

Cheshire West & Chester Council

Cheshire West and Chester Schools Forum

Monday 9 October 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 9 October 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 3 July 2017 2.2 Matters arising		page 4-8
3.	4.50	Children and Families - Basic Needs Capital Programme 2017-2018	Sharon McKeown	Page 9-13
4.	5.10	School Funding Arrangements 2018-2019	Natalie Cole	Page 14-18
5.	5.30	Schools Forum High Needs Sub group report on Special Educational Needs (SEN) Funding for Mainstream and Special Schools	High Needs sub group member	Page 19-26
6.	6.00	Final allocation of the DSG 2017-2018	Natalie Cole	Page 27-30
7.	6.10	Dedicated Schools Grant (DSG) 2017-2018 Forecast Outturn at First Review	Natalie Cole	Page 31
8.	6.20	Any other business		
9.	6.30 Finish	Next meeting: Monday 11 December 2017 Queen's Park High School Schools Forum and finance sub group meeting schedule and forward plan		Page 32-33

**Cheshire West and Chester
Schools Forum
9 October 2017**

Agenda item 2

Draft minutes Cheshire West and Chester Schools Forum, Queen's Park High School, Chester, 3 July 2017

Present: Sue Anderson	Representing: PVI (Private, voluntary and independent) early years' providers CWAPH Chair Primary headteachers Secondary headteachers Secondary headteachers Primary headteachers Primary headteachers	Officers: Natalie Cole Charlotte Fenn (Clerk) Paul Plested
Hilary Berry Cheryl Bullen David Charlton (Chair) David Curry Sarah Curtis Ian Devereux-Roberts (sub for Chris Priddey) Kate Docherty Steve Dool Greg Foster John Freeman Kerry Forrester (sub for Sarah Worthington) Sarah Lee Kath Lloyd Samantha Myers-Whittaker John Murray Sue Pearson David Rowlands Katie Tyrie Harry Ziman	Primary headteachers Academies Unions Secondary governors Primary headteachers Academies Primary headteachers Special headteachers Academies Primary governors Secondary governors Nursery headteachers Academies	Official observers: Councillor Meardon Observers/public: None

1. Introductions and apologies

Apologies were received from Paula Adolph, Marie Allen (not reported at meeting), Carol Gahan, Duncan Haworth, Kerry Kirkwood, Luci Jones, Geoff Wright, Caroline Vile (not reported at meeting), Sarah Worthington and Sue Yates.

David Charlton reported that Marie Allen, the Russet School, had been elected as Special Academies representative and Geoff Wright had been re-elected as Union representative.

2. Minutes and matters arising of last meeting

2.1 Part two minutes of the meeting held on 16 January 2017

The part two minutes of the meeting held on 16 January 2017 were agreed as a correct record.

2.2 Minutes of the meeting held on 13 March 2017

Item 3 Education Funding: Stage two consultation

David Charlton reported that he and a colleague had meet with Nick Gibb only, as opposed to DfE Ministers recorded in the minutes.

The minutes of the meeting held on 13 March 2017 were agreed as a correct record subject to the above amendment (page 5, 4th paragraph).

2.3 Matters Arising

Harry Ziman sought clarification as to who had responsibility for Queen's Park High School's deficit on becoming an Academy. Officers confirmed that the DfE had treated their conversion as a sponsored Academy and therefore the deficit was the LA's responsibility. It was noted that it had been funded from LA funds and not DSG.

David Curry asked if there was any further update regarding the direction of travel in relation to the National Funding Formula (NFF). Officers confirmed that they had not received any further NFF information from the DfE.

Forum members sought clarification regarding the public section pay cap of 1% overall, and a reference by HR at a recent workshop to teachers receiving a 2% pay increase. Officers were unable to clarify the situation; however Paul Plested agreed to look further into their query.

3. High Needs sub group – update

John Freeman, High Needs sub group Chair, provided a verbal overview of discussions and areas covered at the sub group meetings. Minutes from the 20 April meeting had been shared in the interest of transparency.

It was noted that the group had meet twice (20 April and 16 June) with a further meeting scheduled for 17 July. The first two meetings had concentrated on gaining a clearer understanding of what high needs funding was available, current spend, reasons for the increase in demand, impact of the High Needs National Funding Formula and implications of the proposed alternative provision free schools. The group had also looked at the work being done by the Cheshire West Education Improvement Board (CWEIB) on improving inclusion across the borough, the benefits of Satellite classrooms, joint working between special schools and their local primary and secondary school and the planned High Needs Strategic review.

John Freeman acknowledged that progress had been slow and alternatives to the SEN funding proposals opposed by Schools Forum at the March 2017 meeting had not yet be found; however this would be the main focus for the 17 July meeting.

David Charlton, as Schools Forum Chair, agreed to share the work being done by the High Needs sub group with the CWEIB.

4. Maintained School Balances Financial Year 2016-2017 and Academy Balances 2015-2016

Natalie Cole introduced the report which informed the Forum of the final outturn position of CWAC maintained schools and tabled appendix A which reported balances for CWAC Academies.

Forum members questioned what the recovery timescales were for schools in deficit. Natalie Cole reported that normally it would be three years but some were over five years.

Questions were raised as to how comparable the balances were with other Local Authority academies. It was noted that they were difficult to compare as they were the published figures at a point in time and did not represent future spending plans or pressures. It was acknowledged that Academies may well be being cautious due to the uncertainties around the national funding formula.

David Charlton sought Forum members' opinion as to whether the Academies data was useful and should be provided again next year. The consensus was that the data was useful and should continue to be provided to Schools Forum annually.

Resolved that Schools Forum note

- i. the outturn position and movement in balances for both schools and academies; and
- ii. the mechanisms in place to support schools with deficit balances (maintained schools only).

5. 2017-2018 School Funding Arrangements – National Data Comparison

Natalie Cole introduced the report which provided an overview of the national analyses of schools block funding formulae.

Forum members' attention was drawn to the main observations from the data under paragraph 5. It was noted that there was little movement across the factors in terms of use by Local Authorities, values and proportions of overall funding applied, which was likely due to the pending move to a national funding formula.

Resolved that the Schools Forum note the comparison between the national data and Cheshire West and Chester's data.

6. Trade Union Facilities – charges to central budget

David Charlton introduced the paper which set out the planned expenditure from the trade union facilities budget which included a request from the NASUWT for additional funding.

John Murray declared an interest as The Chester Catholic High School received funding for the ASCL representative.

Greg Foster was invited to comment on the proposal. Greg Foster was not in support of allocating additional funds to the NASUWT and questioned whether it was the Schools Forum's remit to decide how the funds were allocated.

