

Date: Friday, 14 October 2016

Democratic and Members' Services

Quentin Baker
LGSS Director: Law, Procurement

10:00hr

and Governance

Shire Hall
Castle Hill
Cambridge
CB3 0AP

**Kreis Viersen Room
Shire Hall, Castle Hill, Cambridge, CB3 0AP**

AGENDA

- | | | |
|----------|--|----------------|
| 1 | <u>Apologies for Absence</u> | |
| | Details | |
| 2 | <u>Unapproved Minutes of the Cambridgeshire Schools Forum Meeting on 24 June 2016</u> | 3 - 10 |
| 3 | <u>Dedicated Schools Grant (DSG) Financial Position 2016-17</u> | 11 - 16 |
| 4 | <u>National Funding Formula and Schools Budget Setting 2017-18 Update</u> | 17 - 30 |
| 5 | <u>Early Years National Funding Formula Update</u> | 31 - 40 |
| 6 | <u>Growth Fund and Falling Rolls Criteria 2017-18</u> | 41 - 46 |
| 7 | <u>New Schools Funding Criteria 2017-18</u> | 47 - 52 |

8	<u>Special Educational Needs (SEND) Peer Review</u>	53 - 56
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9	<u>Forward Agenda Plan</u>	57 - 58
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10	<u>Feedback from Headteachers' Steering Groups and Sub-Group Meetings</u>
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Members are invited to share feedback from their respective groups.

11	<u>Date of Next Meeting</u>
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The Cambridgeshire Schools Forum will meet next on Wednesday 14 December 2016 at 10.00am in the Kreis Viersen Room, Shire Hall, Cambridge.

The County Council is committed to open government and members of the public are welcome to attend Committee meetings. It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens. These arrangements operate in accordance with a protocol agreed by the Chairman of the Council and political Group Leaders which can be accessed via the following link or made available on request:
<http://tinyurl.com/ccf-film-record>

For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact

Clerk Name: Richenda Greenhill

Clerk Telephone: 01223 699171

Clerk Email: Richenda.Greenhill@cambridgeshire.gov.uk

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CAMBRIDGESHIRE SCHOOLS FORUM: UNAPPROVED MINUTES

Date: Friday 24 June 2016

Time: 10.00am – 11.45am

Place: Kreis Viersen Room, Shire Hall, Cambridge

Present: P Hodgson (Chairman), Dr A Rodger (Vice Chairman), L Calow, M Carter, S Connell, J Culpin, T Davies, A Matthews, J North, D Parfitt, A Reeder, B Smethurst, Dr K Taylor, R Waldau, M Woods.

Observers

Councillor P Downes

Cambridgeshire County Council

Councillor D Harty

Cambridgeshire County Council

G Fewtrell

Teachers' Union

Officers

K Grimwade, M Teasdale, Dr H Phelan (Item 6), M Wade, R Greenhill, R Yule (Items 1- 6).

Apologies: Forum Members: S Blyth, K Evans, A Hutchinson (substituted by M Carter)
Others: S Tinsley, M Moore.

ACTION

135. APPOINTMENT OF CHAIRMAN/ CHAIRWOMAN AND VICE CHAIRMAN/ CHAIRWOMAN

Philip Hodgson (Governor representative) was re-appointed as chairman by unanimous consent, nominated by Barry Smethurst (Governor representative) and seconded by Dr Kim Taylor (Special School Academies representative).

Dr Alan Rodger was re-appointed as vice-chairman by unanimous consent, nominated by Barry Smethurst (Governor representative) and seconded by Dr Kim Taylor (Special School Academies representative).

136. APOLOGIES FOR ABSENCE

The Clerk reported apologies for absence from Sue Blyth, Kate Evans and Andrew Hutchinson (substituted by Miles Carter).

137. MINUTES

The minutes of the extraordinary meeting held on 13 April 2016 were confirmed as a correct record and signed by the Chairman.

The following outcomes of actions arising from that meeting were noted:

(a) Minute 130 (d): Special Educational Needs (SEND) Action Plan

The Service Director for Strategy and Commissioning had circulated details of actions already taken and further actions planned in relation to the Child and Adolescent Mental Health Service (CAMHS). A further update was included at Item 8 below.

