

Cheshire West & Chester Council

Cheshire West and Chester Schools Forum

Monday 11 December 2017
4.30pm – 6.30 pm

To be held at

Queen's Park High School
Queen's Park Road
Handbridge
Chester CH4 7AE

Refreshments will be available from 4pm

Schools Forum Clerk
Children and Families
Cheshire West and Chester Council
Telephone 01244 972901



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Cheshire West and Chester Schools Forum

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Agenda for Cheshire West and Chester Schools Forum 11 December 2017

1.	4.30	Introductions and apologies		
2.	4.35	Minutes and matters arising of last meeting 2.1 To agree the minutes from part two of the meeting held 9 October 2017 2.2 Matters arising		p 4-11
3.	4.45	Early Years Funding Update	Natalie Cole Sue Lawson	Presentation
4.	5.05	Early Years Funding Formula for 2018-2019	Natalie Cole	p 12-19
5.	5.25	Consultation with schools on High Needs Funding Arrangements 2018-2019 – Update	Natalie Cole	Verbal
6.	5.45	Initial Planning for DSG Allocations for 2018-2019 and Budget Setting	Natalie Cole	p 20-28
7.	6.05	Dedicated Schools Grant (DSG) 2017-2018 Forecast Mid Year Review	Natalie Cole	p 29-30
8.	6.20	Any other business		
9.	6.30 Finish	Next meeting: Monday 15 January 2018 Queen's Park High School Schools Forum and finance sub group meeting schedule and forward plan		p 31-32

**Cheshire West and Chester
Schools Forum
11 December 2017**

Agenda item 2

Draft minutes Cheshire West and Chester Schools Forum, Queen's Park High School, Chester, 9 October 2017

Present:

Marie Allen
Sue Anderson

Hilary Berry
Cheryl Bullen
David Charlton (Chair)
David Curry
Sarah Curtis
Ian Devereux-Roberts
Kate Docherty
Steve Dool
John Freeman
Carol Gahan
Duncan Haworth
Luci Jones
Kath Lloyd
Samantha Myers-Whittaker
John Murray
Sue Pearson
David Rowlands
Andy Stewart
Caroline Vile
Sarah Worthington
Sue Yates
Harry Ziman

Representing:

Academies - Special
PVI (Private, voluntary and
independent) early years'
providers
CWAPH Chair
Primary headteachers
Secondary headteachers
Secondary headteachers
Primary headteachers
Primary headteachers
Primary headteachers
Academies - Primary/Secondary
Secondary governors
Primary governors
Primary governors
Academies - Primary/Secondary
Primary governors
Special headteachers
Academies - Primary/Secondary
Primary governors
Secondary governors
Pupil Referral Units (PRU)
Dioceses
Primary headteachers
Secondary headteachers
Academies - Primary/Secondary

Officers:

Natalie Cole
Charlotte Fenn (Clerk)
Debbie Gittins
Anna Jones
Sharon McKeown
Paul Plested
Mark Parkinson

Official observers:

Observers/public:
Councillor Gibbon

1. Introductions and apologies

Apologies were received from Paula Adolph, Philip Hopwood, Francis Kwateng, Sarah Lee, Kathryn Mageria and Katie Tyrie (not reported at meeting).

David Charlton reported that Chris Priddey had resigned as Primary Headteachers' representative, Ian Devereux-Roberts had taken over the role and Kate Docherty taken over Chris's role on the Finance sub group on a temporary basis; Andy Stewart, The Bridge PRU, had taken over from Sian Thomas as the PRU representative, Sian would act as the PRU substitute.

David Charlton welcomed Councillor Gibbon, Shadow Cabinet Member for Education and Skills, to the meeting as an observer and introduced Anna Jones, Departmental Finance Manager – Peoples. Anna would be taking over Paul Plested's role on the Schools Forum as Paul was taking on project work within Transactional Services. On behalf of the Schools Forum, David thanked Paul for his support and valued contribution over the years. Paul responded that he had worked with many colleagues over the years and in particular had enjoyed working with the Forum.

2. Minutes and matters arising of last meeting

2.1 Minutes of the meeting held on 3 July 2017

The minutes of the meeting held on the 3 July 2017 were agreed as a correct record subject to the following correction:

Under present, Kath Lloyd was representing Primary governors and not Primary headteachers.

2.2 Matters Arising

2.2.1 Item 2.3 Matters Arising

It was noted that teachers had received a 2% pay rise rather than a 1% pay cap.

2.2.2 Item 9.1 Early Years Funding Consultation

Natalie Cole reported that officers were not in a position to provide further information regarding Early Years Specialist Support until Shelia Little's replacement was in post (Early Years Specialist Support Team Manager).

It was noted that the Early Years reference group had decided there was no need to consult as no formula changes had been proposed.

Sue Anderson raised concerns regarding the funding rate for early years settings being set to 2020 and asked how many early years settings had closed and raised concerns that no one was lobbying on their behalf regarding the funding impact long term.

Mark Parkinson responded that he was not aware of any issue with early years settings closing. Schools Forum Clerk was asked to seek confirmation from Sue Lawson regarding the number of closures.

It was acknowledged that concerns around Early Years funding received less of a high profile; officers agreed to ask Sue Lawson to attend the December Schools Forum meeting and present a paper on the Early Years proposals and implications and share the presentations provided at the workshops held for early years settings.

3. Children and Families - Basic Needs Capital Programme 2017-2018

David Charlton declared an interest, as his school was receiving funding as part of the programme, and offered to stand down as chair for the item; Schools Forum members were happy for David to continue as chair.

Sharon McKeown was welcomed to the meeting and introduced herself as the new Children Services Liaison Manager.

Sharon took Forum members through the report which provided an update on the Children and Families Basic Need Capital Programme.

Duncan Haworth questioned why there was no mention of the housing development in Ledsham and the new free school. Sharon responded that, the school was an ESFA proposal therefore it does not feature within the Local Authority's capital programme.

Harry Ziman questioned whether the school transport and admissions policies were working together.

Mark Parkinson reported that both services came under the same team (Education Infrastructure) and were taken into account when planning the basic needs capital programme. It was noted that home to school transport was funded from Council budgets and not DSG.

Resolved that Schools Forum note the paper.

4. School Funding Arrangements 2018-2019

Natalie Cole introduced the report which provided Schools Forum with details on the school funding arrangements for 2018-2019; details on the impact on Cheshire West and Chester and proposals for consulting with schools and Schools Forum on the arrangements for 2018-2019.

Natalie drew Forum members' attention to the changes, outlined in paragraph 4, made by government to the original proposals in response to the consultation feedback; however it was noted that some areas, in particular high needs and growing schools, had not been addressed by the proposals.