It was acknowledged that there was currently no protocol on allocating funds for facilities time and dealing with requests for changes to allocations. It was noted that HR had made representation for changes in the past and it was felt that future requests should be made to Schools Forum by a HR representative.

The group felt the national executive role, taken on by the current representative, should not be funded by CWAC and should be funded by the union and there was no evidence of increased membership that would support an increase to the NASUWT allocation.

Resolved that the Schools Forum

- i. not support the request for additional reimbursement to the NASUWT (vote: unanimous); and
- ii. tasked Officers with agreeing a protocol with the unions on the allocations for facilities time and when requests could be made for changes.

7. Dedicated Schools Grant (DSG) 2016-2017 – Final Outturn

Paul Plested introduced the report which set out the final outturn position for centrally held DSG budget. It was noted that the final outturn position was better than forecasted at the Third Review in March giving over to an underspend.

David Charlton questioned why the High Needs overspend was lower than forecast, was this due to Panel being tougher? Officers reported that it was largely down to prudent forecasting; a contingency for top up funding had been built in for extra pupils and part year effect meant some charges would hit next financial year. However it was noted that there would still be pressures on the High Needs budget moving forward.

Resolved that the Schools Forum

- i. note the final outturn on the 2016-2017 centrally held DSG; and
- ii. endorsed the retention of the unspent £0.672m from the 2016-2017 allocation in reserves to offset forecast pressures in high needs in 2017-2018 and if not required, to be considered as resources available to set the 2018-2019 budget (vote: unanimous).

8. Annual review of Schools Forum membership constitution and terms of reference

Charlotte Fenn, Schools Forum Clerk, reported that Officers have determined that the pupil ratio did not warrant a revision to membership at this time and no formal revisions to the Schools Forum regulations have been issued by the DfE.

Resolved the Schools Forum note that there are no changes to the current constitution and terms of reference other than updating outdated agency and service references.

9. Any Other Business

9.1 Early Years Funding Consultation

Natalie Cole reported that the Early Years reference group met last week to review the formula factors; there had been no consensus to move away from the current formula factors.

The group were proposing to hold a consultation in the Autumn Term once the reference group had received and reviewed the DfE guidance on supplements etc.

Katie Tyrie, who was on the reference group, raised concerns regarding possible legal challenges from parents due to not being able to provide the increase in entitlement from 15 hours to 30 hours as no additional funding was being allocated. It was difficult to manage parental expectations, in particular with children with medical needs and one to one support.

It was acknowledged that there was a need to look at different ways of providing support as there was no additional funding. Officers agreed to seek clarification regarding Early Years specialists support and report back at the next meeting.

9.2 Schemes for Financing Schools (SFS)

Natalie Cole reported that there were no statutory revisions to the SFS.

10. Next meeting

It was noted that the Schools Forum Finance sub group meeting on Tuesday 11 July was likely to be cancelled as Officers had not yet received the National Fair Funding announcement from the DfE.

Next Schools Forum meeting Monday 9 October 2017 Queen's Park High School
4.30 - 6.30.

Agenda item 3

Children and Families – Basic Need Capital Programme 2017-2018

Purpose of the Report

1. The purpose of this report is to share with the Schools Forum an update on the Children and Families Basic Need Capital Programme.

Recommendations

2. The Schools Forum is asked to note the paper.

Introduction and Context

3. Children and Families have a Capital Strategy for 2014-2017, the strategy set out the priorities for the Capital programme up to 2018. The strategy will be replaced by a combined School Organisation and Capital Strategy which is currently under development; this combined strategy will be effective from 1 April 2018. The purpose of the Strategy is to outline the process for identifying, assessing and determining the need for School organisation adjustments. This may then lead to prioritising capital development schemes in order that funding can be secured to enable the capital programme to be developed and delivered in a robust, transparent way to support educational improvement and the growth priorities of the Council.
4. The Capital element of the Children and Families School Organisation and Capital Strategy will look to develop the educational environment by improving, enlarging or replacing assets in a planned and structured way so that children and young people learn in the best possible environment. This will contribute to raising educational standards, improving school attendance and young people's involvement in positive activities as well as making buildings more energy efficient and fit for purpose. Schools that are well maintained can inspire children and young people to achieve and can enable teachers to concentrate on teaching and learning.
5. The new Strategy will be for a ten year period setting out a plan of priorities for the first three to five financial years from 1 April 2018 to 31 March 2021/23, when it will be reviewed to reflect changes in local need, national or local government policy.

Capital Programme Update - Basic Need Capital Funding

6. Basic need funding is the money allocated to local authorities each year to help them fulfil their duty to make sure there are enough school places for children in their local area. This includes maintained schools, free schools or academies, and by establishing new schools. The allocations are based on forecasts of pupil

numbers in future years to establish whether there is sufficient capacity to accommodate those pupils.

7. In Cheshire West and Chester we have qualified to receive the following amounts of basic need funding;
 - **£11.4m in 2015-2016**
 - **£21.7m in 2016-2017**
 - **£10.2m in 2017-2018**
 - **£0.0m in 2018-2019**
 - **£1.47m in 2019-2020**

