaling factor means that ALL increases in per-pupil funding above the level of the cap will be removed – in other words the cap is a strict limit on the increase in per-pupil funding in 2018-19 compared to 2017-18. Similarly, a 50% scaling factor means that schools will lose half of any per-pupil funding increase above the level of the cap. Authorities showing 0% values in both the “Capping Factor” column and the “Scaling Factor” column are not restricting per-pupil increases compared to 2017-18 in order to stay within their available funding.

The “Total deduction if capping and scaling factors are applied (£)” column shows the total amounts that have been taken off school budgets due to the application of the capping and scaling factors. Clearly, any school requiring additional funding in addition to that specified by a local authority’s basic formula in order to meet the MFG will not also be subject to capping and scaling reductions. Any entry of zero in this column means that capping and scaling has not led to any deductions in funding compared to the basic formula for any schools in the local authority area.

Totals

The “Total Funding for Schools Block Formula (£)” column shows the total schools block funding allocated to mainstream maintained schools and academies in each local authority under their 2018-19 formulae, after additions for MFG funding and deductions from capping and scaling. The total funding figure is higher than the total schools block formula funding plus the net MFG total as it also includes any adjustments made to schools 2017-18 budgets in 2018-19 not included in this publication. Note that the totals will not exactly match the total DSG schools block funding for 2018-19 that has been allocated to each local authority. This is for a number of reasons. The funding formulae specify the funding allocated to individual schools, and so exclude authority level allocations such as the growth fund and falling rolls fund, which are shown in the correspondingly named columns. In addition to this in some cases local authorities can move funding to the high needs block and the funding formulae will reflect any brought forward over- and under-spends, and authorities supplementing DSG from other funding sources.

For the other columns in this section:

- % Distributed through Basic Entitlement – the proportion of schools block funding being allocated through the basic entitlement factor in each local authority, prior to MFG and capping and scaling.
- % Pupil Led Funding – the proportion of schools block funding being allocated through the pupil-led factors (i.e. basic entitlement, deprivation, looked-after

children, prior attainment, English as an additional language, and mobility), prior to MFG and capping and scaling.

- Primary/Secondary Ratio – the local authority's primary:secondary funding ratio; a figure of 1.24, for example, denotes a ratio of 1 : 1.24, meaning that secondary age pupils in a local authority receive, on average, 24% more funding per head than primary-age pupils.



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REPORT TO: Schools Forum

DATE: 10th October 2018

REPORTING OFFICER: Senior Finance Officer

SUBJECT: Forecast Outturn 2018-19

WARDS: Borough wide

1.0 PURPOSE OF THE REPORT

To inform Schools Forum of the forecast outturn position, as currently expected.

2.0 RECOMMENDATION: That

2.1 The report is noted.

3.0 SUPPORTING INFORMATION

3.1 As part of the detailed monitoring of the Dedicated Schools Grant we can report that the forecast outturn position based on expenditure to the end of August 2018 is an overspend of £680,259. A brief overview of how this figure has been reached is attached as Appendix A.

3.2 Schools Block

The Schools Block is fully devolved to maintained primary and secondary schools following the 0.5% transfer to the High Needs Block. Only one in-year adjustment, where necessary, is due for Business Rates. This is done as part of the year-end closedown work.

3.3 Central Schools Services Block

We are currently forecasting an underspend of £137,096. The majority of this is from the Premature Retirement budget originally set at £233,980 as part of the overall £493,980 budget. As we are able to use the £401,000 core budget first, we will only require approximately £100k of DSG to cover the total costs for 2018-19.

3.4 Early Years Block

We have a slight overspend forecast here, of £3,717. The estimated figures include a clawback against the 2017-18 grant allocation as well as an increase of £152,932 to the 2018-19 grant allocation. This is based on current estimated take up of provision although we will not get confirmation of the increased amount until July 2019.

3.5 High Needs Block

The High Needs Block is currently forecast to overspend by £1,031,486. The key areas that are overspending are as follows:

Special Schools	£102,482
Top-up funding	£214,521
Independent Special Schools	£597,279
Inter Authority provision	£166,192
Post 16 provision	£208,100

The overspends have been slightly offset by expected underspends as follows:

Behaviour Support Team	£80,870
Specialist Teams	£115,143
Inclusion division staffing	£45,270

3.6 DSG carry forward

The carried forward balance of £466,755 has commitments of £248,907, leaving a balance available of £217,848.

3.7 Summary

Schools Block	£0
CSSB	£137,096
Early Years Block	(£3,717)
High Needs Block	(£1,031,486)
DSG cfwd balance	<u>£217,848</u>
Total	(£680,259)

3.8 We have built in all known and expected costs and are monitoring expenditure on a month by month basis, but we have to acknowledge costs will be incurred that are currently unknown to us.

4.0 FINANCIAL IMPLICATIONS

4.1 An overspend against the Dedicated Schools Grant in excess of our carried forward balance will result in the overspend having first call against our grant allocation for 2019-20. Thus, next year's grant will effectively be reduced by the level of this year's overspend.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

5.1 Children & Young People in Halton

It is essential that schools receive sufficient funding to allow them to support all children and young people.

5.2 Employment, Learning & Skills in Halton

None.

5.3 A Healthy Halton

None.

5.4 A Safer Halton

None.

5.5 Halton's Urban Renewal

None.

6.0 RISK ANALYSIS

6.1 The outturn currently forecast will undoubtedly change for a variety of reasons, the level of demand on the High Needs Block budgets is likely to continue to increase. Stringent measures and monitoring are in place to minimise overspending, subject to the LA and all schools/academies working together.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 The Local Authority must discharge its statutory responsibilities in relation to all schools and settings.

Summary	Original budget	Current budget	Forecast Outturn	Variance
Schools Block	£ 51,003,992.26	£ 51,003,992.26	£ 51,003,992.28	-£ 0.02
Central Schools Services Block	£ 676,852.00	£ 676,852.00	£ 539,756.30	£ 137,095.70
Early Years Block	£ 9,479,357.00	£ 9,632,289.00	£ 9,636,005.68	-£ 3,716.68
High Needs Block	£ 15,587,111.00	£ 15,604,340.00	£ 16,635,826.10	-£ 1,031,486.10
DSG carry forward (central)	£ 466,754.00	£ 585,926.00	£ 368,077.84	£ 217,848.16
Total DSG	£ 77,214,066.26	£ 77,503,399.26	£ 78,183,658.20	-£ 680,258.94

Schools Block

Primary (before de-delegation)	£ 39,848,040.25	£ 39,848,040.25	£ 39,848,040.27	-£ 0.02
Secondary (before de-delegation)	£ 11,155,952.01	£ 11,155,952.01	£ 11,155,952.01	£ -
Total Schools Block	£ 51,003,992.26	£ 51,003,992.26	£ 51,003,992.28	-£ 0.02

Central Schools Services Block

Safeguarding post contribution	£ 47,100.00	£ 47,100.00	£ 47,100.00	£ -
Licences	£ 98,550.00	£ 98,550.00	£ 98,554.39	-£ 4.39
Teachers Panel	£ 19,460.00	£ 19,460.00	£ 19,460.00	£ -
Premature Retirement costs	£ 233,980.00	£ 233,980.00	£ 100,000.00	£ 133,980.00
Staff Responsibilities (de-del)	£ 25,470.00	£ 25,470.00	£ 25,470.00	£ -
FSM Eligibility contribution (de-del)	£ 6,520.00	£ 6,520.00	£ 6,520.00	£ -
Dismissals Costs (de-del)	£ 127,110.00	£ 127,110.00	£ 127,110.00	£ -
Schools Contingency (de-del)	£ 198,780.00	£ 198,780.00	£ 198,780.00	£ -
De-delegated income	-£ 357,870.00	-£ 357,870.00	-£ 357,880.00	£ 10.00