Forum members noted that, although the government's intention was to move to a hard national formula in 2020, it was unclear what would happen as this came under the next Comprehensive Funding Review and the DfE would not commit to what the changes would be.

Mark Parkinson made Forum members aware that the Local Authority would need to find the funds for the first year of the proposed free school in Ledsham due to lagged pupil numbers based funding. The Council had feedback

comments regarding the need to fund local authorities appropriately as estates and demand for school places increased.

Forum members' attention was drawn to appendix A which compared the CWAC current local funding formula values for 2017-2018 with the national funding formula values for 2018-2019. It was noted that the fundamental difference was that more had been allocated through the deprivation factor, though CWAC did not benefit from this change.

David Charlton drew Forum members' attention to the 'CWAC Consultation with Schools on School Funding for the Financial Year 2018-2019' documentation and modelling which had been circulated separately from the main papers.

It was noted that the school budget illustrative figures, circulated by the DfE showing a cash increase of 0.5%, were misleading as there was no mechanism to replicate the increase; the MFG would need to be set at plus 0.5 for this to be achieved. The 0.5% increase had been allocated to enable local authorities to manage the move to a national funding formula.

David Charlton led discussions and sought comments on the three questions set out in the Consultation document.

The general consensus of the group was to apply the Schools National Funding Formula, but concerns were raised as to what impact this might have on some schools. Natalie advised Forum that schools would get some protection from the minimum funding guarantee (MFG) but pointed out that no guidance was available as to what protection would be available from 2020 when the hard formula was due to be implemented.

Questions were raised as to the impact on schools with high deprivation and low prior attainment. It was noted that schools would gain on FSM but lose on the lump sum.

Forum members asked if officers knew what other local authorities were proposing. Natalie informed the group that a number of local authorities in the North West were sticking to their local formulas as they felt the national formula was not targeting funding where needed locally or able to address local issues.

The group considered the impact on the various options for setting the MFG level. Forum was reminded that the MFG did not protect schools from loss of funding due to falling pupil numbers. Natalie informed Forum that she was happy for Heads to contact her if they needed the modelling explaining.

Natalie Cole drew Forum members' attention to the minimum per pupil factor modelling. It was noted that the factor would be managed separately within the primary & secondary sector funding envelopes. The group discussed the pros and cons of adopting the factor as outlined in the consultation document.

Concerns were raised that the official communication had not helped the reality and some schools and governors were still working on the assumption that they

would receive the funding as set out in the government's announcement. It was acknowledged that the Forum needed to get the message across that this was not the case.

Following Forum discussions Harry Ziman put forward a resolution to recommend model 6 which implemented the Schools National Funding Formula for 2018-2019 with MFG set at -1.5, subject to the outcomes of the consultation to be considered at the next Finance sub group meeting.

Resolved that the Schools Forum make the following recommendations, subject to feedback from the Consultation due to end on 18 October 2017, that the Local Authority:

- i. implements the Schools National Funding Formula for the soft formula in 2018-2019 (vote: unanimous) ;
- ii. applies protection against a year on year reduction in per pupil levels of funding of -1.5% (vote: unanimous);
- iii. implements the Minimum per pupil funding factor to pass on the additional transitional funding allocated through the Schools National Funding Formula (vote: majority, 1 abstention);
- iv. Task the Finance sub group to review the Consultation feedback at their meeting on 18 October 2017 and put forward the final recommendations;
- v. Task the Chair to send out a communication to schools outlining the Schools Forum proposed recommendations and stating that it was not possible to reproduce a formula that would generate the funding for each school as set out in the government's announcement.

5. Schools Forum High Needs Sub group report on Special Educational Needs (SEN) Funding for Mainstream and Special Schools

Sue Yates presented the paper on behalf of the High Needs sub group and summarised the work carried out by the group and the recommendations as outlined in the paper.

It was noted that the group had looked at models across both mainstream and special schools for the most effective way of making savings, some of which may not be palatable to all.

Harry Ziman questioned what the impact of transferring 0.5% from the schools block to the high needs block would have in light of discussions on agenda item 4.

Officers agreed to provide two further models to illustrate the impact of the recommendations, one using the NFF in 2018-2019 with -1.5% MFG and minimum per pupil levels and the second reflecting the 0.5% schools block transfer to high needs.

David Charlton reported that he had received correspondence from a special school requesting that the increased pressure the proposed new 70 place free school would have on the High Needs block be brought to the Schools Forum

attention. Mark Parkinson reminded Forum that funding for any new free school would have to be found from the High Needs block as there would be no interplay between blocks at that stage and it may be necessary to reduce top up funding by 10%. Agreeing the new free school was a DfE decision, however, it was noted that officers had made it clear to the DfE that they would be seeking comments from Schools Forum regarding the proposed free school.

Kate Docherty questioned whether there was yet any clarity regarding pupils moving to an alternative provision free school and coming off the school's role; it was noted that this was still unclear and had yet to be clarified.

John Murry commended the High Needs sub group on the work they had done.

It was noted that the proposals had been scrutinised by the Finance sub group prior to coming to Forum and they had questioned whether they were in fact radical enough; if the proposals were not taken up there would need to be a 50% cut to top up rates.

Mark Parkinson reminded Forum that the issues regarding increasing spend on SEN had been flagged with Forum for several years; officers had managed to avoid overspends by finding savings. Mark stressed that if the current inclusion issues were not addressed these funding issues would come back and would have to be brought back to Forum to resolve. It was noted that only one third of SENCO's attended the recent SENCO training and improved attendance could only be achieved by schools exercising leadership and management. Mark drew Forum's attention to appendix A which compared the percentage of CWAC pupils with plans attending mainstream, academy or free schools or special schools with the English average. It was noted that CWAC continued to have higher percentages of pupils attending special schools and a lower percentage of pupils attending mainstream schools than the average in England.

Questions were raised as to, statistically, how many pupils in special schools should be in mainstream. Officers were not able to provide the actual figures but agreed to bring back the data at a future meeting.

Debbie Gittins informed Forum members that the number of Out of Borough places was starting to grow and Sam Myers-Whittaker confirmed that special schools had no more space for pupils.

It was noted that the continuing growth in SEN pupils was consistent across the North West.

Questions were raised as to what mechanisms there were to bring back special school pupils into mainstream. Debbie Gittins confirmed that one of the main issues was getting parents on board and gaining their confidence.

David Charlton requested that colleagues' feedback any other views they may have to the High Need sub group.

Debbie Gittins drew Forum members' attention to the audit of SEN funding

outlined in paragraph 6.7 and thanked Kate Docherty's school for piloting the audit. Debbie sought support from Forum to encourage selected schools to engage with the audit.

David Charlton thanked the High Needs sub group for the work they had done putting together the proposals.