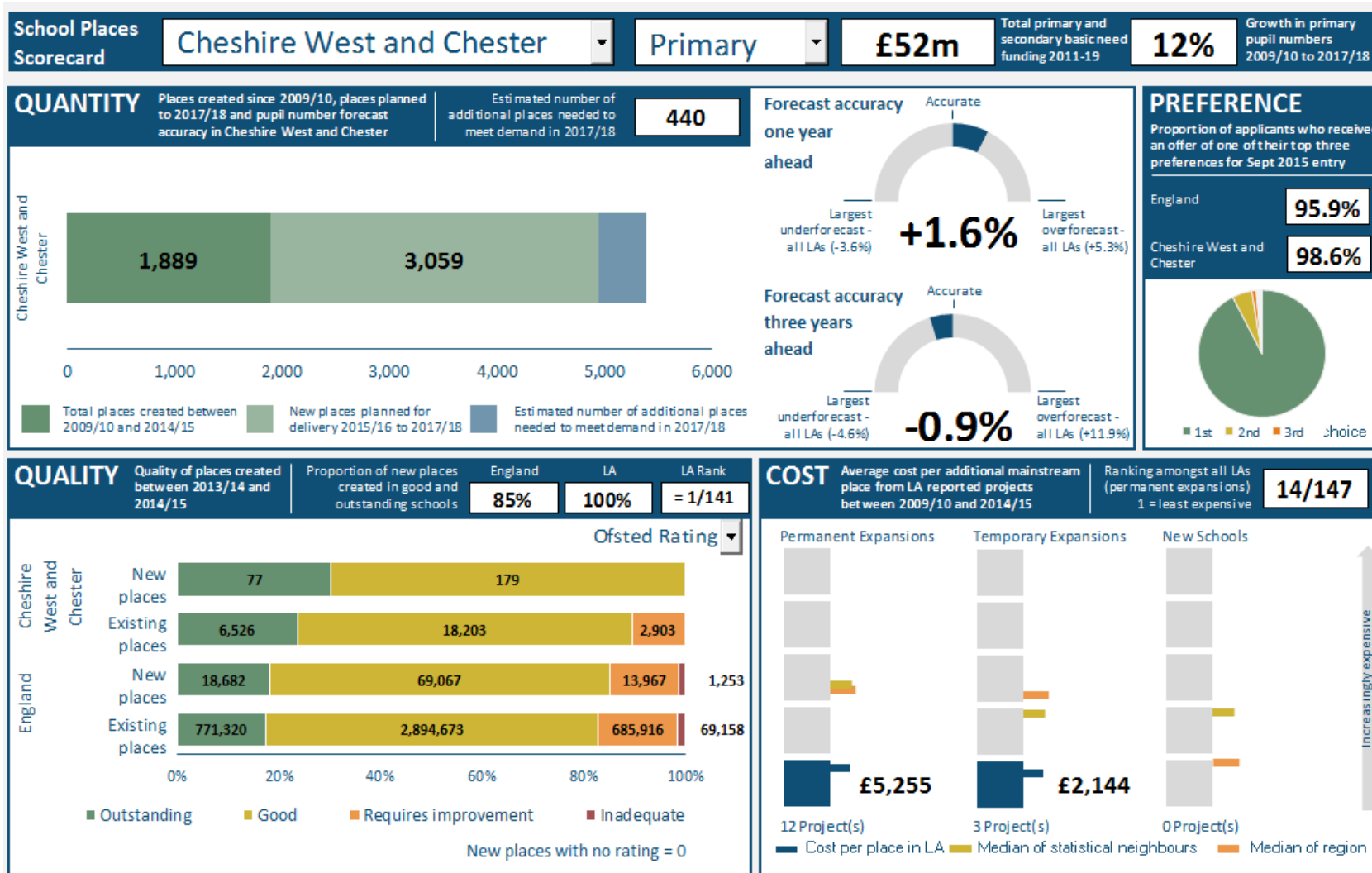
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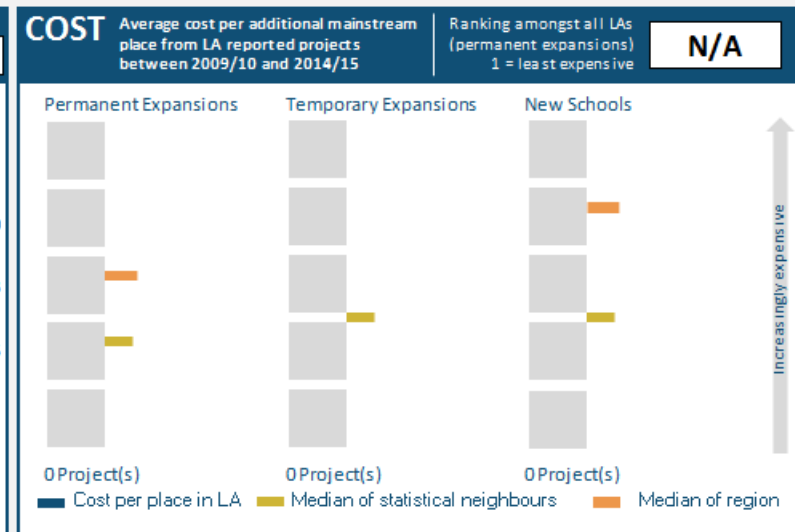
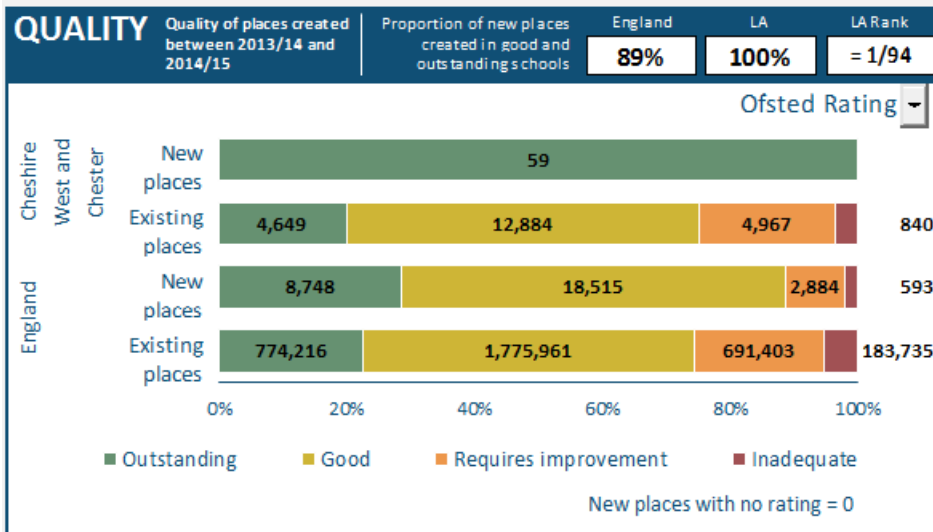
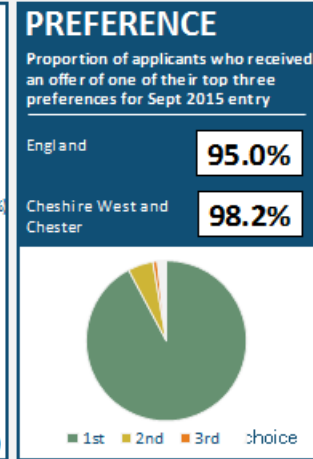
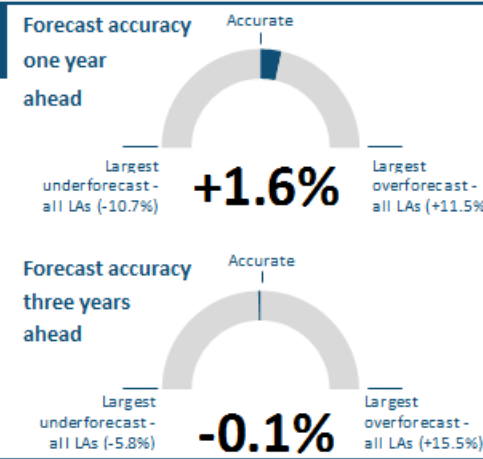
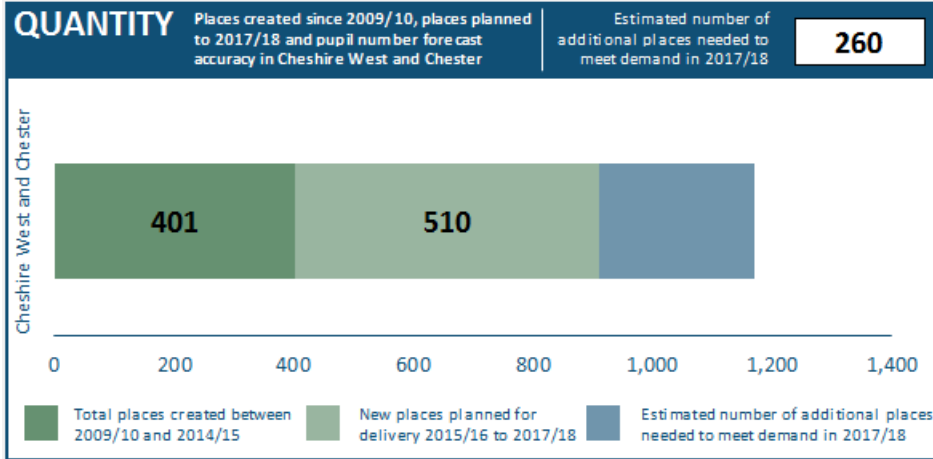
8. The grant is technically un-ring-fenced, meaning the only formal requirement placed on it is that it must be used for capital expenditure and not revenue. However there is an expectation by DfE that it will be spent on the creation of pupil places. The Council is required to submit an annual return to DfE stating the investment we have made in our schools for the creation of pupil places and comparing that to the amount of grant received.
9. The DfE compile a scorecard to provide a snapshot of each local authority's progress towards ensuring there are sufficient good school places in each local authority area across England. The scorecards show how many places have been delivered or are planned to be delivered, and provide information about the quality of the places delivered for the academic year 2014 to 2015. The scorecards also show forecasting accuracy of local authorities, how well parental preference is met and the cost of providing places in their area. A copy of the scorecard for Cheshire West and Chester is attached in Appendix A.