Former ESG Retained Duties

Revenue budget preparation/Formulation and review of LA schools funding formula	£ 75,097.00	£ 75,097.00	£ 76,612.38	-£ 1,515.38
Director of children's services/Planning for the education service as a whole	£ 85,210.00	£ 85,210.00	£ 83,642.04	£ 1,567.96
Admissions service contribution	£ 8,430.00	£ 8,430.00	£ 8,445.27	-£ 15.27
SACRE	£ 3,690.00	£ 3,690.00	£ 3,690.00	£ -
Investigation of Complaints contribution	£ 6,440.00	£ 6,440.00	£ 6,440.00	£ -
Administrative costs and overheads	£ 98,885.00	£ 98,885.00	£ 98,885.00	£ -

Former ESG General Duties

Budgeting and accounting functions relating to m	£ 20,633.00	£ 20,633.00	£ 19,974.00	£ 659.00
Asset Management contribution	£ 40,050.00	£ 40,050.00	£ 37,674.41	£ 2,375.59
Health & Safety contribution	£ 114,000.00	£ 114,000.00	£ 109,000.00	£ 5,000.00
De-delegated income	-£ 174,683.00	-£ 174,683.00	-£ 169,721.19	-£ 4,961.81

Total Central Schools Services Block	£ 676,852.00	£ 676,852.00	£ 539,756.30	£ 137,095.70
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Early Years Block

Nursery Schools	£ 1,033,239.00	£ 1,033,239.00	£ 1,033,239.00	£ -
Nursery Units	£ 542,361.00	£ 542,361.00	£ 542,361.00	£ -
PVI - 3 & 4 yo provision	£ 5,276,340.00	£ 5,276,340.00	£ 5,910,825.29	-£ 634,485.29
Early Years Pupil Premium	£ 106,434.00	£ 106,434.00	£ 82,755.18	£ 23,678.82
Disability Access Fund	£ 37,515.00	£ 37,515.00	£ 37,515.00	£ -
2 yo provision	£ 1,527,601.00	£ 1,527,601.00	£ 1,584,699.54	-£ 57,098.54
EYFS Business Rates	£ 24,210.00	£ 24,210.00	£ 24,210.00	£ -
EY Inclusion Funding	£ 80,000.00	£ 80,000.00	£ 80,000.00	£ -
Capital works contribution	£ 5,000.00	£ 5,000.00	£ 5,000.00	£ -
Staffing - 2, 3 & 4 yo provision	£ 160,740.00	£ 160,740.00	£ 160,126.67	£ 613.33
Supplies & Services - 2, 3 & 4 yo provision	£ 40,240.00	£ 40,240.00	£ 36,774.00	£ 3,466.00
Contribution to IWIST	£ 50,000.00	£ 50,000.00	£ 50,000.00	£ -
EY contingency	£ 595,677.00	£ 595,677.00	£ 88,500.00	£ 507,177.00
Estimated final budget increase (Jul 19)	£ -	£ 152,932.00	£ -	£ 152,932.00
Total Early Years Block	£ 9,479,357.00	£ 9,632,289.00	£ 9,636,005.68	-£ 3,716.68

High Needs Block

Special Schools & Academies	£ 6,368,933.00	£ 6,368,933.00	£ 6,471,415.00	-£ 102,482.00
Resource Bases	£ 1,657,168.00	£ 1,657,168.00	£ 1,641,363.00	£ 15,805.00
PRU	£ 1,500,000.00	£ 1,500,000.00	£ 1,500,000.00	£ -
Top-up funding	£ 933,841.00	£ 933,841.00	£ 1,148,362.00	-£ 214,521.00
Discretionary Funding	£ 66,159.00	£ 83,388.00	£ 83,388.00	£ -
Special Schools Equipment	£ 20,000.00	£ 20,000.00	£ 20,000.00	£ -
Specialist Provision:				
Visually Impaired	£ 111,720.00	£ 111,720.00	£ 105,232.11	£ 6,487.89
Cognition & Learning	£ 115,720.00	£ 115,720.00	£ 109,384.96	£ 6,335.04
Communication, Language & ASD	£ 102,340.00	£ 102,340.00	£ 91,031.54	£ 11,308.46
Hearing Impaired	£ 188,270.00	£ 188,270.00	£ 197,558.57	-£ 9,288.57
Home Tuition	£ 283,500.00	£ 283,500.00	£ 193,093.87	£ 90,406.13
Education Psychology Service	£ 86,400.00	£ 86,400.00	£ 76,506.41	£ 9,893.59
Independent Special Schools	£ 2,412,450.00	£ 2,412,450.00	£ 3,009,729.00	-£ 597,279.00
Inter-Authority Recoupment	£ 175,000.00	£ 175,000.00	£ 341,192.00	-£ 166,192.00
Post 16 Provision	£ 769,000.00	£ 769,000.00	£ 977,100.00	-£ 208,100.00
Behaviour Support Team	£ 255,870.00	£ 255,870.00	£ 175,000.00	£ 80,870.00
Inclusion Division staffing	£ 540,740.00	£ 540,740.00	£ 495,469.64	£ 45,270.36
Total High Needs Block	£ 15,587,111.00	£ 15,604,340.00	£ 16,635,826.10	-£ 1,031,486.10

REPORT TO: Schools Forum

DATE: 10th October 2018

REPORTING OFFICER: Senior Finance Officer

SUBJECT: Schools Block funding formula for 2019-20

WARDS: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To report to the Schools Forum on the Schools Block funding formula for 2019-20.

2.0 RECOMMENDATION: That

- 2.1 The report is noted.
- 2.2 That Schools Forum indicate their preference for the mainstream primary and secondary funding formula for 2019-20.

3.0 SUPPORTING INFORMATION

3.1 Background

The Schools Block of the Dedicated Schools Grant is now ring-fenced and must be fully devolved to mainstream primary and secondary schools/academies. The only exception is where an agreement is reached to transfer monies to the High Needs Block, subject to consultation with schools and approval of Schools Forum (up to a maximum of 0.5% of Schools Block). For any amount over 0.5% approval is also required by the Secretary of State.

For 2018-19, we moved from our previous funding formula to follow the National Funding Formula. For 2019-20 we know that our Schools Block funding will increase due to the NFF. Based on the October 2017 census, we can expect an increase of £1,25M although this is likely to change once the October 2018 census data has been received. We also know that the 2019-20 indicative allocation has been reduced by £1.56M by the Department for Education due to the transitional protection in place for the NFF.

3.2 Funding factors

The funding factors are:

Basic entitlement – allocated according to an age-weighted pupil unit with a minimum primary age pupil rate of at least £2,000 and a minimum secondary age pupil rate of at least £3,000.

Deprivation – calculated using the Income Deprivation Affecting Children Index (IDACI), Free School Meals (FSM) eligibility for those pupils who are currently eligible and those who have been eligible at any time in the last 6 years from the previous January census.

Prior Attainment – acts as a proxy indicator for low level, high incidence SEN. For primary schools, no weighting will be applied for 2019-20 as all pupils will be represented under the EYFSP introduced in 2013. For secondary schools, weighting will be applied to Years 7 to 9 to reflect the more challenging KS2 tests introduced in 2015-16. The weightings are set by the DfE and cannot be changed.

Looked After Children – not used in the National Funding Formula.

English as an Additional Language – paid where a pupil identified in the October census with a first language other than English for three years after entry to the statutory school system.

Pupil Mobility – counts pupils who entered a school during the last three academic years but did not start in August/September. A threshold of 10% is in place, so funding is allocated only the proportion of pupils above the threshold. We do not use this factor.

Sparsity – funding for schools that are small and are a significant distance to their nearest compatible school. No schools in Halton qualify for funding under this factor.

Lump Sum – the NFF lump sum for 2018-19 was set at £110,000. The maximum lump sum is £175,000.

Split Sites – this factor supports schools that have unavoidable extra costs because the school buildings are on separate sites. We do not use this factor.

Rates – local authorities must fund rates at their estimate of the actual cost. An adjustment may be made during the financial year.

Private Finance Initiatives – to support schools that have unavoidable extra premises costs, because they are a PFI school. It was agreed upon the commencement of the PFI that we would provide funding under this factor on a per pupil basis. RPIX can now be applied to this factor and was done for 2018-19.

London Fringe – to support schools in the London fringe area. Halton schools do not qualify for funding under this factor.