Resolved that the Schools Forum

- i. note the ceasing top up funding without a plan after two years as agreed in March 2017;
- ii. note officers to undertake a pilot piece of work to consider top up funding and low attendance;
- iii. endorsed recouping the difference in top up funding where the alternative provision costs commissioned by a school for an individual pupil is less than the element 3 funding (vote unanimous);
- iv. note the naming of provision;
- v. note that in year transfers proposals do not demonstrate a cost saving and are not for consideration;
- vi. note the proposed commissioned places in Special schools 2017-2018 agreed in March 2017;
- vii. note the proposed changes to special school band funding rate for 2017-2018 agreed in March 2017 with Forum approving a 1.5% reduction to Special school top up rates;
- viii. agree, in principle to the allocation of funding to deliver work on inclusion and workforce development in mainstream schools (vote unanimous);
- ix. agree the transfer of 0.5% of funding from the schools block to the high needs block in line with the recent funding guidance (vote unanimous);
- x. note the 0.5% increase to the high needs block following the recent funding guidance;
- xi. agree the proposed 3% reduction in mainstream funding across all bands (vote unanimous);
- xii. agree the proposal to consult with the special schools to apply an efficiency factor reduction to band fund rates (vote unanimous);
- xiii. agree that top up funding without a plan agreed prior to 2014 is agreed for two years only to bring it in line with two year top up funding process for requests after 2014 (vote unanimous); and
- xiv. support the audit of SEN funding to be undertaken by internal audit and Associate School Improvement Advisors (vote unanimous).

6. Final allocation of the DSG 2017-2018

David Charlton introduced the paper and asked if Forum members needed any clarification.

Resolved that the Schools Forum note

- i. the amendments to the DSG allocation for the high needs and early years funding blocks; and
- ii. the adjustments to centrally held budgets for 2017-2018.

7. Dedicated Schools Grant (DSG) 2017-2018 Forecast Outturn at First Review

David Charlton introduced the paper and asked if Forum members needed any clarification.

Resolved that the Schools Forum note the First Review position on the DSG.

8. Any Other Business

None to report.

9. Next meeting

Next Schools Forum meeting Monday 11 December 2017 Queen's Park High School 4.30 - 6.30.

Agenda Item 4

Early Years Funding Formula for 2018-2019

Purpose of the report

1. This report details the requirements of the funding of the three and four year old universal and additional entitlements for local authorities for 2018-2019 through the Early Years Funding Formula (EYFF). These requirements are shown against the current local formula in Cheshire West and Chester and for statistical neighbours from benchmarking data provided by the Education and Skills Funding Agency (ESFA).

Recommendations

2. It is recommended that:
 - i. In line with the earlier review of the EYFF by the Early Years Reference Group, that Schools Forum approve the continuation of the current local EYFF for 2018-2019 (paragraph 8).
 - ii. the base rate for 2018-2019 will be increased from additional funding made available from the removal of the flexibility supplement and increase in pass through rate. The final rate will be determined in February 2018 based on January take up (paragraph 8).
 - iii. The Early Years Reference Group are tasked to review the 2017-2018 benchmarking data and the impact on outcomes of the use of supplements in the EYFF and of allocations from the SEN Inclusion Fund (paragraph 10).

Early Years funding for three and four year olds in 2018-2019

3. Since its introduction in April 2017, the Early Years National Funding Formula (EYNFF) has set the hourly funding rates that each local authority is paid to deliver the universal and additional entitlements for three and four year olds. For some local authorities, these rates will be different in 2018 -2019 compared to 2017-2018 as a result of the transitional protections that accompanied the formula's introduction.
4. The 2018 to 2019 EYNFF rates for all local authorities have been published in November 2017 and the rate for Cheshire West and Chester remains at £4.30 as in 2017-2018 as at the minimum rate there were no remaining transitional protections to be removed.

Key requirements for 2018 to 2019

5. The key requirements on local authority funding of providers in 2018-2019 through the EYFF are shown in the table below along with actions needed to meet these requirements.

Requirement	Action
The local authority should set a single funding rate (including same base rate and supplements) for both entitlements for three and four year olds (that is, both the universal 15 hours, and the additional 15 hours for working parents)	No action required - single formula set for CWAC in 2017-2018
The local authority must plan to spend at least 95% of their three and four year old funding from government on the delivery of the government entitlements for three and four year olds	Decrease in central spend from 7% to 5% planned for 2018-2019 with funding being allocated to providers through an increase in the base rate.
Local authorities may request that the 95% pass through requirement be disapplied in specific, exceptional circumstances	No exceptional circumstances identified.
Local authorities should be moving towards a universal base rate for all types of provider in their local three and four year old formula, and should do this by 2019-2020	No action required - single rate set for CWAC in 2017-2018
Local authorities must use a deprivation supplement in their local three and four year old formula, and any other supplements used must fall within one of the allowable categories	No action required – requirements met with CWAC formula in 2017-2018
Local authorities must not channel more than 10% of their funding for three and four olds through funding supplements	No action required – requirement met with CWAC formula in 2017-2018 by removing flexibility supplement. Full year effect of this supplement will be added to the base rate in 2018-2019.
Local authorities can continue to use ‘lump sums’ (as well as a differential base rate) to distribute Government funding, including the supplementary MNS funding for Maintained Nursery Schools to enable the protection of their 2016 to 2017 funding rates	Implemented in 2017-2018 and no change planned for 2018-2019

Local authorities must provide a SEN Inclusion Fund (SENIF) for three and four year olds	Fund established.
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Changes for 2018 to 2019

6. The main changes from the requirements for the 2017-2018 financial year are:
- the pass-through rate increases from 93% in 2017-2018 to 95% in 2018-2019
The '95%' includes the following budgets:
 - base rate funding for all providers
 - supplements for all providers
 - lump sum funding for MNS
 - the top-up grant element of SEN Inclusion Funds paid to providers
 - contingency funding
 - clarification that local authorities' formulas should not distinguish between the two entitlements for three and four year olds
 - clarification that funding supplements are intended to be in addition to the base rate and not used to reduce it; that is, they should not be 'negative'.

Local authority formula setting

7. Local authorities are required to consult providers on annual changes to their local formula. Schools forums must also be consulted on changes to local early years funding formulas, including agreeing central spend by 28 February, although the final decision rests with the local authority. Unless a disapplication is authorised by the Secretary of State, the formula cannot be changed after the financial year has started. Local authorities must calculate and notify initial budgets to providers by 31 March. These should use an estimate of the number of hours for the financial year. Unlike the schools formula, early years budgets should be updated during the course of the year as the estimated hours are replaced by actual counts.
8. Following feedback from providers on the insufficient increase in funding arising from the introduction of the EYNFF in April 2017, the Early Years Reference Group reviewed the current local EYFF. Having considered the use of the supplements they were not minded to change the current funding formula. There are therefore no proposed changes to consult on for 2018-2019 and the EYFF as set out in Appendix A will be applied. The base rate will be increased from additional funding arising from the removal of the flexibility supplement and the increase in pass through rate. Since allocations to the LA will be determined from the January 2018 census, this rate will be finalised once take up is known and the affordability of the formula calculated in February 2018.