(b) Dr K Taylor (Special School Academies' representative) had agreed to investigate the alignment of the Special Educational Needs (SEND) Action Plan 2016-2020 with the Cambridgeshire SEND Strategy 2012-16.

Dr Taylor outlined a number of concerns including:

- i. Whether the three strategic priorities set out in the Strategy for Children and Young People with SEN and Disability 2012-16 continued to be overarching for subsequent Action Plans on the Local Offer;
- ii. The lack of a formal launch of the latest action plan;
- iii. The importance of schools and academies knowing and understanding the strategic plans and action plans in order for them to support the Local Offer for Cambridgeshire;
- iv. The importance of publicising this information to all interested parties including parents and ensuring that partner organisations within the health and social care sectors were aware of the actions placed on them.

The Service Director for Strategy and Commissioning acknowledged the value of clear guidance in this area and said that she was happy to take up these points in forthcoming meetings with partner organisations. The Service Director for Learning said that work was in hand on an overall school improvement strategy. This would go to the Children and Young People Committee's Spokes meeting on 2 August 2016 with a view to going out for consultation early in the next school year.

(c) Minute 132: National Funding Formula Consultation Stage 1: Draft Response Question 18

The Director for Learning said that examples of good practice in relation to children from military families were currently being collated into a best practice guide. It was hoped that this would be ready for distribution in time for the start of the autumn term. **A copy would be sent to Forum members for information.**

**Service
Director for
Learning**

138. NATIONAL FUNDING FORMULA

The Strategic Finance Manager (Children and Schools) said that no

announcement had yet been made in relation to the National Funding Formula, but the Department for Education (DfE) had recently confirmed that the commitment to delivering fair funding in 2017/18 remained in place. Concerns about the timescale for consultation had been fed back to central government, but it might be necessary to convene a workshop at short notice in order to consult with members. The timing of this would be dependent on the announcement of the formula, but it could potentially take place during the week commencing 18 July 2016.

There were currently no significant local funding formula changes planned for the period 2017/18 onward, although this might need to be revisited once the next stages and timescales of the National Funding Formula were known.

139. MAINTAINED SCHOOLS AND DEDICATED SCHOOLS GRANT (DSG) FINANCIAL HEALTH

The Strategic Finance Manager (Children and Schools) introduced an analysis of the 2015/16 final closing balance position of maintained schools and the overall Dedicated Schools Grant (DSG) as at 31 March 2016 and highlighted the following points:

- i. The figures contained in the report were based on year-end returns from schools, but these were subject to further validation of the Consistent Financial Reporting (CFR) returns. The final information on schools' balances published by the Department for Education (DfE) might therefore differ slightly from the figures shown;
- ii. Overall balances for primary schools and nursery schools had increased in the 12 months from March 2015;
- iii. 176 schools were holding surplus revenue balances, of which forty four held sums defined as an excessive balance using the revised criteria agreed by the Schools Forum in April 2011. It was noted that some of these schools had planned expenditure during 2016/17 which would reduce the sums held. The figures would be reviewed mid-year and the outcome reported to the Forum;
- iv. Four schools (three primary schools and one special school) had reported a deficit revenue balance. Each of these had submitted a deficit recovery plan for 2016/17;
- v. There were growing concerns within the maintained nursery sector about on-going viability;
- vi. All maintained schools had submitted their Schools Financial Value Standard (SFVS) returns by the 31 March 2016 deadline;
- vii. The DSG carry forward to 2016/17 was down by almost £2,000,000 compared to the end of the 2015/16 period. This was primarily due to:
 - On-going commitments to Early Years 2 Year Old projects;

- Additional support to the growth fund;
 - Funding of a primary social, emotional and mental health (SEMH) pilot;
 - Pressures within the High Needs Block (pupils with Statements of Special Educational Needs or Education Health and Care Plans);
 - Pressures in Special Educational Needs (SEN) Placements and Out of School tuition budgets;
 - Significant increases in rates for schools following the rateable values review.
- viii. **An update on DSG spend would be included as a standing item on the Schools Forum agenda from October 2016 onward and would include a mid-year update on the use of DSG carry forward.**