Exceptional Premises Factor – in Halton this is used to fund the Joint Use of sports facilities costs for one school.

Minimum Per Pupil – calculated on the basis of the school’s total funding. For 2019-20, the Minimum Per Pupil level for a primary school is £3,500, for a secondary school is £4,800 and for an all-through school is £4,042.

Funding floor – this is designed to allow local authorities to reflect the minimum 1% per pupil increase over their 2017-18 baselines.

3.3 **Minimum Funding Guarantee and Gains Cap**

For 2019-20 local authorities have the ability to set an MFG between minus 1.5% and plus 0.5% per pupil. The MFG calculation remains the same as for the current year. The DfE are again allowing overall gains for individual schools to be capped as well as scaled back to ensure that the formula is affordable. Capping and scaling must be applied on the same basis to all schools. Local authorities and their Schools Forums will need to determine whether and how to limit gains. The consultation is asking for this decision to be made by Schools Forum at the January meeting once we know the actual funding levels as it is difficult to make such a decision with only indicative allocations.

3.4 **Impact of the High Needs transfer (if agreed)**

We transferred 0.5% of the Schools Block allocation to the High Needs Block for 2018-19. The consultation has asked whether we transfer 0.5%, 1.0% or do not transfer any funding for 2019-20.

3.5 **Impact of the former ESG de-delegation**

For 2018-19, the following services are funded by de-delegation. Exact amounts for 2019-20 cannot yet be determined until the October census data is released.

	2018-19	2019-20 proposed
Financial Management	£23,233 (£1.94 per pupil)	pay uplift
Capital works	£40,050 (£3.34 per pupil)	pay uplift
Health & Safety	£114,000 (£9.51 per pupil)	
Dismissals	£127,110 (£10.61 per pupil)	

The details of all centrally funded budgets will be reported on at the January meeting.

3.6 **Premature Retirement costs**

A budget is required to fund the premature retirement costs of school staff whose redundancies/early retirement costs were agreed many years ago. For 2018-19 we are forecasting costs in the region of £480-£490k. This total is gradually reducing. For 2018-19 we are using £401k of Base Budget (non-schools budget) and the balance will be funded from the DSG. For 2019-20 Base budget will continue and we will again look to fund the balance from the Central Schools Services Block.

3.7 **Consultation**

As required, a consultation paper was issued on Monday 10th September with a closing date of Friday 21st September. A consultation briefing was

held on Wednesday 12th September. Many thanks to those who attended the briefing and to those who responded to the consultation.

The consultation paper and analysis of the results are attached as Appendix A.

3.8 Conclusion

The responses to the consultation on the Schools Block funding formula for 2019-20 clearly wish to continue with the National Funding Formula. There is also a willingness for Schools Forum to determine the level of MFG and any Gains Cap at the January meeting.

4.0 FINANCIAL IMPLICATIONS

4.1 To ensure Halton's Schools Block funding formula meets current regulations which forms the basis of Individual School Budgets for 2019-20.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

5.1 Children & Young People in Halton

The local authority must discharge its statutory responsibilities to all schools and settings.

5.2 Employment, Learning & Skills in Halton

None.

5.3 A Healthy Halton

None.

5.4 A Safer Halton

None.

5.5 Halton's Urban Renewal

None.

6.0 RISK ANALYSIS

6.1 Halton must comply with the current funding regulations, otherwise Halton's schools will not receive the funding they are due. There is also a risk that if the funding formula is non-compliant, some schools may lose disproportionate amounts of funding compared to other schools.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 The Local Authority must discharge its statutory responsibilities in relation

to all schools and settings. Within the funding formula we are allowed to use and do use the English as an Additional Language factor in support of equality and diversity.

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
The national funding formula for schools and high needs 2019 to 2020	Revenues and Financial Management Division, Kingsway House, Widnes	Anne Jones
Schools revenue funding 2019 to 2020 Operational guide		

Consultation on the Schools Block funding formula for 2019-20

A briefing session will be held on Wednesday 12th September, 4.30pm to 6.00pm in the Karalius Suite, Halton Stadium to try to answer your questions.

Introduction

As you will be aware the Department for Education introduced a National Funding Formula (NFF) for primary and secondary schools from April 2018. It was agreed in Halton to move to the NFF for 2018-19. We now need to consider our position for the 2019-20 financial year. We have the ability to use a different formula to the NFF if we so chose or to continue with the NFF until its full implementation. We have informed that local authorities can continue to set their own local formula up to and including 2020-21.

We are required to consult with all maintained schools and academies within the borough as well as with Schools Forum regarding any proposed changes to the local funding formula including the method, principles and rules adopted. The final decision on the local funding formula for 2019-20 again rests with the local authority. As we are expecting to have no reserves or even a deficit (overspend) due to demands on the High Needs Block from 2018-19 we can only use the grant allocated to us for 2019-20 for the formula.

In the most simplistic form, we are asking schools to let us know what funding formula you want us to use for 2019-20.

- Do we continue with the NFF with the transitional protection for 2019-20
- Do we look to an alternative funding formula moving away from the NFF – albeit for a temporary period until the NFF is fully implemented in a couple of years' time.

* At the time of writing, no further details are known regarding the new Teachers Pay Award Grant which totals £187M for 2018-19 and £300M for 2019-20. How much Halton schools will receive, or the criteria for allocating the new grant is unknown. Therefore we cannot attempt to compare budgets with forecast expenditure.

Comparison to 2018-19

How does 19-20 compare to 18-19? Using the October 2017 census data (used to build your 2018-19 budget) we have added 2.5% to LA Rates figures (as an estimate) and still have £99.2k left from the indicative allocation of Schools Block DSG. This has been added to Basic per pupil at £10.41 for ease of modelling. This increase in Basic per pupil is *after* we have deducted 0.5% from the indicative Schools Block DSG allocation so that we are comparing like for like with the current financial year.

Below are details of Schools Block funding for 2018-19 (before de-delegation) that you have received. We have modelled 19-20 budgets with a 0.5% transfer to High Needs to give you a like-for-like comparison. Please refer to the second consultation paper for information regarding the transfer to High Needs Block.

Individual funding factors explainedBasic per Pupil

This is based on the number of pupils within each school on the October census. There is a primary rate, a Key stage 3 rate and a Key stage 4 rate.

	<u>Current value</u>	<u>Indicative 19-20 value</u>
Primary	£2,689.81	£2,700.22
The primary level cannot be less than £2,000.		
Key stage 3	£3,894.28	£3,904.69
Key stage 4	£4,417.40	£4,427.81
The secondary level cannot be less than £3,000.		

Deprivation

We must use this factor but can decide which criteria. Under the NFF we are using the current Free School Meals eligibility, Free School Meals Ever 6 eligibility and the Income Deprivation Affecting Children Index (IDACI) which uses pupil's home postcodes. The postcodes are split into seven bands – A to G and we are allowed to fund bands A to F only. FSM is measured against the October census while FSM Ever 6 is measured against the previous January census. These are set by the ESFA and cannot be changed.

	<u>Current value</u>	<u>Indicative 19-20 value</u>
Primary FSM	£346.11	£346.11
Secondary FSM	£439.97	£439.97
Primary FSM6	£494.00	£494.00
Secondary FSM6	£779.00	£779.00
Primary IDACI band G	not funded	not funded
F	£180.00	£180.00
E	£220.00	£220.00
D	£345.00	£345.00
C	£380.00	£380.00
B	£410.00	£410.00
A	£565.00	£565.00
Secondary IDACI G	not funded	not funded
F	£260.00	£260.00
E	£370.00	£370.00
D	£505.00	£505.00
C	£550.00	£550.00
B	£590.00	£590.00
A	£800.00	£800.00

Low Prior Attainment

The prior attainment factors act as proxy indicators for low level, high incidence, special educational needs.

Primary – applied for pupils identified as not achieving the expected level of development in the Early Years Foundation Stage Profile. As the EYFSP changed in 2013, from 2019-20 there will be no need for a primary weighting as all primary year groups will represent results under the new framework. In order to keep to the overall Primary LPA funding, local authorities are advised

to consider adjusting the unit value. Until the October 2018 census data is received, we will not know what level of adjustment would be required.