Review of 2017-2018 EYFF benchmarking data

9. In November 2017, the Department for Education published an early years funding benchmarking tool for all local authorities showing projected spending in 2017-2018 for early entitlement places for 2, 3 and 4 year olds. Local authorities can use this information to compare their local systems and outcomes against other local authorities. They can use these comparisons to support improvements in fairness and increase value for money. The tool is available at the following website link <https://www.gov.uk/government/publications/early-years-benchmarking-tool>
10. The tool allows a local authority to compare its 2017-2018 budgeted spend to any English local authority or to select its statistical neighbours. The comparison against statistical neighbours for 3 and 4 year olds is included as appendix B to this report and was reviewed by the Finance Sub Group at the meeting of 28 November. This review raised the following observations and questions.
- The average hourly rate allocated to providers is lower than the England average and of statistical neighbours. This can largely be attributed to the local authority receiving the minimum hourly allocation of £4.30 per hour under the Early Years National Funding Formula.
 - Funding paid through supplements in the formula are at the maximum of 10% of funding, having been reduced from 12.7% to meet the cap from April 2017. This is the highest of all statistical neighbours and the England average.
 - SEN inclusion funding is the highest of all statistical neighbours in total value and also in terms of the relative funding of those authorities. The Group questioned the impact on outcomes that this funding achieves.
 - Variations and anomalies were noted in the data which has been taken from local authority Section 251 statements. The Group noted the considerable variation in funding allocations across local authorities in spite of the implementation of the Early Years National Funding Formula.
11. The Group recommended that the Early Years Reference Group give further consideration to this benchmarking data and be tasked with reviewing the impact on outcomes from the budgeted spend on the SEN inclusion fund and the use of supplements in the funding formula. Findings are to be reported back to Schools Forum Finance Sub Group.

Next Steps

12. To implement the EYFF for 2018-2019 and notify providers in accordance with the statutory timeframe. Further review of the EYFF and SEN inclusion fund is to be taken forward for the 2019-2020 financial year allocations.

Appendix A Current EYFF for CWAC and 2017-2018 budget and values

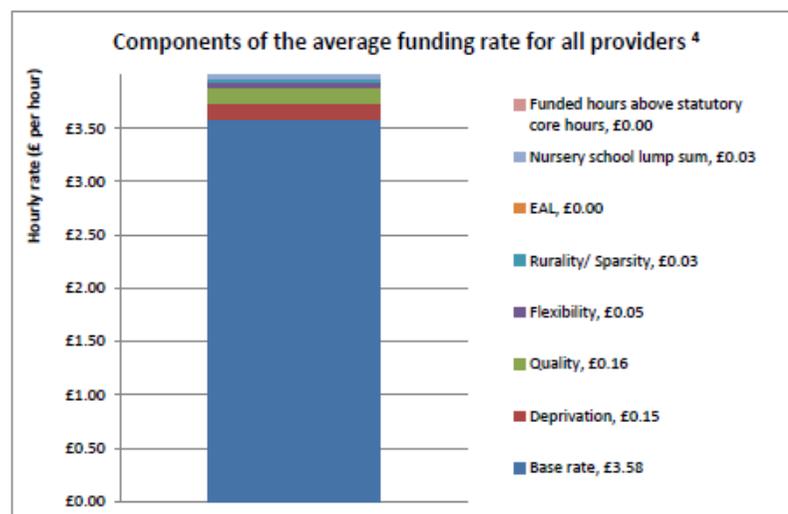
Current CWAC EYFF	Budget 2017-18			
	£	Units	Rate	%
Base rate	£11,773,607	3,288,717	3.58	90.3%
<p>Disadvantage Supplement Additional payment based on the number of children attending the Setting who reside in the 30% most disadvantaged areas in England on the Income Deprivation Affecting Children Index ("IDACI") or in the 30% most disadvantaged areas in Wales on the Welsh Index of Multiple Deprivation. Payment of £0.005 per child per hour will be made based on the percentage of Eligible Children residing in such an area attending the Setting (e.g. if 40% of Eligible Children attending the setting live in a 30% IDACI area, the Provider will receive (£0.005x40) £0.20 per child per hour).</p>	£486,136	3,288,717	0.15	3.7%
<p>Rurality supplement - £2,000 if the Setting is defined as being in a Pre-dominantly Rural Census Output Area under the Council's Rural / Urban Classification;</p>	£60,000	30	2,000	0.5%
<p>Rurality supplement - Additional lump sum payment of £3,000 if a setting is defined as being in a Rural Census Output Area under the Council's Rural / Urban Classification</p>	£27,000	9	3,000	0.2%
<p>Flexibility Supplement (removed from Sept 2017) Additional payment of £0.20 per child per hour if the Provider offers flexible sessions within the School day. Flexible sessions means offering sessions of not less than six continuous hours in length on not less than three days per week.</p>	£177,228	886,142	0.20	1.4%
<p>Qualification Supplement - Additional payment based on the highest qualified staff member at the Setting. If the highest qualified staff member holds an appropriate Qualified Teacher Status - the Provider will receive £0.25 per child per hour. If the highest qualified staff member holds Early Years Professional Status the Provider will receive £0.15 per child per hour.</p>	£425,266	1,701,063	0.25	3.3%
	£91,423	609,485	0.15	0.7%
Total formula funding	£13,040,660			100.0%
Total allocated through supplements	£1,267,053			9.7%

Appendix B Comparison against statistical neighbours for 3 and 4 year olds Cheshire West and Chester - Key Budget Statistics

Financial Year 2017-18

Cheshire West and Chester	All providers	Private, Voluntary, Independent	Nursery schools	Primary nursery places
3-4 year old hourly average funding rate (£/hr) ¹	£4.00	£3.92	£6.33	£4.12
3-4 year old hourly average base rate for statutory hours (£/hr) ²	£3.58	£3.58	£3.58	£3.58