Cheshire West & Chester Capital Programme 2017-2018

10. A programme of works has been developed and previously published for the investment of this grant allocation based on the requirement in each of our schools and a list of the active projects included in the current programme is attached in Appendix B.

Appendix A Cheshire West and Chester Basic Needs Scorecard





Appendix B

Education Capital Programme activity as at September 2017

Starts Year	Scheme	Position	Delivery date	No of Places
Prior Year/Completed Schemes				
2015/16	Barnton PS	Completed	Dec-16	105
2015/16	Tilston CE Hall PS	Completed	Sep-17	New Hall
2015/16	Charles Darwin PS	Completed	Dec-16	105
2016/17	Rivacre Valley PS	Completed	Sep-17	105
2015/16	Lache PS	Completed	Sep-17	15
2015/16	Kingsmead PS	Completed	May-17	105
Committed Schemes - Feasibility				
2016/17	Upton Heath CE PS	Feasibility	Sep-18	210
2016/17	Tarporley PS	Feasibility	Sep-18	105
Committed Schemes - Implementation				
2015/16	Weaverham High School	Implementation	Mar-18	100
2016/17	Cuddington PS	Implementation	Oct-17	75
2015/16	The Whitby High School	Tender Stage	Oct-18	180
2015/16	Malpas Alport PS	Implementation	Jul-18	105
2016/17	Tattenhall PS	Implementation	Sep-18	105
2015/16	Huntington PS	Implementation	Sep-18	210
2016/17	Willow Wood PS	Implementation	Oct-17	60
2016/17	Farndon PS	Implementation	Sep-18	105
2016/17	Winnington Park PS	Implementation	Oct-17	210
2016/17	Oaklands Special School	Implementation	Nov-17	Re-configuration
2017/18	Dorin Park Special School	Implementation	Sep-17	Re-configuration
2015/16	Utkinton St Pauls PS	Implementation	Sep-18	New Hall
2015/16	Eaton PS	Implementation	Oct-17	105
2016/17	Winsford High St PS	Implementation	Oct-17	90
2016/17	Neston High School	Implementation	Sep-17	Linked to PSBP2

Agenda Item 4

School Funding Arrangements for 2018-2019

Purpose of the Report

1. The purpose of the report is to provide Schools Forum with details on the school funding arrangements for 2018-2019 following the ministerial announcement by the Secretary of State for Education in July 2017. The report also details the impact on Cheshire West and Chester and proposals for consulting with schools and Schools Forum on the arrangements for 2018-2019.

Recommendations

2. The Forum is asked to note the report and provide comments on the proposals detailed in paragraph 13 Next Steps. A separate consultation document with schools and Schools Forum will be published prior to the 9 October meeting. Forum is asked to consider this document when available for discussion and recommendation at the meeting.

Background

3. Following consultations held earlier in the year, the Secretary of State for Education has recently announced government proposals to introduce fairer funding for schools. The announcement on 14 September 2017 confirmed the planned introduction of a national funding formula for schools, high needs and local authority services for schools in 2018-19. Full details of the statement and allocations are available at the following government website link.

<https://www.gov.uk/government/speeches/justine-greening-statement-on-national-funding-formula>

<https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs>

Government response to initial consultation on fairer funding for schools

4. Consultation proposals released in December 2016 detailed the unit values, weightings and impact that the proposed national formula would have at school and local authority level. Proposals showed a re-distribution of funding at school and local authority level with a cap to gains and losses of 3% in the transition to a national formula.

In July 2017, the Secretary of State then announced plans to increase spending on schools by £1.3 billion over the next two years, on top of existing spending plans. This would enable per pupil spending to be maintained and all local authorities to receive some increase to their 2017-2018 planned spend on schools and high needs.

In the formal response to the consultation, the government has now made the following changes to the original proposals.

- Increasing the basic amount of funding that every pupil will attract (age-weighted pupil units are £35 higher for primary pupils, £66 higher for key stage 3 pupils and £74 higher for key stage 4 pupils).
- Introducing a minimum per pupil funding level. Under the national funding formula, in 2019-2020 all secondary schools will attract at least £4,800 per pupil and all primary schools will attract at least £3,500 per pupil through the formula in 2019-2020. Secondary schools will attract at least £4,600 and primary schools £3,300 in 2018-2019; and then the full amounts the following year.
- A cash increase in respect of every school. Under the national funding formula every school will attract at least 0.5% more per pupil in 2018-19, and 1% more in 2019-2020, compared to its 2017-2018 baseline. This replaces the minus 3% per pupil floor originally proposed.
- In 2018-2019 and 2019-2020 the schools formula will be a so called 'soft' approach. Although a notional indicative budget has been provided for each school, final decisions on local distribution will be taken by local authorities.
- Increased funding for high needs to provide a minimum increase of 0.5% per head in 2018-2019 and 1% per head in 2019-2020 for every local authority. Underfunded local authorities will receive up to 3% per head gains a year for the next two years.