**Democratic
Services/
Strategic
Finance
Manager**

The following points were raised in discussion of the report:

- Some concern was expressed at the overall increase in primary school revenue balances and an assurance was sought that schools in special measures and those attracting pupil premium payments were using their resources efficiently to best meet the needs of their pupils and not holding large reserves. The Director for Learning confirmed that officers supporting such schools would always consider this issue when looking at the profile of expenditure in relation to budget and reserves. **However, he was happy to check that the net local authority budget was not contributing to any surplus.**
- The volatility of funding levels meant that maintaining a reasonable carry-forward of funds was one way in which schools sought to ensure that support was available in future years for their most vulnerable pupils;
- Building adaptations required by children with some special educational needs involved significant costs which schools might save for over a number of years;
- Pupil and admission numbers were particularly volatile within the special school sector which impacted on budget management;
- It would be helpful if the maintained school revenue balances shown at Appendix 1 also indicated what percentage of the school's overall budget this sum represented. **It was agreed to add this information to the table and re-circulate it to members.**
- The Strategic Finance Manager (Children and Schools) confirmed that differences between actual spend and funding allocations described in the baseline exercise in the appendix to the minutes of the meeting on 13 April 2016 were a technical adjustment and that there had been no reduction in funds;

**Service
Director for
Learning**

**Strategic
Finance
Manager**

- The Director for Learning confirmed that officers would actively engage with any school where there were concerns that it was not spending its budget in the best interests of its pupils and that if necessary restrictions on expenditure could be put in place;
- Information on the carry-forward of funds by academies should be available on their individual websites or from Companies House, but officers were not aware of these being collated centrally;
- There was no requirement for academies to complete an annual Schools Financial Value Standard (SFVS) return, but academies' representatives said that their financial management practices were subject to stringent scrutiny by the Department for Education, both internal and external audit on an annual basis and the requirement to lodge annual returns at Companies House;
- The importance of the quality of governance arrangements in relation to both maintained schools and academies;
- Clarification was sought of the position in relation to the carry-over of funds to meet the cost of possible future redundancies. The Director for Learning said that the expectation was that schools would manage the cost of redundancies from within their own budget, but that a small central budget was available to mitigate the cost of unavoidable and unaffordable redundancies. **He undertook to re-circulate details of this.**

**Service
Director for
Learning**

It was resolved to:

- **Note the content of the report;**
- **Approve the planned use of the Dedicated Schools Grant (DSG) carry-forward as described in paragraph 6.4.**

140. PILOT TO SUPPORT PRIMARY AGED PUPILS WITH SOCIAL, EMOTIONAL AND MENTAL HEALTH (SEMH) DIFFICULTIES: PROGRESS REPORT

The Head of Special Educational Needs (SEND) Specialist Services and Principal Educational Psychologist noted that the Schools Forum had allocated one-off funding for projects in Cambridge and Wisbech to look at how best to meet the needs of young children experiencing social, emotional and behavioural difficulties following an increase in the number of permanent exclusions of primary school pupils.

Special Educational Needs (SEND) Specialist Services had sponsored both projects and was responsible for running the project in Cambridge. The Wisbech project was being run by Wisbech head teachers and the Ready2 Learn Project with support from the Tri-Borough Alternative Provision (TBAP) and SEND Specialist Services. There was also £95,000 within the allocated budget to fund a countywide training

programme for teaching assistants and this would be rolled out from September 2016.

The following points were raised in discussion:

- To date there had been three permanent exclusions of primary aged children during the current school year which represented a significant decrease over previous years and compared favourably to other nearby local authorities;
- Initial findings indicated progress for the children involved in the project, especially at the Cambridge site;
- A robust evaluation framework was in place with both qualitative and quantitative data being obtained;
- The outcomes of the Educational Excellence Everywhere White Paper (March 2016) which set out proposals to reform alternative provision and the National Funding Formula would both have a significant bearing on future planning and provision;
- Whether the project indicated a strategy shift from centralised support in specialist school and alternative provisions to more local support. The Service Director for Strategy and Commissioning said that the SEND commissioning strategy took a pragmatic approach to meeting the growing demand on specialist places within the funding available;
- Information about how successfully children involved in the project were integrated back into mainstream school would not be available by October 2016 when it was intended to submit a further project evaluation and future business case;
- Some members perceived a lack of clarity about the pathway for assessing and responding to the needs of children demonstrating SEMH difficulties;
- The difficulty in accurately evaluating the project based on a small number of children with such varied and individual needs.