Secondary – based on the number of pupils not achieving the expected level at KS2 in one or more of reading, writing or mathematics. The proportion of pupils funded through this factor is a mix of the old and new requirements with weighting applied to the new requirements introduced in 2015-16. For 2019-20 the weightings will be applied by the Education and Skills Funding Agency to Years 7, 8 and 9. We are not allowed to change the weightings applied but can adjust the cash value to keep within the overall Secondary LPA funding. Again, until the October 2018 census data is received, we will not know what level of adjustment would be required.

	<u>Current value</u>	<u>Indicative 19-20 value</u>
Primary	£900.00	£900.00
Secondary	£1,400.00	£1,400.00

English as an Additional Language

For pupils recorded on the October census as having entered state education in England during the last three years and having a mother tongue other than English.

	<u>Current value</u>	<u>Indicative 19-20 value</u>
Primary	£515.00	£515
Secondary	£1,056.09	£1,056.09

Looked After Children

Under the NFF there is no LAC factor as the DfE feel the funding should be through the PP Plus grant. As such, they have transferred funding from DSG to the PP Plus Grant for 2018-19. This is not done on an individual LA basis. The PP Plus grant was increased from £1,900.00 per pupil to £2,300.00 per pupil. As we no longer receive funding for this factor we recommended that this factor was not used for 2018-19. If we were to re-introduce it, we will have to take the funding from another factor. For information, we allocated more than £250k through this factor in 2017-18.

Lump Sum

A lump sum amount payable to each school, paid at a single level under the NFF.

	<u>Current value</u>	<u>Indicative 19-20 value</u>
Primary	£110,000.00	£110,000.00
Secondary	£110,000.00	£110,000.00

Pupil Mobility

This is where a pupil entered a school during the last three academic years, but did not start at the beginning of the Autumn Term (or January for Reception pupils). There is a 10% threshold and funding is only payable where the proportion of pupils entering a school exceeds 10%. Since the introduction of this factor, no schools in Halton have met the criteria to be eligible for funding.

Sparsity

To be eligible for this funding, schools must

- a) be located in areas where pupils would have to travel a significant distance to an alternative school should the school close and
- b) be a small school.

No schools in Halton meet these criteria.

Split sites

This factor is to support schools have unavoidable extra costs because the school buildings are on separate sites. No schools in Halton qualify for split site funding at the present time.

LA Rates

Local authorities must fund rates at an estimate of the actual cost and can make adjustments to the rates funding during the year, outside of the funding formula. The effect on a school of LA Rates funding is zero as the funding would equate to that year's charge. LA Rates funding is specific to each school so is not listed here. For modelling purposes, we have applied an increase of 2.5% to the 18-19 estimated level of LA Rates.

Private Finance Initiatives

This factor supports schools with unavoidable extra premises costs because they are a PFI school and to cover situations where the PFI 'affordability gap' is delegated and paid back to the local authority. Only one school qualifies for this funding, at £197.82 per pupil for 2018-19. From April 2018 the NFF has applied inflation but there is no indication as yet of the level to be applied for 2019-20.

London Fringe

This is not applicable to Halton.

Exceptional Premises Factor

We are allowed to apply to the ESFA to use exceptional premises factors for joint-use sports facilities. They can only be applied where the value of the factor is more than 1% of a school's budget and applies to fewer than 5% of the schools in the borough. In Halton we have one school funded at £139,000. We can use applications submitted for 2017-18 for 2019-20 if the qualification criteria are still met.

Minimum per pupil funding

The ESFA have set minimum per pupil funding levels for 2019-20 at £3,500 for primary schools and £4,800 for secondary schools with pupils in years 10 and 11.

When we look at any capping or scaling of increases, these cannot take a school below the minimum value set in the local formula.

The minimum per pupil funding is calculated by adding together the pupil-led funding and school-led funding then dividing by the number of pupils. It isn't just the Basic Per Pupil factor.

Per pupil increase (Funding Floor)

The Secretary of State confirmed in July 2017 that the NFF will provide for at least a 1.0% per-pupil increase for each school in 2019-20 through the national funding formula compared to their 2017-18 baseline.

To calculate this we use the 2017-18 baseline per pupil figure (similar to the minimum per pupil funding calculation above) and compare it to the 2019-20 per pupil figure AFTER the minimum per pupil calculation has been applied. If the difference is less than 1.0% then the funding floor is applied to ensure it reaches 1.0%.

Minimum Funding Guarantee (MFG) / Gains cap

The MFG has been applied since the introduction of the revised funding formula in 2013-14 and has been set at minus 1.5% for the past few years. It is to ensure that a school's budget cannot

fall by more than 1.5% for anything other than a reduction in pupil numbers. For 2019-20 local authorities have the flexibility to set their MFG between plus 0.5% and minus 1.5%.

We have also been allowed to set capping or scaling of increases to ensure the affordability of such. The total of any capping or scaling cannot exceed the total MFG. A cap sets a maximum on the amount of any increase a school can receive while a scale reduces all increases by the same percentage. The gains cap has been increased by the ESFA so that schools can attract gains of up to 6.09% against their 2017-18 baseline. The minimum per pupil levels are not subject to a gains cap.

In recent years we have had to apply capping and scaling to ensure school budgets equal the funding available. To merely reduce the value of a funding factor in the hope of reducing the overall budget total doesn't work due to the impact of the MFG.

For 2019-20 it is impossible to say at this point in time what level of MFG, capping or scaling will give the best fit for school budgets within the funding we are given. We will not know what level will be required until we get the October census and updated allocation in December. As such, given the timescales we must work to and the Christmas break we are asking once again that schools agree that Schools Forum be allowed to agree these levels at the January meeting, when we will have indicative budgets calculated for all primary and secondary schools.

What happens next?

The deadline for this consultation is **Friday 21st September 2018**.

We can collate and analyse responses week commencing 24th September and write the report for Schools Forum by the deadline of Friday 28th September.

Schools Forum will then consider their responses at the meeting on Wednesday 10th October.

The funding formula decision needs to be made at Executive Board in November 2018 so that if we need to submit a disapplication request we can do so by the deadline of 30th November 2018

Timescales

Mid-December will see the release of the October census data and the Schools Block allocation (usually one week before Christmas).

Formula calculations completed for Schools Forum on 16th January 2019

Submission of Halton's funding formula for 2019-20 to the ESFA by 21st January 2019

The funding formula will be reviewed and checked by the ESFA to ensure compliance with the regulations and we will be notified by 28th February 2019 if it is accepted.

We are required to notify maintained primary and secondary schools of their Schools Block allocations by 28th February 2019.

The ESFA will notify academies of their allocations during February and March 2019.

Questions

1. *Do we continue with the NFF with transitional protection in place for 2019-20, with the same criteria and funding factors as currently in use for 2018-19?*

Yes / No

If No, please suggest alternative formula:

2. *Do you agree to Schools Forum determining the level of the Minimum Funding Guarantee and any capping or scaling at the January meeting?*

Yes / No

If No, please give reason:

Deadline for responses:

Please respond to Anne.Jones@halton.gov.uk no later than **5.00pm on Friday 21st September 2018** to ensure your feedback can be included in the report to Schools Forum and Executive Board in November.