Pass-through rate (%)³ 98%



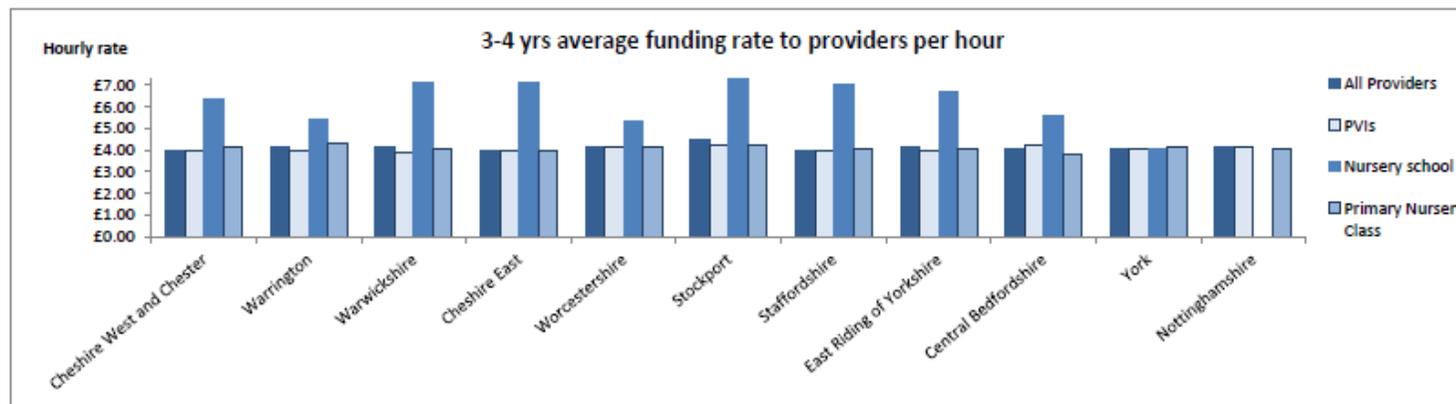
1. Average funding rate per hour is derived by i) adding the total EYSFF budgets for: base rate; supplements; maintained nursery school lump sums; and funded hours above statutory core hours for non-PVIs, and dividing this by ii) the total number of hours reported for: the core 15 hours; the additional 15 hours; and funded hours above statutory core hours for non-PVIs.
2. Average base rate per hour is derived by taking the budget for the base rate and dividing it by the base rate hours reported for both core and additional 15 hours.
3. The calculation methodology for the pass-through rate is included in the early years national funding formula operational guide, available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/580716/EYNFF_Operational_Guidance.pdf
The following LAs have approvals to disapply the pass-through requirement in 2017-18 and their approved rate is shown in brackets: Brent (90%), Camden (89%), Islington (84%), Tower Hamlets (81%), and Wandsworth (91%).
4. This graph shows the breakdown of the hourly average funding rate for all providers. Please note that the 'base rate' in the chart is the average base rate for all hours (core 15 hours, additional 15 hours and funded hours above statutory core hours for non-PVIs) and therefore differs from the 'hourly average base rate for statutory hours' shown in the table for a small number of local authorities.

Benchmarking against Statistical Neighbours

Order ▼

Local Authority	Average funding rate to providers per hour				Pass-through rate	Funding paid through supplements	SEN Inclusion Fund (top-up grant element) budget
	All providers	Private, Voluntary, Independent	Nursery schools	Primary nursery places			
England	£4.53	£4.34	£7.42	£4.52	98%	5%	£48,264,745
Cheshire West and Chester	£4.00	£3.92	£6.33	£4.12	98%	10%	£679,489
Warrington	£4.13	£4.00	£5.39	£4.28	100%	0%	£450,891
Warwickshire	£4.12	£3.91	£7.13	£4.09	93%	5%	£200,000
Cheshire East	£3.99	£3.98	£7.09	£4.01	95%	2%	£400,000
Worcestershire	£4.18	£4.16	£5.35	£4.17	97%	1%	£0
Stockport	£4.48	£4.28	£7.34	£4.27	101%	1%	£275,000
Staffordshire	£3.97	£3.92	£7.03	£4.06	94%	3%	£168,000
East Riding of Yorkshire	£4.15	£3.95	£6.70	£4.05	93%	3%	£80,800
Central Bedfordshire	£4.06	£4.20	£5.55	£3.77	97%	3%	£250,000
York	£4.06	£4.03	£4.05	£4.16	94%	1%	£0
Nottinghamshire	£4.13	£4.17	-	£4.07	96%	0%	£0
Selection Median	£4.12	£4.00	£6.52	£4.09	96%	2%	£200,000
Selection Minimum	£3.97	£3.91	£4.05	£3.77	93%	0%	£0
Selection Maximum	£4.48	£4.28	£7.34	£4.28	101%	10%	£679,489