Impact on Cheshire West and Chester local authority

5. Initial consultation proposals in December 2016 showed an overall reduction in school funding of £4.247m (2.3%) for CWAC. Following the increased spending plans, there will now be no loss of funding for the authority for the schools and high needs blocks of funding.
6. Indicative allocations for the local authority for 2018-2019 show:
 - The schools block is set to increase by £2m compared to what schools have been funded in 2017-2018 with £1.2m gain in secondary (mainly due to the £4,600 minimum level of funding) and £0.8m gain in primary;
 - Gains per individual school allocation range from 0.3% to 3% - from £1k to £52k across the primary sector and £10k to £140k in secondary;
 - The high needs block is increased by the 0.5% minimum increase (c£200k);
 - The central school block funding central services is cut by 1.5% (c£45k) as indicated at the consultation stage.
7. Initial observations from the indicative allocations are that whilst there is an overall increase in funding available for schools and education, this will be insufficient to meet increasing costs and pressures on the system for the following reasons:
 - Pressures on the high needs block from increasing pupil numbers requiring additional support in mainstream schools and in specialist provision are expected to increase further in 2018-2019 than the £200k increase in funding;

- Funding for growing schools along with business rates and other premises factors have been moved to a lagged basis for funding. Therefore any increase, particularly for new and growing schools, will need to be funded from within the current year allocation;
- Additional funding across the schools block is unlikely to meet increasing costs at individual school level, particularly for schools with static or falling pupil numbers. Some schools will likely have to utilise their reserves or identify savings to balance their budgets;
- There are very small gains for the small schools in the Borough in spite of targeted additional funding nationally through the sparsity factor to small rural schools. As the sparsity factor was already used in CWAC along with a higher lump sum than has been set in the national formula, this has offset some of the increase in per pupil funding for these schools.

Transition to a national funding formula for schools

8. Whilst it remains the government's intention to move to a hard national funding formula for schools in 2020-2021, a soft approach will be implemented for 2018-2019 and 2019-2020. Under a soft formula, the national funding formula will be used to set a notional budget for each school which will be aggregated to give the total schools block for a local authority. Local authorities will be able to set a local funding formula for the next two years, in consultation with schools and Schools Forum, to distribute this funding to maintained schools and academies. Schools should not therefore assume that they will receive the published notional budgets or formula as these are simply the mechanism to allocate the total funding to each local authority for the next two years.
9. The intention is that the National Funding Formula will be used to allocate funding directly to schools in 2020-2021 and therefore the Local Authority will consult on moving from the current local formula. An open and transparent consultation with all mainstream schools and academies will be held early in October in proposing changes from the local funding formula model to the National Funding Formula model for 2018-2019. The National Funding Formula in comparison to the local funding formula is included in Appendix A.
10. Although the schools block allocation will be ring fenced to schools and academies from 2018-2019, local authorities will have some flexibility to transfer 0.5% of funding (to other areas such as high needs) where local needs require this and with the agreement of the Schools Forum. 0.5% of the indicative 2018-2019 schools block allocation is c£960k. Local authorities will be expected to demonstrate to their Schools Forum that they have consulted locally with all maintained schools and academies when seeking agreement to transfer any funding out of the schools block.
11. The minimum funding guarantee (MFG) for schools will continue to provide protection and stability to school budgets, but local authorities will have the flexibility to set a local MFG rate between 0% and the current minus 1.5% per pupil. The current system of capping individual school budget gains will continue to be permitted up to the maximum level of the overall cost of the MFG in the local funding formula model. Options for protecting school funding at existing levels will also be included in the consultation.

Meeting of the Schools Forum Finance Sub Group

12. The funding announcement was discussed with the Finance Sub Group of the Schools Forum on 28 September. At this date only headline figures had been published by the

ESFA and technical notes and detailed formula allocations were yet to be released. However, some principles and options were discussed for taking forward the local funding formula under the national allocations. A consultation document will be released in the first week of October to obtain views on:

- retaining or moving from the current local funding formula;
- the level of protection to historic funding to be put in place through the MFG; and
- the option to adopt the new minimum funding levels formula factor.

The Sub Group will meet again on 18 October following the consultation to review responses and put forward a recommendation on behalf of Schools Forum.

Next steps

13. A consultation with all schools and the wider Schools Forum on the proposals for 2018-2019 is planned for the first two weeks in October in order to gain Officer and Member approval on the principles of the school funding formula before the end of term. Final allocations for the 2018-2019 will not be received until December 2017 with the final funding formula to be agreed and submitted to the ESFA in January 2018. There is a separate agenda item in relation to High Needs proposals and the remaining block allocations will be taken forward in December during the budget setting process.

Appendix A National Funding Formula values for 2018-2019 and Cheshire West and Chester current local funding formula values for 2017-2018

Funding Factors	NFF Unit values (adjusted for CWAC area cost adjustment)	CWAC Local Formula Values 2017-18	Difference
Basic per-pupil funding			
Age Weighted Pupil Unit (AWPU): Primary	£2,757	£2,812	-£56
Age Weighted Pupil Unit (AWPU): Secondary - KS3	£3,876	£3,883	-£7
Age Weighted Pupil Unit (AWPU): Secondary - KS4	£4,401	£4,443	-£42
Minimum per pupil funding level			
Additional needs funding			
Deprivation			
Current FSM top up (Pupils currently claiming FSM at the last census): Primary	£442	£0	£442
Current FSM top up (Pupils currently claiming FSM at the last census): Secondary	£442	£0	£442
FSM6 (Any pupil that has ever claimed FSM in the past 6 years): Primary	£542	£1161	-£619
FSM6 (Any pupil that has ever claimed FSM in the past 6 years): Secondary	£788	£1441	-£653
IDACI band F: Primary	£201	£0	£201
IDACI band F: Secondary	£291	£0	£291
IDACI band E: Primary	£241	£0	£241
IDACI band E: Secondary	£391	£0	£391
IDACI band D: Primary	£361	£0	£361
IDACI band D: Secondary	£517	£0	£517
IDACI band C: Primary	£391	£0	£391
IDACI band C: Secondary	£562	£0	£562
IDACI band B: Primary	£421	£334	£88
IDACI band B: Secondary	£602	£415	£187
IDACI band A: Primary	£577	£400	£177
IDACI band A: Secondary	£813	£498	£315
Low prior attainment			
Low prior attainment: Primary	£1,054	£1,269	-£216
Low prior attainment: Secondary	£1,555	£1,234	£322
English as an additional language			
English as an additional language: Primary	£517	£539	-£22
English as an additional language: Secondary	£1,390	£1,251	£139
School led funding			
Lump sum			
Lump sum: Primary	£110,384	£117,082	-£6,698
Lump sum: Secondary	£110,384	£175,000	-£64,616
Sparsity			
Sparsity: Primary	£25,087	£25,000	£87
Sparsity: Secondary	£65,227	£0	£65,227
Premises factors – outside of national funding formula			
Minimum funding levels - values to be determined locally			

Agenda Item 5

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

1. Purpose of the Report

The High Needs Sub Group was formed following the Schools Forum meeting on 13 March 2017 with a remit to review changes to the SEN processes and allocations from the High Needs Block from 2017-2018 and consider and make recommendations for other actions needed to reduce pressures on the High Needs budget.