School Name	18-19 Post MFG Budget	19-20 Post MFG Budget	variance to 2018-19
	0.5% transfer to high needs		
All Saints Upton Primary School	£ 892,634.24	£ 895,058.00	£ 2,423.77
Astmoor Primary School	£ 728,816.70	£ 730,560.10	£ 1,743.39
Beechwood Primary School	£ 605,020.31	£ 606,781.71	£ 1,761.40
Bridgewater Park Primary School	£ 574,298.38	£ 594,911.47	£ 20,613.09
Brookvale Primary School	£ 1,164,253.06	£ 1,167,393.95	£ 3,140.89
Castle View Primary School	£ 648,310.52	£ 650,041.38	£ 1,730.85
Daresbury Primary School	£ 526,996.17	£ 529,543.21	£ 2,547.04
Ditton Primary School	£ 1,667,579.28	£ 1,672,728.49	£ 5,149.21
Fairfield Primary School	£ 2,147,469.89	£ 2,154,197.94	£ 6,728.05
Farnworth Primary School	£ 1,376,100.00	£ 1,459,500.00	£ 83,400.00
Gorsewood Primary School	£ 877,849.21	£ 880,173.92	£ 2,324.71
Hale Primary School	£ 640,115.06	£ 641,801.45	£ 1,686.39
Halebank Primary School	£ 473,418.89	£ 483,935.92	£ 10,517.04
Hallwood Park Primary School and Nursery	£ 661,740.13	£ 663,297.53	£ 1,557.41
Halton Lodge Primary School	£ 926,497.51	£ 929,244.81	£ 2,747.30
Hillview Primary School	£ 740,469.86	£ 742,811.18	£ 2,341.32
Lunts Heath Primary School	£ 1,234,087.25	£ 1,281,000.00	£ 46,912.75
Moore Primary School	£ 736,648.56	£ 739,052.04	£ 2,403.48
Moorfield Primary School	£ 989,455.02	£ 992,607.27	£ 3,152.25
Murdishaw West Community Primary School	£ 796,447.87	£ 798,665.09	£ 2,217.22
Oakfield Community Primary School	£ 1,236,624.15	£ 1,239,914.67	£ 3,290.52
Our Lady Mother of the Saviour Primary School	£ 819,603.01	£ 821,629.41	£ 2,026.41
Our Lady of Perpetual Succour Primary School	£ 818,963.29	£ 821,162.70	£ 2,199.42
Palace Fields Primary Academy	£ 871,845.11	£ 873,976.90	£ 2,131.78
Pewithall Primary School	£ 789,397.43	£ 791,816.81	£ 2,419.38
Runcorn All Saints Primary School	£ 477,780.00	£ 478,785.80	£ 1,005.81
Simms Cross Primary School	£ 1,197,135.85	£ 1,200,157.40	£ 3,021.54
Spinney Avenue Primary School	£ 809,983.68	£ 812,139.09	£ 2,155.41
St Augustine's Primary School	£ 461,871.13	£ 471,347.48	£ 9,476.35
St Basil's Primary School	£ 1,467,621.30	£ 1,471,591.94	£ 3,970.64
St Bede's Infant School	£ 894,620.01	£ 915,684.29	£ 21,064.28
St Bede's Junior School	£ 1,159,445.63	£ 1,162,688.86	£ 3,243.23
St Berteline's Primary School	£ 1,074,025.73	£ 1,077,204.14	£ 3,178.41
St Clement's Primary School	£ 771,473.70	£ 773,643.48	£ 2,169.78
St Edward's Primary School	£ 570,643.93	£ 572,023.53	£ 1,379.60
St Gerard's Primary School	£ 900,203.61	£ 902,293.88	£ 2,090.28
St John Fisher Primary School	£ 798,583.58	£ 800,828.01	£ 2,244.44
St Martin's Primary School	£ 882,066.76	£ 884,258.31	£ 2,191.55
St Mary's Primary School	£ 890,664.63	£ 893,079.84	£ 2,415.20
St Michaels Primary School	£ 962,457.85	£ 964,977.70	£ 2,519.85
The Brow Community Primary School	£ 811,247.98	£ 813,555.32	£ 2,307.34
The Holy Spirit Primary School	£ 544,859.52	£ 546,080.43	£ 1,220.91
Victoria Road Primary School	£ 909,553.69	£ 912,094.56	£ 2,540.87
Westfield Primary School	£ 665,516.43	£ 667,316.67	£ 1,800.24

School Name	18-19 Post MFG Budget	19-20 Post MFG Budget	variance to 2018-19
	0.5% transfer to high needs		
Weston Point Community Primary School	£ 744,856.57	£ 746,748.47	£ 1,891.89
Weston Primary School	£ 786,504.10	£ 804,986.05	£ 18,481.95
Widnes Academy	£ 656,014.00	£ 671,074.80	£ 15,060.80
Windmill Hill Primary School	£ 726,009.36	£ 727,812.93	£ 1,803.57
Woodside Primary School	£ 831,285.22	£ 833,335.46	£ 2,050.24
Ormiston Bolingbroke Academy	£ 4,926,964.80	£ 4,988,672.07	£ 61,707.27
Ormiston Chadwick Academy	£ 3,919,710.99	£ 4,035,035.08	£ 115,324.09
Saints Peter and Paul College	£ 7,033,547.91	£ 7,216,616.89	£ 183,068.98
Sandymoor	£ 2,114,751.13	£ 2,182,233.18	£ 67,482.05
St Chads High School	£ 4,122,404.27	£ 4,223,396.34	£ 100,992.08
The Grange School	£ 5,205,620.21	£ 5,217,733.54	£ 12,113.32
The Heath School	£ 5,586,687.07	£ 5,743,421.00	£ 156,733.94
Wade Deacon High School	£ 7,913,400.13	£ 8,135,635.17	£ 222,235.04
Total	£ 83,762,151.65	£ 85,008,257.65	£ 1,246,106.01

Schools Block funding formula 2019-20 consultation responses			
Questions			
Do we continue with the NFF with transitional protection in place for 2019-20, with the same criteria and funding factors as currently in use for 2018-19?			
School	response	date	comments
5126	Yes	10/09/2018	n/a
5109	Yes	10/09/2018	n/a
5141	Yes	11/09/2018	n/a
5313	Yes	12/09/2018	n/a
5150	Yes	13/09/2018	n/a
5105	Yes	18/09/2018	n/a
5122	Yes	18/09/2018	n/a
OCA	Yes	18/09/2018	n/a
5149	Yes	18/09/2018	
WD/The Grange/Widnes Academy		20/09/2018	PFI This factor supports schools with unavoidable extra premises costs - the current factor applied is significantly detrimental to the provision of effective education for pupils impacted at the PFI school. This factor requires a full review in order to increase to acceptable level of funding as with other PFI schemes across the country.
5133	Yes	20/09/2018	n/a
5127	Yes	21/09/2018	n/a
5312	Yes	21/09/2018	n/a
5118	Yes	21/09/2018	n/a
Summary 16 responses, 13 Yes, 3 no response given			
Do you agree to Schools Forum determining the level of the Minimum Funding Guarantee and any capping or scaling at the January meeting?			
School	response	date	comments
5126	Yes	10/09/2018	n/a
5109	No	10/09/2018	Believe this needs to be discussed in greater detail, with all interested parties invited to attend, rather than left to such a small (nonrepresentative) group to determine.
5141	Yes	11/09/2018	n/a
5313	Yes	12/09/2018	n/a
5150	Yes	13/09/2018	n/a
5105	Yes	18/09/2018	n/a
5122	Yes	18/09/2018	n/a
OCA	Yes	18/09/2018	n/a
5149	Yes	18/09/2018	n/a
WD/The Grange/Widnes Academy	Yes	20/09/2018	n/a
5133	Yes	20/09/2018	n/a
5127	Yes	21/09/2018	n/a
5312	Yes	21/09/2018	n/a
5118	Yes	21/09/2018	n/a
Summary 16 responses, 15 Yes, 1 No			

REPORT TO: School Forum

DATE: 13 June 2018

REPORTING OFFICER: Operational Director – Education,
Inclusion and Provision

SUBJECT: High Needs update

1.0 PURPOSE OF THE REPORT

1.1 This report seeks to provide an update on the High Needs funding.

2.0 RECOMMENDATION: That

2.1 School Forum note the responses received to the consultation;

2.2 School Forum consider whether they wish to support either option 1 the transfer of 0.5% from the Schools Budget to High Needs or option 2 the transfer of 1% from the Schools Budget to High Needs budget;

2.3 School Forum support the plans outlined to reduce the demand on the high needs budget.

3.0 SUPPORTING INFORMATION

3.1 On Monday, 10th September 2018 a consultation paper was issued to all schools on the proposal to transfer funds from the Schools Block to the High Needs Block for 2019/2020.