The Chairman thanked the Head of Special Educational Needs (SEND) Specialist Services and Principal Educational Psychologist for her report and response to questions. He noted that a further evaluation report and business case outlining possible models of support and funding options would be brought the Forum's October meeting.

141. COMPOSITION OF CAMBRIDGESHIRE SCHOOLS FORUM: UPDATE

The Clerk provided an update on recent appointments and discussions with constituent groups in response to the need to review the Forum's composition in order to comply with the requirements of The Schools Forums (England) Regulations 2012 and the Schools Forum and Operational Good Practice Guide.

It was resolved that:

No further action would be taken at this stage in the light of current uncertainty regarding future arrangements for Schools Forums. **This position would be reviewed if future arrangements for Schools Forums were not clarified when an announcement was made on the National Funding Formula.**

**Democratic
Services**

142. CHILD AND ADOLESCENT MENTAL HEALTH (CAMH): UPDATE

The Service Director for Strategy and Commissioning noted the concerns expressed at the Schools Forum meeting on 16 January 2016 about reduced resources available for CAMH services in Cambridgeshire and the impact of this on waiting times for specialist mental health assessments. She reported that:

- Additional funding had been targeted at this area and the waiting list for autistic spectrum disorder (ASD) and attention deficit hyperactivity disorder (ADHD) assessments had been re-opened and waiting times were now below eighteen weeks which was within NHS guidelines;
- The local CAMHS Transformation Plan had been approved by NHS England in November 2015 which meant an additional £1,500,000 per year would be available to support better access to CAMHS and Eating Disorder services;
- Work was in hand to change from a tier service delivery model to the nationally designed ITHRIVE framework which focused on a social rather than medical model and targeted areas of greatest need through early intervention and prevention strategies. It was intended to begin implementation of ITHRIVE in September 2017 and the Forum would be provided with further details in due course once the model had been further refined.
- Positive feedback had been received from a number of focus groups that had been held for the parents of children experiencing social, emotional and behavioural difficulties.
Details would be circulated to members for information.

**Service Director,
Strategy and
Commissioning**

The following points were raised in discussion of the report:

- The increase in incidents of self-harm known to some Forum members which had financial cost implications for schools in addition to the physical and emotional cost to pupils and families;
- The growing pressures relating to children with co-existing learning difficulties or disabilities and social, emotional and behavioural needs.

The Forum noted the update on CAMH, as set out at Appendix A

143. FORWARD PLAN

The forward plan was noted.

The Strategic Finance Manager said that centrally held funds relating to the Cambridgeshire Public Services Network (CPSN) might in future be delegated. A series of workshops were being held to encourage potential buy-in by schools and any input from Forum members would be very welcome.

144. ASSESSMENT FROM SUB-GROUP MEETINGS AND FEEDBACK FROM HEADTEACHERS' STEERING GROUPS

No reports were received.

145. DATE OF THE NEXT MEETING

The next planned meeting would be held on Friday 14 October 2016 at 10.00am in the Kreis Viersen Room, Shire Hall, Cambridge. The Chairman advised members that Heidi Allen MP was planning to attend the meeting as an observer.

The Chairman noted that this would be Jonathan Culpin's last meeting and thanked him for his input as a one of the Forum's secondary school academy representatives. Mr Culpin offered his thanks to officers.

Chairman
(14 October 2016)

DEDICATED SCHOOLS GRANT FINANCIAL POSITION 2016-17

To: Cambridgeshire Schools Forum
 Date: 14th October 2016
 From: Martin Wade - Strategic Finance Manager (Children's & Schools)

1.0 INTRODUCTION

- 1.1 This report provides a summary of the overall 2016-17 Dedicated Schools Grant (DSG) financial position to the end of August 2016.