The Sub Group has met a number of times and considered the initial recommendations in the report presented to panel in March and discussed other options.

2. Recommendations

The Schools Forum are asked to provide a view on the following recommendations from the High Needs Sub Group, further details of which are included within the report.

- a) Endorse the decisions of the sub group in relation to proposals considered from the forum report in March 2017 detailed in item 4 (a)-(g) below.
- b) Agree, in principle to the allocation of funding to deliver work on inclusion and workforce development in mainstream schools item 3 (i-ii)
- c) Agree the transfer of 0.5% of funding from the schools block to the high needs block in line with the recent funding guidance
- d) Note the 0.5% increase to the high needs block following the recent funding guidance
- e) Agree the proposed 3% reduction in mainstream funding across all bands
- f) Agree the proposal to consult with the special schools to apply an efficiency factor reduction to band fund rates
- g) Agree that top up funding without a plan agreed prior to 2014 is agreed for 2 years only to bring it in line with 2 year top up funding process for requests after 2014
- h) Support the audit of SEN funding to be undertaken by internal audit and Associate School Improvement Advisors

3. Summary from High Needs Group

The Sub Group spent time considering the data relating to special educational needs which impact on high needs funds and considered issues arising. The group

explored short medium and long term solutions to funding. The group agreed that the actions recommended in this report to be taken now to ensure that the budget is effective and to reduce the risks associated with the current overspend going forward. Understanding of the budget pressures now and in the future and agreement from all schools going forward is needed to ensure that overspend is managed in the short term and services are delivered within budget in the future. The group identified some key issues to support this:

- i. Develop a shared model of inclusion
- ii. Develop a skilled workforce

The Cheshire West Education Improvement Board (CWEIB) has a work stream on inclusion and an action plan is in place. The sub group discussed funding support to take forward further work on inclusion and workforce development to meet the needs of learners with SEND in mainstream schools.

4. Recommendations from the School Forum report 13 March 2017

Schools Forum was asked in March to provide a view on the proposals within the report on financial arrangements for pupils with special educational needs in 2017-2018. These recommendations were:

Recommendation March 2017 report to forum	Recommendation following consideration by high needs sub
a) ceasing top up funding without a plan after 2 years	This was agreed at the meeting in March 2017, no further action needed
b) recouping top up funding for low attendance	Undertake a pilot piece of work to consider top up funding and low attendance
c) recouping top up funding for reduced alternative provision timetables	Recoup 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
d) naming of provision	Naming of schools was information only and no further action needed
e)in year transfers to special schools	In year transfers proposals do not demonstrate a cost saving and are not for consideration in this report
f) Proposed commissioned places in Special school for 2017-2018	Proposed commissioned places in Special schools 2017-2018 were agreed in March 2017 no further action needed
g) Proposed changes to special school band funding rate for 2017-2018	Proposed changes to special school band funding rate for 2017-2018 were agreed in March 2017 with Forum approving a 1.5% reduction to Special school top up rates

Recommendations from the Sub group are detailed below within section 5 containing items carried forward from the March forum report and section 6 detailing sub group proposals agreed at the meetings held since March 2017.

5 Proposals from High Needs Sub Group – items from the March report

5.1 Alternative Provision

Where a school commission alternative provision or a tutor for an individual child or young person resulting in a reduced timetable any top up funding in excess of the cost will be recouped. High Needs Sub Group approved this recommendation whilst noting that children and young people should be accessing full time education provision.

5.2 Attendance

The sub group considered this proposal at length, looking at attendance data and costs and considering all the implications of linking attendance to a funding recovery process. It was agreed that further work needed to be undertaken to consider this and that attendance of pupils at SEN support and with statutory plans would be part of the information gathering in the audit to inform any future decision making.

6 Proposals from High Needs Sub Group – September meeting

6.1 Consideration of High Needs funding requirement for 2018-2019

The Sub Group were informed that further to the £1.3m transfer in 2017-2018 from Schools Block to High Needs block, the Local Authority were currently forecasting a £360k overspend against High Needs budgets for this financial year. This includes a forecast over spend on top up payments to mainstream schools and increasing out of borough placement costs. Whilst a forecast overspend of this size can be met from DSG reserves in this current financial year, future year costs and demand for high needs support and places are expected to continue to increase. Initial calculations show that a further £1.6m will be required in 2018-2019 to fund the continuing increase in demand:

	£000	
Special school places	400	Estimated 40 places based on previous years
Special school top up growth	540	Estimated 40 pupils based on previous years
Mainstream top up growth	445	Full year effect of 17-18 growth and further growth based on previous years
Increase in out of borough placements	240	Based on current year overspend
Total	1,625	

6.2 Indicative High Needs Block allocation 2018-2019

The National Funding Formula announcement in September detailed indicative allocations for local authorities based on the new formula to be implemented in 2018-

2019. As an authority that was not set to gain from the NFF for High Needs Block, the increase in funding for Cheshire West and Chester will be limited to the 0.5% minimum increase promised by the Secretary of State, c£200k. The Sub Group proposed that any increase to the High Needs Block allocation be retained for high needs activities and not be transferred to other funding blocks.

6.3 Proposed transfer of 0.5% of funding from Schools Block to High Needs Block

In the past, local authorities have had discretion on the movement of funding between the DSG blocks. To prepare for the future introduction of a hard formula, and to ensure the vast majority of funding allocated through the national formula reaches schools directly, the schools block will be ring-fenced from 2018-2019. However, the DfE recognised that a degree of flexibility would be needed to ensure that local authorities could manage other budgets funded through the DSG i.e. the high needs budget. With the agreement of the Schools Forum up to 0.5% of the schools block can be transferred to the high needs block in 2018-2019. Based on the indicative NFF Schools Block value for 2018-2019 of £193,410m, 0.5% equates to £967k which the Sub Group have proposed transferring to meet unavoidable cost increases in the next financial year. The Strategic Review of SEN and other proposed actions will not deliver savings by this point and this transfer was considered to be necessary and unavoidable. With only limited DSG reserves available, it will not be possible to set a budget sufficient to meet the expected demand without this transfer. Also, such a significant unmet budget pressure will not be approved by the Local Authority.