3-4 yrs per hour ▼

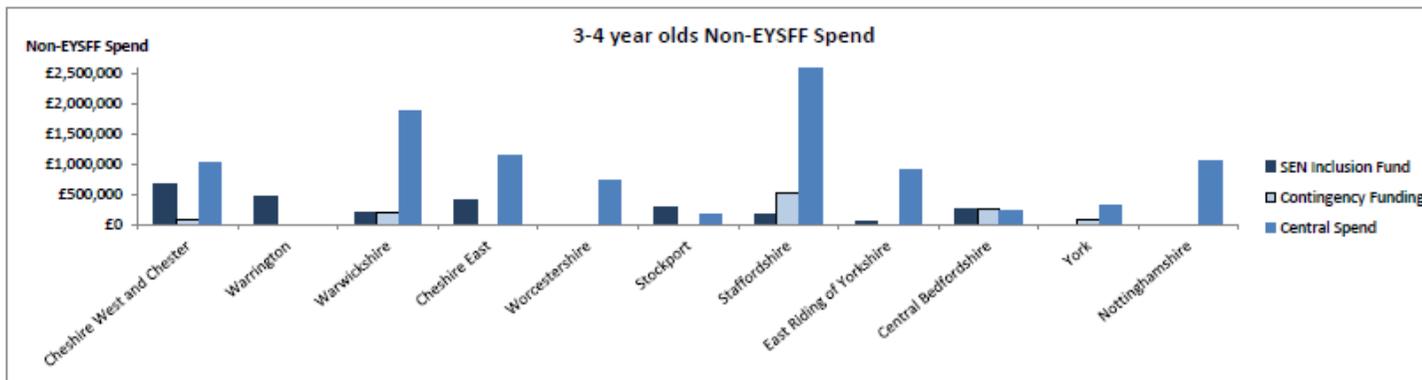


Original

Benchmarking against Statistical Neighbours

Order

Local Authority	3-4 year olds				2 year olds					
	Total delegated EYSFF budget	SEN Inclusion Fund (top-up grant)		Contingency funding	Central spend	Total delegated EYSFF budget	SEN Inclusion Fund (top-up grant element) budget		Contingency funding	Central spend
		3-4 yrs Non-EYSFF								
England	£2,623,852,333	£48,264,745	£35,842,533	£127,829,484	£483,987,967	£1,891,868	£3,852,410	£11,518,362		
Cheshire West and Chester	£13,138,952	£879,469	£80,514	£1,020,008	£2,524,854	£40,000	£0	£25,000		
Warrington	£9,614,094	£450,691	£0	£0	£1,886,807	£0	£0	£143,482		
Warwickshire	£24,276,932	£200,000	£181,471	£1,876,389	£3,722,000	£0	£0	£0		
Cheshire East	£16,202,972	£400,000	£0	£1,133,000	£2,176,698	£43,395	£34,717	£36,451		
Worcestershire	£25,076,993	£0	£0	£727,828	£4,393,142	£0	£0	£0		
Stockport	£14,400,869	£275,000	£0	£169,890	£2,738,001	£0	£0	£0		
Staffordshire	£33,976,426	£168,000	£516,990	£2,572,570	£5,888,385	£62,000	£91,860	£0		
East Riding of Yorkshire	£13,243,186	£80,800	£0	£891,200	£2,718,820	£0	£0	£0		
Central Bedfordshire	£11,914,009	£250,000	£257,500	£225,008	£1,774,663	£0	£0	£0		
York	£7,782,922	£0	£70,000	£303,589	£1,018,616	£0	£30,000	£0		
Nottinghamshire	£35,833,256	£0	£0	£1,057,398	£8,169,984	£0	£0	£0		
Selection Median	£14,400,869	£200,000	£0	£891,200	£2,718,820	£0	£0	£0		
Selection Minimum	£7,782,922	£0	£0	£0	£1,018,616	£0	£0	£0		
Selection Maximum	£35,833,256	£879,469	£516,990	£2,572,570	£8,169,984	£62,000	£91,860	£143,482		



Agenda Item 6

Initial Planning for Dedicated Schools Grant Allocations for 2018-2019 and Budget Setting

Purpose of the Report

1. The purpose of this report is to provide estimates on the calculation of the indicative Dedicated Schools Grant (DSG) allocation for 2018-2019 and set out initial budget proposals for the next financial year.

Recommendations

2. The Schools Forum is requested to:-
 - i. Approve the initial DSG budget proposals.
 - ii. Note the next steps for confirming the DSG budget proposals for 2018-2019.

Background

3. The indicative DSG allocation for 2018-2019 is due to be made available by the Education and Skills Funding Agency (ESFA) mid-December 2017 along with the final pupil numbers and demographics from the October census to determine the formula funding for schools. The availability of this information is necessary to set the budget and funding formula for the next financial year. However, some estimates can be made to allow some planning to take place with Schools Forum, prior to the January meeting where budgets need to be finalised.

Estimated DSG Allocation for 2018-2019

4. The September announcement from the ESFA on the National Funding Formula confirmed the basis for allocations in 2018-2019 will be as follows.
 - The DSG is currently allocated in three blocks – the schools block, the high needs block and the early years block. The NFF proposals will create a fourth block, the central school services block. This will allocate funding to local authorities for their ongoing responsibilities towards both maintained schools and academies. Each of the four blocks of the DSG will be determined by a separate national funding formula from 2018-2019.
 - Schools Block funding in 2018-2019 will be allocated to local authorities using a primary and secondary per-pupil unit rate derived from the schools

national funding formulae. The NFF calculation was announced in September 2017 based on the October 2016 census. For Cheshire West and Chester these rates are £3,999 for primary and £5,003 for secondary. In December, local authority allocations will be confirmed by multiplying these per-pupil rates by the final pupil numbers from the October 2017 census. The per-pupil unit rates however will not be updated to represent pupil demographics on the October 2017 census.

- Provisional allocations for local authorities under the High Needs Block NFF have been published for 2018-2019. The formula contains a number of factors, most of which are confirmed actual amounts although some of the pupil led factors will be updated in the December announcement and into 2018. The provisional allocation and further details of the High Needs NFF allocation are included at **Appendix A**.
 - Early Years Block allocations will be made in line with the Early Years National Funding Formula implemented in April 2017. The 2018 to 2019 EYNFF rates for all local authorities have been published in November 2017 and the rate for Cheshire West and Chester remains at £4.30 as in 2017-2018 as at the minimum rate there were no remaining transitional protections to be removed. Final allocations will continue to be based on participation at the January census points and will be finalised in July 2018. In 2018-2019, there will be the full year effect of additional funding for the implementation of 30 hours free childcare in September 2017. This is the only increase in funding anticipated other than any increase from participation in 2017-2018.
 - The Central Schools Spend Block (CSSB) is split into funding for historic commitments and funding for ongoing responsibilities. In 2018-2019, local authorities will receive funding for historic commitments based on an earlier baselining exercise of planned spend in 2017-2018 whose results were published in August 2017. Funding to local authorities for ongoing responsibilities will be allocated according to the CSSB formula which will be updated in December for the October 2017 census pupil count. This allocation includes the former Education Services Grant (ESG) retained duties allocation which was transferred to the DSG in 2017-2018. Further details of the CSSB allocation are included in **Appendix B**.
5. The final DSG allocation for Cheshire West and Chester in 2017-2018 is £251.212m. The current allocation alongside the indicative DSG allocation reflecting the points above is detailed in **Appendix C**. A net increase in DSG funding of £3.748m is anticipated before academy recoupment and deductions of high needs places funded directly by the ESFA.

Budget Planning 2018-2019

6. Initial DSG budget planning for 2018-2019 includes both technical adjustments to funding and known spending pressures and savings. **Appendix D** details the adjustments proposed for the 2018-2019 DSG for

Individual School Budgets (ISB), centrally retained, early years and high needs spend. Proposals would see an overall increase in ISB of £1.4m, early years (£1.5m) and high needs budgets of £0.8m and a reduction in centrally held budgets of £0.05m.

7. Under School Finance Regulations, certain activities within central spend are not allowed to exceed the budget held in the previous year. These activities are: prudential borrowing, termination of employment costs, combined services, SEN transport costs and miscellaneous expenditure (not falling within other paragraphs of the regulations). None of the budget proposals increase the budgets for these activities for 2018-2019.

Next Steps

8. Initial allocation estimates and confirmed budget proposals to be reviewed following receipt of information from the ESFA in December. Further work will be carried out on the impact of the early years settlement and on reviewing central spend and high needs budgets during this period. Final proposals are to be tabled at the January Schools Forum meeting along with the proposed funding formula submission.