3.2 The consultation paper set out the funding allocated to schools alongside the funding for High Needs. It showed the level of overspend in the High Needs budget since 2015/2016 with an estimate for 2018/2019. Details were provided of the costs each year of additional or specialist provision with estimated costs to the end of the financial year.

3.3 It explained that there had been an increase in the complexity of need and demand and that this had not been met by a corresponding increase in funding. Following consultation in 2017/2018 it was agreed that 0.5% could be transferred from the Schools Block to the High Needs Block this arrangements was for one year only. Schools and School Forum would need to be consulted on any proposed transfer of funding for 2019/2020. Please see Appendix A.

3.4 Schools were invited to attend a briefing session at the Stadium on Wednesday, 12th September 2018. Any questions raised at this event

plus the responses was then circulated to all schools prior to the close of the consultation on 21st September 2018.

- 3.5 In total seventeen schools responded to the consultation. Appendix B shows the responses received alongside any comments made. As part of the consultation schools were asked three questions:

Question 1

Do you agree to the transfer of 0.5% of Schools Block funds, to be taken from the Basic Per Pupil funding factor, to the High Needs Block for 2019-20?

17 schools responded – 14 supported the proposal and 3 did not

Question 2

Do you agree to the transfer of 1.0% of Schools Block funds, to be taken from the Basic Per Pupil funding factor, to the High Needs Block for 2019-20?

17 schools responded - 10 schools supported the proposal to transfer 1% and 7 schools did not.

Question 3

Do you agree to not transfer any funding from the Schools Block to the High Needs Block for 2019-20 on the understanding that all top-up funding levels would have to be reduced to keep the High Needs Block within budget?

17 schools responded – 2 schools supported the proposal to not transfer any funding and 15 schools did not.

- 3.6 School Forum are therefore asked if they will consider the transfer of 1% of the School Funding block to the High Needs Block which is estimated to be £854,334. As School Forums can only approve application of 0.5%, an application would then need to be submitted to the Secretary of State.

4.0 FUTURE PLANS

- 4.1 Halton continues to seek an increase in the level of high needs funding alongside the other authorities through both the Local Government Association and the Association of Directors of Children’s Services.
- 4.2 Independent consultants “Peopletoo” have been commissioned to undertake a comprehensive review of Halton SEND making recommendations that identify key strategic opportunities to support the Authority and partners in achieving our ambition to ensure that all

children and young people with special educational needs and disabilities (SEND) have access to a range of provision and support across the borough, which meets their educational needs, provides good opportunities for them to progress and is sustainable. "Peopletoo" will complete the review by the end of September and present it to the Local Authority for consideration in October 2018.

- 4.3 Challenging behaviour has been identified as a key issue in the borough which has led to increased budget pressures. The recruitment has now been completed for a new Behaviour Support Team. The team will be in place after October half term and will aim to work with schools to promote positive behaviour, offering training and building the capacity of staff to deal with children with challenging behaviour.
- 4.4 On 20th September 2018 Executive Board approved the development of two 6 place Foundation/ Key Stage 1 Resources Bases for pupils with Social, Emotional and Mental Health. It is planned that this new provision will commence in September 2019.
- 4.5 A joint application with St Helen's MBC will be submitted on 16th October 2018 seeking capital funding to develop a 50 place Secondary Free school for pupils with Social Emotional and Mental Health.
- 4.6 A new Placements Division has been established. The Division will be responsible for the commissioning of high quality children's social care and special educational needs placements, ensuring all placements are robust, improve outcomes and offer the best value for money.
- 4.7 To promote greater inclusion in schools a conference is being held at the Stadium for Headteachers on 17th October 2018.
- 4.8 A panel of School representatives will now meet to consider all applications for Discretionary top up based on the criteria agreed in July 2018 and the agreed budget.
- 4.9 A review of the funding formula for specialist provision will be undertaken in 2018/2019.

5.0 FINANCIAL IMPLICATIONS

- 5.1 The Secretary of State approved a disapplication for the four special schools for 2018/2019. A commitment was given to review the funding formula for the four special schools in 2018/2019.
- 5.2 Any overspend from 2018/2019 will need to be the first call on the 2018/2019 budget.

5.0 RISK ANALYSIS

- 5.1 There is concern that the level of demand on the high needs budget will

continue to increase. The High Needs Review has been considering the changes needed in Halton to ensure that we can continue to appropriately support our children and young people with SEND whilst reducing costs.

6.0 EQUALITY AND DIVERSITY ISSUES

- 6.1 Most children and young people with special educational needs and disabilities should receive support within their schools and setting's budget.

A briefing session will be held on Wednesday 12th September, 4.30pm to 6.00pm in the Karalius Suite, Halton Stadium to try to answer your questions.

Proposal to transfer funds from Schools Block to High Needs Block for 2019-20

Background

From the introduction of the notional DSG funding blocks in April 2013 up to the end of 2017-18, local authorities have been allowed to move funds freely between the blocks with the approval of their local Schools Forum. From 2018 we were required to consult with schools and Schools Forum if we wished to move funds from the Schools Block to any other block. The main movement of DSG has been from Schools Block, which is the main source of funding for Primary and Secondary schools, to the High Needs block. As you will recall, we asked for a transfer of 0.5% or £421,594 for the current financial year to help us cover the expected overspend on the High Needs Block, which was over £2M.

The High Needs Block supports provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25. High Needs funding is also intended to support alternative provision for pre-16 pupils who cannot receive education in schools.

The situation over the past few years is:

	2015-16	2016-17	2017-18	18-19 forecast
Central HN spend	£6,459,666	£6,240,520	£6,836,754	£7,632,203
School budgets	£9,930,166	£9,403,710	£9,960,907	£8,425,098
Total expenditure	£16,389,832	£15,644,230	£16,797,661	£16,057,301
HN funding received	£13,268,052	£13,235,000	£14,055,751	£14,409,410*
Overspend	£3,121,780	£2,409,230	£2,741,910	£1,647,891[^]
% overspend	23.5%	18.2%	19.5%	11.4%

*Includes the 0.5% transfer from Schools Block.

How have we funded this overspend in previous years – at the start of each year we have an estimate of what the overspend on High Needs will be, we used to move money from the Schools Block accordingly. At the end of the year, the additional overspend has been met from reserves.

Schools Block funding (excluding central schools services block)

	2015-16	2016-17	2017-18	18-19 indicative
Grant allocation	£83,284,930	£81,826,997	£82,321,802	£84,318,746
To schools/academies	£81,096,572	£80,942,662	£81,819,524	£83,897,152
Difference	£2,188,358	£884,335	£502,278	£421,594

It should also be remembered that the Schools Block has been needed to cover expected overspends in the Early Years block although this has now stopped and the Early Years block grant is covering the Early Years spend each year.

With the introduction of the National Funding Formula from April 2018 there are new regulations restricting the movement of funding from the Schools Block. We are allowed to move up to 0.5% of the Schools Block funding to the High Needs Block following consultation with schools and the approval of Schools Forum. If we wish to move more than 0.5% we must also then get approval from the Secretary of State.

For 2019-20 based on the indicative Schools Block allocation of £85,435,458, the 0.5% figure that can be approved by Schools Forum is £427,177. It should be noted that we are required to consult and get approval on any transfer from the Schools Block each year, and such consultation and approval covers just one year. Therefore, for 2019-20 a 0.5% transfer would be just £427,177, not £427,177 on top of the £421,594 approved for 2018-19.

Even after the movement of 0.5% of Schools Block funding for 2018-19, we are forecasting the High Needs block to have a funding shortfall of £1.65m this year. We are looking at further options to reduce the funding gap during 2018-19 and for 2019-20.

Budget Pressures

The numbers of pupils who receive funding from the High Needs Block has increased by 4.5% from 1,030 in 2015-16 to 1,076 in 2017-18. So far in 2018-19 we are funding 998 pupils from the High Needs Block and we know that number will increase during the autumn and Spring Terms. We have put in place a number of measures, some that have had a full year impact for 2018-19, some that are only having a part-year impact this year. The SEND review being carried out by Peopletoo is almost complete and it is hoped this will help to identify where further efficiencies.