6.4 Proposed reduction of mainstream top up funding rates

Since the funding identified from the High Needs allocation and Schools Block transfer will be insufficient to meet the expected increase in cost for the next financial year, the Sub Group discussed and recommended a reduction in the mainstream top up rates of 3%. This would equate to a saving of £206k based on current spend. The proposed change in top up rates would be as follows.

Current top up band	Current top up rate 2017-2018	Proposed top up rate 2018-2019	3% reduction £
3A	£3,188	£3,092	-£96
3B	£4,500	£4,365	-£135
3C/RP	£7,125	£6,911	-£214
3D	£11,063	£10,731	-£332

6.5 Proposed efficiency factor on special school top up rates

The Sub Group considered the current top up rates for the Special Schools which had been established two years previously to align funding of similar provision across the 10 schools and academies. £400k was invested in top up funding at the time to introduce banding without significant losses to any school. In the context of

the increasing unspent balances held by the schools (which, as tabled to Schools Forum in July 2017, stood at some £3m including the academy balances), the Sub Group also proposed that a reduction in top up funding rates could be achieved without detriment to the provision to pupils in those schools.

The funding regulations permit a reduction of 1.5% of total funding (including place funding) for special schools in any one year. The Sub Group considered that whilst this would deliver c£300k against current spend, the limit to 1.5% reduction did not address the higher balances held by the larger schools. A proposal was therefore discussed and is recommended to Schools Forum, to introduce an Efficiency Factor into the banding rates. This would reduce the top up rates increasingly the larger the school and recognises that as pupil numbers increase, not all costs increase for a school on a per pupil basis (e.g. Headteacher, business manager, some premises costs). Although such costs will largely be met by the place funding (elements 1 & 2) for these schools, the mandatory £10k per place cannot be altered so would need to be reflected in adjustments to the element 3 top up.

The Sub Group considered an option of an incremental Efficiency Factor depending on the size of the school; Indicative rates are shown in the table below. The same factors would be applied to those schools with a small schools and premises adjustment to the standard rate.

	Band 1 £	Band 2 £	Band 3 £	
Current Standard rate	3,898	12,584	16,715	All schools
-1.50%	3,840	12,395	16,464	small school <50 places
-3%	3,781	12,206	16,214	medium school 50-100 places
-6%	3,664	11,829	15,712	large school 100 places +

Based on current spend in 2017-2018, the Efficiency Factor would reduce top up funding by c£500k each year. However, with funding still being made available for increasing pupil numbers, it is expected that overall funding in special schools would still increase by £500k in the next financial year. As this proposal exceeds the 1.5% reduction in funding permitted by the funding regulations, a disapplication of the regulations would be submitted to the Secretary of State following consultation with those schools and Schools Forum. The indicative impact on each of the special schools compared to 2017-2018 funding is shown in Appendix B. A separate consultation document including the potential impact on further growth in places for 2018-2019 will be issued to special schools and Schools Forum early in October.

6.6 Allocation of funding to support workforce development

The Sub Group identified some key issues to support the longer term reduction in demand for high needs support:

- i. Develop a shared model of inclusion
- ii. Develop a skilled workforce

The Cheshire West Education Improvement Board (CWEIB) has a work stream on inclusion and an action plan is in place. The Sub Group discussed funding support to take forward further work on inclusion and workforce development to meet the needs of learners with SEND in mainstream schools.

6.7 Audit of SEN funding

The Council's Internal Audit team is preparing to undertake a sample audit of schools to review use of SEN funding as part of their programme of work. In order to audit a broad range of schools Associate School Improvement Advisors will provide additional support for the audit. The High Needs Sub Group have considered and supported the proposals for this and recommend that identified schools to be audited support this process. The focus of the audit will be the effective use of element 2 and element 3 funding. As part of the audit the Local Authority decision making and review process will also be looked at.

7. Next Steps

A separate consultation document on efficiency factor on special school top up rates, including the potential impact on further growth in places for 2018-2019, will be issued to special schools and Schools Forum early in October and a report on the outcomes of the Audit of SEN funding will be presented to the Schools Forum High Needs Sub Group in January 2018.

Appendix A

Table 1 2016-2017 Percentage of pupils with plans attending mainstream maintained, academy or free schools and percentage of pupils attending special maintained, academy or free schools. (data source LGA SEND Report)

	CWAC	England (average)
% of pupils with statement of EHCP attending mainstream academy or free school	37.5%	39.7%
% of pupils with statement of EHCP attending special school	47.1%	40.8%

Cheshire West continue to have higher percentages of pupils attending special schools and a lower percentage of pupils attending mainstream schools than the average in England

Table 2 2016-2017 Percentage of pupils with SEN at SEN support /with statutory plans

	CWAC	England
% of pupils at SEN support	11.8%	12.1%
% of pupils with statutory plans	3.2%	2.9%

The trend for CWAC to have lower than nation percentages of pupils at SEN support and higher than national percentage of pupils with statutory plans continues. The gap between CWAC and national statutory plans remains the same despite top up funding without a plan being extended to 3C band funding.

Appendix B – Effect of proposed efficiency factor on total funding for special schools compared to 2017-2018 funding

School	Proposed Band 1 £	Proposed Band 2 £	Proposed Band 3 £	Total place plus funding 2017-2018 £	Reduction to total funding from revised top up funding bands	% proposed change in top up bands
Archers Brook	3,781	12,206	16,214	1,672,089	-29,807	-3.0%
Cloughwood	3,781	12,206	16,214	1,360,381	-24,161	-3.0%
Dee Banks	4,032	12,197	16,080	2,386,413	-81,252	-6.0%
Dorin Park	3,896	12,060	15,944	2,502,624	-81,642	-6.0%
Greenbank	3,664	11,829	15,712	2,146,039	-73,577	-6.0%
Hebden Green	3,847	12,012	15,895	2,268,303	-74,808	-6.0%
Hinderton	5,395	13,950	18,019	991,961	-7,779	-1.5%
Oaklands	3,664	11,829	15,712	2,132,084	-41,410	-6.0%
Rosebank	5,089	13,645	17,714	1,089,870	-8,881	-1.5%
The Russett	3,664	11,829	15,712	2,473,423	-85,750	-6.0%
Total all Special Schools				19,023,189	-509,068	

Agenda Item 6

Final Allocation of the Dedicated Schools Grant for 2017-2018

Purpose of the report

1. To report to the Forum the final allocation of the Dedicated Schools Grant (DSG) for 2017-2018 as published by the Education and Skills Funding Agency in July 2017, highlighting the changes from the draft allocation used in budget setting for this financial year.