Appendix A Provisional High Needs Block allocation under the NFF for 2018-2019

		High Needs Block allocation Funding Formula	Cheshire West And Chester
These columns calculate the basic entitlement factor funding for each LA. This funding will be recalculated later based on the October 2017 schools census.	(A) Basic entitlement factor	Number of pupils in special schools/academies	948
		ACA-weighted basic entitlement unit rate (£4k per pupil)	£4,022
		Basic entitlement factor	£3,812,685
		(B) Historic spend factor	£16,313,168
These columns distribute the remaining funding to LAs through the proxy factors. The calculation for each proxy factor is as follows: for each local authority multiply the number of children by the Area Cost Adjustment (ACA) to give an ACA-weighted number of children; work out the national total of ACA-weighted children; and split the total factor funding between local authorities using their proportion of the national total of ACA-weighted numbers of children.	(C) Population factor	Mid-2018 age 2-18 ONS population projection	62,820
		ACA-weighted population	63,163
		Population factor	£7,384,349
	(D) FSM factor	Number of FSM pupils resident in LA	5,198
		ACA-weighted FSM pupils	5,226
		FSM factor	£1,238,318
	IDACI band F factor	IDACI band F population	4,146
		ACA-weighted IDACI band F population	4,169
		IDACI band F factor	£140,868
	IDACI band E factor	IDACI band E population	2,422
		ACA-weighted IDACI band E population	2,435
		IDACI band E factor	£107,255
	IDACI band D factor	IDACI band D population	2,993
		ACA-weighted IDACI band D population	3,009
		IDACI band D factor	£180,946
	IDACI band C factor	IDACI band C population	3,745
		ACA-weighted IDACI band C population	3,765
		IDACI band C factor	£242,034
	IDACI band B factor	IDACI band B population	3,637
		ACA-weighted IDACI band B population	3,657
		IDACI band B factor	£257,650
	IDACI band A factor	IDACI band A population	1,379
		ACA-weighted IDACI band A population	1,387
		IDACI band A factor	£132,858
	(E) IDACI factor	IDACI factor	£1,061,612
	(F) Bad health factor	Number of children in bad health resident in LA	302
		ACA-weighted number of children in bad health	304
Bad health factor		£921,170	
(G) Disability factor	Number of children resident in LA for whom DLA claimed	2,380	
	ACA-weighted number of children for whom DLA claimed	2,393	

	High Needs Block allocation Funding Formula		Cheshire West And Chester
		Disability factor	£1,269,271
	(H) KS2 low attainment factor	Number of pupils resident in LA with low attainment in KS2 reading (5 year total)	655
		ACA-weighted number of pupils resident in LA with low attainment in KS2 reading (5 year total)	659
		KS2 factor	£1,046,581
	(I) KS4 low attainment factor	Number of pupils resident in LA not attaining 5 GCSEs A*-G (5 year total)	806
		ACA-weighted number of pupils not attaining 5 GCSEs A*-G (5 year total)	810
		KS4 factor	£1,067,402
<p>The funding floor factor protection is calculated on a per head of population basis, ensuring that every local authority receives at least a 0.5% increase per head. The additional absolute floor ensures that even those local authorities with a decreasing population receive a cash flat protection compared to their 2017-18 baseline. The gains under the formula are also calculated on a per head basis.</p>	Total historic spend and proxy factor allocation		£30,301,871
	(J) Funding floor factor	Baseline for funding floor and 2018-19 gains	£32,626,336
		Mid-2017 age 2-18 ONS population projection	62,726
		2017-18 baseline per head (based on mid-2017 age 2-18 ONS population projection)	£520
		2018-19 per head funding floor	£523
		Formula per head (based on mid-2018 age 2-18 ONS population projection)	£482
		Protected per head rate for the purpose of the funding floor	£523
		Total funding floor factor	£2,537,059
Total historic spend, proxy factor and 2018-19 funding floor factor allocation		£32,838,930	
This funding is subject to any changes notified to ESFA in autumn 2017	(K) Hospital education funding	2018-19 Hospital education funding with 0.5% uplift	£528,515
This funding will be recalculated based on the January 2018 census and R06 ILR for 2017/18	(L) Import/export adjustment	Net number of imported pupils/students	77
		Import/export adjustments x £6k	£462,000
High needs NFF 2018-19 allocations	2017-18 LA baseline after schools block transfer		£37,426,907
	2018-19 high needs NFF allocations before gains cap		£37,642,130
	Percentage change versus equivalent 2017-18 baseline		0.6%

Appendix B Provisional Central School Service Block under the NFF for 2018-2019

Baseline funding	Reported spend on ongoing functions in 2017-2018	£1,788,788
	2017-2018 baseline per-pupil spend for ongoing functions	£41
	Reported spend on historic commitments in 2017-2018	£1,265,249
	Total reported spend in 2017-18	£3,054,037
Provisional NFF funding in 2018-19	Provisional amount NFF would allocate to LAs for ongoing responsibilities	£1,744,068
	Actual 2018-2019 per-pupil rate for ongoing functions	£40
	Provisional percentage change to funding for ongoing functions in NFF 2018-2019	-2.5%
	Actual funding for historic commitments	£1,265,249
	Provisional total CSSB NFF funding 2018-2019	£3,009,317
	Provisional percentage change to CSSB funding in 2018-2019 over 2017-2018 baseline	-1.5%

Ongoing functions include:

Section 251 2017-2018 budgeted spend	£
1.4.2 School admissions	641,057
1.4.3 Servicing of schools forums	48,495
1.4.8 Fees to independent schools without SEN	124,841
1.4.13 Other Items (copyright licences)	265,395
1.5.1 Education welfare service (ESG retained duties)	214,726
1.5.2 Asset management (ESG retained duties)	74,820
1.5.3 Statutory/ Regulatory duties (ESG retained duties)	419,454
Total ongoing functions	£1,788,788

Historic commitments include:

Section 251 2017-2018 budgeted spend	£
1.4.1 Combined Budgets	835,777
1.4.7 Prudential borrowing	429,472
Total historic commitments	1,265,249

Appendix C Final DSG 2017-2018 and Indicative 2018-2019 allocation

DSG allocation 2017-2018 (as at November 2017)			
DSG Allocation Block	Pupil Numbers	Amount per pupil £	Allocation £000
Schools Block			
Schools Block Unit of Funding	43,579	4,448	193,839
High Needs Block			36,403
Early Years Block			
3 and 4 year old free entitlement	3,031	4,085	12,382
Maintained nursery supplement			86
Disability Access Funding		615	74
30 hours from Sept 2017	883	2,383	2,105
			14,646
Central School Services Block			
Central schools block	43,579	65	2,837
ESG Retained Duties	43,579	16	712
Additions and deductions to DSG			
2 Year Olds	528	5,016	2,649
Early Years Pupil Premium			125
Total DSG Allocation			251,212