Due to the continuing increase in pupil numbers and their complexity of needs, the cost of supporting those needs has increased. In the detail below, the total pupil numbers is the total of individual pupils who have at any time during the year been receiving the particular type of provision. Therefore the number of individuals can be higher than the number of places due to pupils coming into places and pupils leaving. Below are key areas of High Needs expenditure:

Special Schools including Special Academies in Halton

	2015-16	2016-17	2017-18	2018-19 to date
Total pupil numbers	343	359	332	377
Total cost	£5,579,254	£5,318,730	£5,678,618	£5,829,469
Average top-up per pupil	£10,347.68	£9,160.81	£10,359.79	£9,019.41

Special schools are funded at £10,000 per commissioned place plus top-up funding which is pupil specific. While pupil numbers have increased, we reviewed the funding level criteria during 2015-16 with the special school Head Teachers and introduced a process whereby for a pupil to be funded at anything other than the lowest level of top-up, evidence of need has to be submitted to the SEN Team to be considered against the funding criteria. Demand for higher levels of funding increased in 2017/2018. For 2018-19 we submitted a disapplication request of the Minimum Funding Guarantee to allow a decrease in the region of 5% of the top-up funding levels. The Special Schools worked collectively to identify the level of reduction that is financially sustainable.

Independent and Non-Maintained Special Schools

	2015-16	2016-17	2017-18	2018-19 to date
Total pupil numbers	81	87	78	76
Total cost	£2,444,335	£2,687,275	£2,871,532	£3,004,844
Average cost per pupil	£30,176.98	£30,888.22	£36,814.51	£39,537.42

Requests for placements in INMSS are scrutinised before the provision begins to check if there is any available alternatives to an INMSS. The type of provision and the costs of different INMSS is explored with a view to finding the most cost efficient appropriate provision which can meet the needs of the pupils. The use of an INMSS is the last resort as one placement for a full year can cost up to £80,000. Where a placement is made jointly with health and social care, we always identify and separate the health and social care elements so only the education element is charged to the High Needs Block. However, the INMSS providers in the North West region are aware that there is more demand than places so Halton is putting in place plans to enter into negotiations with providers. In Halton we are recruiting a Commissioning Manager to negotiate with providers on rates to ensure that places are value for money, quality assured and offer improved outcomes for children and young people.

Top-up support in Mainstream schools

	2015-16	2016-17	2017-18	2018-19 to date
Total pupil numbers	396	373	430	313
Total cost	£1,950,497	£1,843,016	£1,721,912	£1,155,745
Average cost per pupil	£4,925.50	£4,941.06	£4,004.45	£3,692.48

Top-up funding is provided to schools for named pupils who require additional support and is approved following submission of evidence to panel. The funding can be through an EHCP or in certain circumstances schools can access Discretionary Top-up for pupils with SEND. All primary and secondary maintained schools and academies are required to fund the first £6,000 of costs for each child with SEND.

Resource Bases

	2015-16	2016-17	2017-18	2018-19 to date
Total pupil numbers	117	126	124	136
Number of fte places	130	124	118	118
Total cost	£1,615,405	£1,343,018	£1,483,397	£1,159,637
Average top-up per pupil	£2,695.77	£2,404.90	£3,898.36	£2,957.23

The Education Funding Agency has changed the way in which resource bases are funded from April 2018. Filled places are now funded at £6,000 per place and the pupil is also counted towards the Schools Block funding formula (previously they were excluded). Empty places continue to be funded at £10,000 per place.

PRU

	2015-16	2016-17	2017-18	2018-19 forecast
Total pupil numbers	62	75	81	60 (estimate)
Number of places	60	60	60	60
Total cost	£1,284,823	£1,346,346	£1,489,146	£1,500,000
Average top-up per pupil	£11,851.98	£9,951.28	£10,977.11	£15,000.00

The PRU is funded at £10,000 per commissioned place plus top-up funding which is pupil specific. For 2018-19 agreement has been reached to fund top-up at £15,000 per pupil.

The regulations require local authorities to recover funding from schools and academies who permanently exclude pupils, and this includes all pupil-led funding factors within the funding formula plus the Pupil Premium Grant for which the pupil may be eligible.

Inter Authority Recoupment Expenditure

	2015-16	2016-17	2017-18	2018-19 to date
Total pupil numbers	31	34	31	36
Total cost	£238,481.64	£294,935.11	£224,094.00	£341,192
Average cost per pupil	£7,692.96	£8,674.56	£7,228.84	£9,477.56

The costs of inter authority High Needs placements have increased considerably as the number of children needing such placements have increased. We are not required to pay the per place funding as the places should have been commissioned by the relevant local authority. Therefore we only have to pay the top-up amounts. However, where schools have taken in pupils over the number of commissioned places, we must negotiate with the provider to decide on whether a per-place payment (and the amount) should be made.

Central DSG funded posts

	2015-16	2016-17	2017-18	2018-19
Number of posts	17.5 fte	17.0 fte	20.4 fte	18.4 fte
Total cost	£897,196	£898,563	£1,096,540	£1,344,799

The FTE numbers above take into consideration a number of staffing changes over the years including; the closure of the Hearing Impaired Resource Bases at Wade Deacon High and Westfield Primary School and the employment of centrally based peripatetic teaching and non-teaching support to meet the needs of pupils in Halton with HI, staff re-organisations and efficiencies.

The way forward:

- Independent consultants “Peopletoo” have been commissioned to undertake a comprehensive review of Halton SEND making recommendations that identify key strategic opportunities to support the Authority and partners in achieving our ambition to ensure that all children and young people with special educational needs and disabilities (SEND) have access to a range of provision and support across the borough, which meets their educational needs, provides good opportunities for them to progress and is sustainable. “Peopletoo” will complete the review by the end of September and present it to the Local Authority for consideration.
- Social Emotional and Mental Health has been identified by the Education Strategic Partnership as the key priority for the Borough. A local definition and action plan aimed at addressing SEMH has been developed by a multi-agency SEMH Task and Finish group.
- Recruitment has now been completed for a new Behaviour Support Team. The team will be in place after October half term and will aim to work with schools to promote positive behaviour, offering training and building the capacity of staff to deal with children with challenging behaviour.
- Subject to Executive Board approval on 20th September 2018, it is planned that two new Foundation/Key Stage 1 SEMH Resource Bases are developed. One base will be located at Beechwood, the second at Halton Lodge.
- Recruitment is underway for a new Placements Division. The Division will be responsible for the commissioning of high quality children’s social care and special

educational needs placements, ensuring all placements are robust, improve outcomes and offer the best value for money.

Approval by School Forum to permit 0.5% of the schools budget to supplement the costs of the High Needs Budget will still leave an estimated gap of £1.2 million. This funding can only be found by reducing the expenditure across High Needs from April 2019. It is proposed that this gap in funding is found by the following:

- Promoting greater inclusion in all mainstream schools;
- Reducing the number of children and young people placed out of borough;
- Negotiated better rates for children and young people placed out of borough;
- Making full use of specialist provision available in our schools;
- Review the budgets for all specialist provision including special schools, resource bases and the PRU.
- Review of High Needs Central Costs

What are we asking for:

We are allowed to consult with schools and ask Schools Forum for approval to move up to 0.5% of Schools Block funding to the High Needs Block as previously mentioned. To move 0.5% - £427,177 – using the October 2017 census data and applying the funding floor protection (which wasn't in place for 2018-19) would leave just under £100,000 of the indicative Schools Block grant to be allocated to schools on top of the 2018-19 budget. This is due to the additional 0.5% increase to the Schools Block allocation to Halton.

We can only take the funding from the Basic per Pupil factor, as per the guidance. The actual cash value for 2019-20 will only be known once the census data for October 2018 is received along with the December update of our funding allocation.

Given that we are expecting to end 2018-19 with a deficit in the region of £1.65M based on current information, we also wish to consider a transfer of 1% of Schools Block funding to the High Needs Block. This can only be done after consultation with schools and Schools Forum then submitting an application to the Secretary of State for approval. A reduction of 1% currently equates to £854,334.

However, we understand that by doing this we are taking funding from all schools to support those who receive High Needs top-up funding and centrally funding High Needs services.