Recommendations

2. The Schools Forum is asked to note the amendments to the DSG allocation for the high needs and early years funding blocks and the adjustments to centrally held budgets for 2017-2018.

Background

3. In December 2016, the Education and Skills Funding Agency (ESFA) announced the details of the DSG funding settlement for the 2017-2018 financial year. This was the basis for setting the schools budget share and centrally held budgets for 2017-2018 and were agreed at the January 2017 Forum.
4. In July 2017, the ESFA published revised DSG allocations for all Local Authorities to reflect changes in high needs commissioned places, early years census data and academy recoupment. It is a requirement for local authorities to discuss the published DSG allocation with the Schools Forum in confirming that the grant has been used in support of schools.

Changes to the Allocation

5. The indicative DSG allocation available in January 2017 for the local authority was £251.448m. A table detailing this calculation which was presented to the Schools Forum in January 2017 is included in Appendix A.
6. Table 1 below shows in summary the changes to the Local Authority's allocation since January 2017. The net change to the allocation is a decrease of £0.216m giving a revised allocation of £251.231m. Adjustments have been made to the amount of academy recoupment following three conversions on 1 April and gave a net decrease of £3.985m to the funding held by the Local Authority. A temporary adjustment relating to the final early years funding from 2016-2017 has been made to the allocation, reducing the funding available by £0.175m in 2017-2018. Details of individual amendments are included in Table 2 in paragraph 7.

Table 1 Summary of change to the final DSG allocation

	Indicative January 2017 £m	Final 2017 July £m	Change £m
DSG Allocation	251.448	251.231	-0.216
Less deductions for high needs places	(3.072)	(3.072)	0
Less academy recoupment	(47.319)	(51.304)	-3.985
Temporary funding adjustments		-0.175	-0.175
Net DSG allocation	201.057	196.680	-4.377

7. In order to maintain the integrity of the budgets set on the indicative allocations, adjustments have been made to budgets in accordance with the reason for the change in the allocation. For example, the reduction in funding due to lower pupil numbers on the early years census has been adjusted with a budget decrease to the early years contingency budget for place funding. The actions that have been taken for each adjustment are shown in Table 2 below.

Table 2 Adjustments to DSG allocation January 2017 to July 2017

Funding Block	Description of Adjustment	Adjustment £m	Budget adjustment actioned
Early Years block	Decrease to 2017-2018 baseline funding due to pupil numbers decreasing from January 2016 to January 2017 census.	-0.328	Decrease in centrally held Early Years contingency for place funding
Early Years Block	Correction to 2016-2017 funding for 7 months of decrease in pupil numbers in January 2017 census	-0.175	Decrease in centrally held Early Years contingency for place funding.
Other – 2 year old funding	Increase in 2 year old funding from actual participation recorded in January 2017 census	0.059	Increase in centrally held budget for 2 year old place funding
Other – Early Years Pupil Premium	Reduction to reflect actual take up from previous estimate	-0.005	Reduction in centrally held budget for early years pupil premium claims
High Needs Block	Part year transfer to Cheshire East of 25 commissioned places following West Cheshire College merger with South Cheshire College	-0.100	Adjustments reflected in centrally held budget for high needs place funding
High Needs Block	Additional funding for Ancora House hospital school secured from exceptional funding request	0.157	Adjustments reflected in centrally held budget for high needs hospital school funding

Schools Block	Academy recoupment for conversion of Queen's Park High School, Barnton Primary and Victoria Road Primary	-3.985	Adjustments reflected in Schools Block funding in line with agreed school funding formula budgets.
TOTAL		-4.377	

Next Steps

8. The revised allocations and adjusted budgets will form the basis of reporting for the remainder of 2017-2018.

Appendix A

Extract from report to Schools Forum January 2017

Indicative DSG 2017-2018

DSG Allocation	Estimated DSG 2017-2018		
	Pupil Numbers	Amount per pupil £	Allocation £000
Schools Block			
Schools Block			193,839
Central Schools Block			2,833
ESG retained Duties			741
Total Schools Block	43,579	4,529	197,388
Early Years Block			
3&4 year old funding	3,111	4,085	12,709
Maintained nursery supplementary funding			93
Disability Access Funding			86
30 hrs entitlement from Sept 2017			2,105
Total Early Years Block			14,993
High Needs Block			
Growth			35,574
Transfer in of post 16 places in FE			538
-			234
			36,346
Additions and deductions to DSG			
2 Year Olds	516	5,016	2,590
Early Years Pupil Premium (initial estimate)			131
Total DSG Allocation			251,448
DSG carry-forward allocated to schools			0
Total DSG funding available			251,448

Agenda Item 7

Dedicated Schools Grant (DSG) 2017-2018 Forecast Outturn at First 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 First Review. This is based on the position at July 2017.

Recommendations

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

Forecast Outturn

3. The forecast outturn position for the centrally held DSG is a small net overspend of £40k. This net forecast position includes the following key variances:-

- There is a forecast overspend of £100k due to increased demand for Special Educational Needs top-up payments in mainstream schools.
- Additionally there are increased forecast costs for placements at Independent and Non Maintained Special Schools of £388k which is partially offset by a forecast underspend of £130k on children placed in other Authority's schools.
- Business rates adjustments received to date for schools are resulting in a forecast underspend of £188k.
- The de-delegated schools budget, which is traditionally ring-fenced to maintained schools, is forecast to underspend by £109k. This is largely due to a lower call on the maternity leave contingency by primary schools and a vacancy on the Trade Union Facilities pooled budget.
- Various minor under/overspend giving rise to a net underspend of £20k.

On the assumption that the de-delegated balances are earmarked carry forwards for 2018-19, the underlying forecast net overspend for 2017-2018 is £149k, which is largely due to increased demand for SEN. Officers will continue to monitor the financial position and seek ways to mitigate the impact, but Schools Forum should note that, in the first instance, this will be a call on the unapplied DSG carry forward from 2016-2017. In addition, the future year impact of any ongoing budget pressure arising this year will also need to be factored into the 2018-2019 budget, which will be presented for consideration in December.

Next Steps

4. To review the forecast DSG outturn position as part of the Mid Year Review.

**Cheshire West and Chester
Schools Forum
9 October 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 11 December 2017	Queen's Park High School	<ul style="list-style-type: none"> • DSG 2017-2018 Forecast Outturn at Mid Year Review • Initial Planning for DSG Allocations for 2018-2019 and Budget Setting • School intervention funding 2016-2017
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.

Wednesday 18 October 2017

Tuesday 21 November 2017

Tuesday 19 December 2017

Tuesday 23 January 2018

Tuesday 27 February 2018

Tuesday 19 June 2018

Tuesday 17 July 2018