Indicative NFF allocation 2018-2019				Change to 2017-2018 £000
DSG Allocation Block	Pupil Numbers	Amount per pupil £	Allocation £000	
Schools Block				
Schools Block				
Primary unit of funding	26,668	3,999	106,635	
Secondary unit of funding	16,958	5,003	84,843	
Funding of growth and premises			3,906	
	43,626		195,385	1,546
High Needs Block			36,403	
Re-baselining to 2017-18 planned spend			1,024	
0.5% increase			215	
			37,642	1,239
Early Years Block				
3 and 4 year old free entitlement	3,031	4,085	12,382	
Maintained nursery supplement			86	
Disability Access Funding		615	74	
30hrs entitlement	883	4,085	3,608	
			16,149	1,503
Central School Services Block				
Ongoing responsibilities	43,626	40	1,744	
Historic commitments			1,265	
			3,009	-540
Additions and deductions to DSG				
2 Year Olds	528	5,016	2,649	0
Early Years Pupil Premium			125	0
Total DSG Allocation			254,960	3,748

Appendix D Dedicated Schools Grant - 2018-2019 - Policy Options and Technical Adjustments

Ref	Description of adjustment	ISB £000	Central Spend			Total £000
			High Needs £000	Early Years £000	Centrally Held £000	
1	Impact of change to Schools National Funding Formula					
	Basic Entitlement	1,662				1,662
	Minimum funding levels	294				294
	Total Deprivation	267				267
	Total Low Scorer	3,478				3,478
	English as an Additional Language	28				28
	Lump Sum	-2,090				-2,090
	Sparsity	12				12
	Funding released from Minimum Funding Guarantee (MFG) protection	-1,266				-1,266
	Subtotal - change to schools funding formula	2,385				2,385
2	Growth in high needs budgets					
a	Transfer of 0.5% from schools block to high needs block (reduction to Basic Entitlement)	-977				-977
b	Hospital education - increase in funding agreed 2017-2018 and inflation		160			160
c	Technical adjustment - transfer to schools block of resource provision places		-405			-405
d	Growth in special school places and top up		940			940
e	Growth in mainstream top up		450			450
f	Growth in independent school fees		240			240
g	Investment in workforce development		212			212
h	Reduction in top up rates		-715			-715
	Subtotal - growth in high needs budgets	-977	882	0	0	-95

3	Changes in early years funding					
a	Full year effect of 30 hours			1,503		1,503
b	NFF 3&4 year olds - revisions to central spend and EYSFF within block			0		0
	Subtotal - changes in early years funding	0	0	1,503	0	1,503
	Description of adjustment	ISB	High Needs	Early Years	Centrally Held	Total
4	Centrally held budgets					
a	Reduction in CSSB allocation				-45	-45
b	Reduction in falling rolls fund - year 2 (tbc January 2018)					0
c	Copyright licences - change in national deduction (tbc January 2018)					0
	Subtotal - changes to centrally held budgets	0	0	0	-45	-45
	Net change in funding (Gross DSG before Academy recoupment)	1,408	882	1,503	-45	3,748

Agenda Item 7

Dedicated Schools Grant (DSG) 2017-2018 Forecast Mid Year Review

Purpose of the Report

1. The purpose of the report is to provide an update on the financial forecast outturn position for 2017-2018 for centrally held DSG as reported at the Mid Year Review (MYR). This is based on the position at September 2017.

Recommendations

2. The Forum is asked to note the Mid Year Review position on the DSG.

Forecast Outturn

3. The MYR forecast outturn position for the centrally held DSG is a net underspend of £0.1m, which has improved by £0.140m since the First Review. However, the net position masks a number of key variances as summarised below:-
 - There is a forecast overspend of £0.140m due to increased demand for Special Educational Needs top-up payments in mainstream schools.
 - An overspend of £0.358m is forecast for Independent and Non Maintained School placement fees due to an increase in demand (previously £0.388m) though this is partially offset by fewer children placed in other Authority's schools (forecast underspend of £ 0.121m).
 - Current year rates rebates account for a forecast underspend of £0.188m and a small underspend of £0.028m is forecast from staff savings arising from vacancy management.
 - The de-delegated schools budget, which is traditionally ring-fenced to maintained schools, is forecast to underspend by £0.242m, which is a significant increase from First Quarter which was reporting an underspend of £0.109m. This is primarily due to lower than anticipated calls on the maternity cover contingency in primary schools.
4. On the agreement that the de-delegated balances are earmarked carry forwards for 2018-2019, the underlying net overspend for 2017-2018 is £0.323m (up from £0.149m), which is due to increased demand for SEN. Officers will continue to monitor the financial position and seek to identify mitigations of £0.1m to this overspend. Schools Forum should note that, in the first instance, this overspend will be met from DSG reserves carried forward from 2016-2017. However, the future year impact of any ongoing budget pressure arising this year will need to be factored into the 2018-2019 budget.

Next Steps

5. To review the forecast DSG outturn position as part of the Third Review.

**Cheshire West and Chester
Schools Forum
11 December 2017**

Agenda item 9

Schedule of meetings

Schools Forum – all meetings 4.30pm – 6.30pm (refreshments at 4pm) unless otherwise stated

Date	Venue	Proposed key agenda
Monday 15 January 2018	Queen's Park High School	<ul style="list-style-type: none"> • Combined Budgets and Miscellaneous Expenditure • DSG Allocations for 2018-2019 and Budget Setting • Draft of 2018-2019 School Funding Formula for January submission • De-delegation – Proposals for 2018-2019
Monday 12 February 2018	Queen's Park High School	<ul style="list-style-type: none"> • Early Years funding formula for February submission • Special Educational Needs (SEN) Funding for Mainstream and Special Schools – Funding from the High Needs Block 2018-2019 • Central Spend budgets 2018-2019 • DSG 2017-2018 Forecast Outturn at Third Review
Monday 19 March 2018	Queen's Park High School	<ul style="list-style-type: none"> • tbc
Monday 9 July 2018	Queen's Park High School	<ul style="list-style-type: none"> • School funding arrangements –national data comparison 2018-2019 • School funding arrangements for 2019-2020 • Directed revisions to schemes for financing schools • DSG 2017-2018 outturn • Financial year 2017-2018 analysis of schools balances (including Academies) • Basic needs capital programme • Annual review of Schools Forum membership, constitution and terms of reference

Schools Forum finance sub group – all meetings 2pm – 4pm unless otherwise stated, venue to be confirmed.

Tuesday 19 December 2017 - Room G2, Nicholas House, Chester

Tuesday 23 January 2018 - Room G3 Nicholas House, Chester

Tuesday 27 February 2018 – venue tbc

Tuesday 19 June 2018 – venue tbc

Tuesday 17 July 2018 – venue tbc