Therefore we are including another option, of not asking for a transfer of funding from Schools Block to High Needs block. This means schools MUST accept that by doing this we will have to make even further reductions to the funding we use to support pupils in schools with high needs. We cannot recommend this option as we feel it will seriously impact on the provision for SEND pupils and cause increasing costs in the coming years, which is the opposite to what we are trying to achieve.

Consultation Questions:

Do you agree to the transfer of 0.5% of Schools Block funds, to be taken from the Basic Per Pupil funding factor, to the High Needs Block for 2018-19?

Yes / No

Do you agree to the transfer of 1.0% of Schools Block funds, to be taken from the Basic Per Pupil funding factor, to the High Needs Block for 2018-19?

Yes/No

Do you agree to not transfer any funding from the Schools Block to the High Needs Block for 2018-19 on the understanding that all top-up funding levels would have to be reduced to keep the High Needs Block within budget?

Yes / No

Deadline for responses:

Please respond to Anne.Jones@halton.gov.uk no later than 5.00pm **on Friday 21st September 2018 to ensure your feedback can be included in the report to Schools Forum in October.**

Schools Block transfer to High Needs Block 2019-20 consultation responses

1. Do you agree to the transfer of 0.5% of Schools Block funds, to be taken from the Basic Per Pupil funding factor, to the High Needs Block for 2019-20?

School	Response	Date	Comment
5109	No	10/09/2018	n/a
5141	Yes	11/09/2018	n/a
5403	No	11/09/2018	n/a
5148	Yes	11/09/2018	n/a
5313	Yes	12/09/2018	n/a
5150	Yes	13/09/2018	n/a
5105	Yes	18/09/2018	n/a
5122	Yes	18/09/2018	n/a
5401	Yes	18/09/2018	n/a
OCA	Yes	18/09/2018	n/a
5149	Yes	18/09/2018	n/a
WD	Yes	20/09/2018	n/a
5133	Yes	20/09/2018	n/a
5312	No	21/09/2018	n/a
5118	Yes	21/09/2018	n/a

Summary 17 responses, 14 Yes, 3 No

please note one MAT responded on behalf of 3 schools which makes the total 17

2. Do you agree to the transfer of 1.0% of Schools Block funds, to be taken from the Basic Per Pupil funding factor, to the High Needs Block for 2019-20?

School	Response	Date	Comment
5109	No	10/09/2018	n/a
			This would affect our school budget particularly as we were one of the schools that did not benefit from the
5141	No	11/09/2018	NFF.
5403	Yes	11/09/2018	n/a
5148	No	11/09/2018	n/a
5313	Yes	12/09/2018	n/a
5150	Yes	13/09/2018	n/a
5105	No	18/09/2018	n/a
5122	No	18/09/2018	n/a
5401	Yes	18/09/2018	n/a
OCA	No	18/09/2018	n/a
			I wish I could support the 1% transfer but I am anticipating a significant reduction in my school's budget for 2018-19 due to decreased pupil numbers. Rising standards will reduce the proportion of pupils with 'Low Prior
5149	No	18/09/2018	Attainment' so we will have further cuts here too. The problem is there is no easy answer. but subject to an enhanced level of information, consultation and future proofing of how to ensure that the
WD	Yes	20/09/2018	provision of support is financial sustainable for future years.
5133	Yes	20/09/2018	n/a
			We recognise that the plans to reduce the expenditure against the high needs block is going to take at least another year and therefore support the proposal to enable a more realistic transition period. We also
5312	Yes	21/09/2018	recognise that even with this support, significant rapid reductions in costs are going to be required.
5118	Yes	21/09/2018	n/a

Summary 17 responses, 10 Yes, 7 No

3. Do you agree to not transfer any funding from the Schools Block to the High Needs Block for 2019-20 on the understanding that all top-up funding levels would have to be reduced to keep the High Needs Block within budget?

School	Response	Date	Comment
5109	Yes	10/09/2018	n/a
5141	No	11/09/2018	I would prefer the 0.5% transfer as above
5403	No	11/09/2018	n/a
5148	No	11/09/2018	n/a
5313	No	12/09/2018	n/a
5150	No	13/09/2018	n/a
5105	No	18/09/2018	n/a
5122	Yes	18/09/2018	n/a
5401	No	18/09/2018	n/a
OCA	No	18/09/2018	n/a
5149	No	18/09/2018	n/a
WD	No	20/09/2018	n/a
5133	No	20/09/2018	n/a
5312	No	21/09/2018	n/a
5118	No	21/09/2018	n/a

Summary 17 responses, 2 Yes, 15 No

REPORT TO:	Schools Forum
DATE:	10th October 2018
REPORTING OFFICER:	Operational Director – Education, Inclusion and Provision
SUBJECT:	Contingency Update
WARDS:	Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1 To report on the level of School Contingency and to update members on the approved requests to date.

2.0 RECOMMENDATION: That

- 2.1 School Forum note the current commitments agreed from the contingency

3.0 SUPPORTING INFORMATION

Background

- 3.1 The Schools Contingency is the sum delegated to those schools maintained by the Local Authority. Halton schools have agreed that this sum is de-delegated and managed centrally. This total budget for 2018/2019 is £198,780. This funding can only be used in the following circumstances:

- Exceptional unforeseen costs which it would be unreasonable to expect governing bodies to meet;
- Schools in financial difficulties; and
- Additional costs relating to new, reorganised or closing schools.

- 3.2 Applications can be considered by the School Forum under the following circumstances:

- Schools in financial difficulty, unable to access a licence deficit, applying for a deficit write off;
- Formula errors and other miscellaneous costs which schools could not be expected to fund from their own budget;
- Additional costs relating to new, re-organised or closing schools (this could include the costs of any salary protection);
- Emergencies and exceptional unforeseen costs which it would be unreasonable to expect governing bodies to meet;

- Schools in special measures or where there are serious weaknesses;
- Result of former poor leadership and management for a school which is now under new leadership; and
- Significant loss of goods or equipment.
- Schools in financial difficulty that wish to apply for a licenced deficit;*

3.3 Applications from schools in financial difficulties applying for a licenced deficit are considered by the Strategic Director People and the Strategic Director - Enterprise, Community and Resources.

3.4 The procedure for applying for additional funding from the contingency is as follows:

- Schools must put a formal request for support in writing to the Operational Director –Education, Inclusion and Provision.
- Schools must state clearly how they have met the eligibility criteria;
- Schools must provide clear details (and financial values) of the circumstances underlying the application, the amount of contingency they are applying for and the rationale for the amount requested;
- Applications can be made at any time during the year;
- Requests will be considered and determined by a sub group of the School Forum. School Forum Sub Committee will have at least 3 members but no more than 5. The outcome of any decision will be reported to the next School Forum;
- The Headteacher of the school applying for funding will be asked to attend School Forum to explain their application and answer any queries.
- Schools will be notified of the outcome of the School Forum decision within 5 working days of the meeting.

3.5 There have been five applications for funding received to date. Two applications were considered at a meeting in June and the third application in July. The funding agreed is detailed below:

School	Funding
Spinney Avenue Primary	£15,317.03
Victoria Road Primary	£45,228.42
Warrington Road Nursery	£8,494
Total	£69,039.45

- 3.6 The remaining balance is £129,740.55. Two further applications are being considered on 10th October 2018 prior to this meeting. An update will be provided at the meeting.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The funding agreed by School Forum Sub Committee ensured that the three schools were able to balance their budget.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

5.1 Children & Young People in Halton

The contingency is used to provide financial support and stability to schools.

5.2 Employment, Learning & Skills in Halton

None.

5.3 A Healthy Halton

None.

5.4 A Safer Halton

None.

5.5 Halton's Urban Renewal

None.

6.0 RISK ANALYSIS

- 6.1 Without financial assistance schools would either be unable to balance their budget or be forced to make additional staffing reductions which will directly impact on pupil outcomes.

7.0 EQUALITY AND DIVERSITY ISSUES

- 7.1 Applications are welcome from any eligible school and each application is considered on its own merit.

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

- 8.1 N/A