2.0 UPDATED 2016-17 DSG

- 2.1 Following revised announcements to reflect in-year funding changes and recoupment for academies and High Needs Places the table below shows the revised level of DSG to be received in 2016-17:

	Revised 2016-17 DSG as at July 2016
Schools Block DSG	£328,054,071
3&4 YO Early Years Block DSG	£23,186,306
Indicative Early Years Pupil Premium	£311,190
2YO Early Years Block DSG	£3,631,708
Total Estimated Early Years Block	£27,129,203
15/16 HNB Baseline	£64,138,275
Adjustment Post-16 Residency to Location	-£28,000
Additional High Needs Top-Up Funding	£1,075,530
Adjustment for 16/17 Place Change	-£284,000
Total High Needs Block	£64,901,805
<u>Additional Funding / Reductions</u>	
Induction for NQTs	£111,627
Total Estimated DSG Pre-Recoupment	£420,196,706
less High Needs Place Funding	-£5,803,980
less Academy Recoupment Estimate	-£173,787,978
less Copyright Licence Adjustment	-£468,536
15/16 EY DSG Adjustment	£688,000
Estimated DSG to be received by LA*	£240,824,213

*subject to further academy conversions

- 2.2 At the end of August 2016, there is a forecast in-year overspend of £1.124m in total against available DSG allocations. The full DSG Budgetary Control Report (BCR) be viewed in section 3.1 below, with detailed narrative available in 3.2, but the main areas of overspend can be summarised as:

- There is a forecast overspend of £407k against the budget allocations to Special Schools. This is primarily as a result of an overall increase in commissioned places and actual pupils.
- There is an overspend forecast against the High Needs top-up budget of £350k mainly due to the increase in Post-16 pupils.
- It is estimated that the SEN Placements budget will overspend by £250k.

2.3 As reported to Schools Forum in June the DSG carry-forward available in 2016-17 is £2.45m. This will be used to offset the pressures highlighted above plus the following commitments:

- Residual commitments on Early Years projects.
- Continued rollout of Primary SEMH pilot.
- Temporary increase in Education Other Than At School (EOTAS) devolution for September 2016 – March 2017 to reflect new schools and growth.
- Potential additional growth funding allocations

3.0 DSG BUDGETARY CONTROL

3.1

	Budget for 2016/17	Actual to the end of Aug 2016	Outturn Forecast	
	£000's	£000's	£000's	%
Total Estimated DSG 2016/17	420,197			
Academy Recoupment	-173,788			
High Needs Place Funding	-5,804			
Copyright License Adjustment	-469			
15/16 EY DSG Adjustment	688			
Total estimated DSG to be received 16/17	240,824			
Director of Strategy and Commissioning				
Strategy, Performance and Partnerships	65	27	0	0.0%
<u>Commissioning Enhanced Services</u>				
SEN Placements	8,563	5,082	200	2.9%
Commissioning Services	2,048	715	0	0.0%
Early Years Specialist Support	1,078	246	0	0.0%
<u>Executive Director</u>				
Central Financing	5	0	0	0.0%
Director of S&C Total	11,759	6,069	200	2.1%
Director of Children's Enhanced and Preventative Services				
Children's Centre Strategy	90	0	0	0.0%
Support to Parents	742	744	0	0.0%
SEND Specialist Services	4,564	1,867	0	0.0%
<u>Youth Support Services</u>				
Central Integrated Youth Support Services	125	15	0	0.0%
<u>Locality Teams</u>				
East Cambs & Fenland Localities	351	-34	0	0.0%
South Cambs & City Localities	291	-8	0	0.0%
Huntingdonshire Localities	249	-35	0	0.0%
Director of Children's E&P Services Total	6,412	2,550	0	0.0%

Director of Learning				
Early Years Service	-98	-325	0	0.0%
Schools Partnership Service	99	3	0	0.0%
Redundancy & Teachers Pensions	13	5	0	0.0%
0-19 Place Planning & Organisaion Service				
0-19 Organisation & Planning	622	244	0	0.0%
Early Years Policy, Funding & Operations	0	-82	0	0.0%
Education Capital	0	10	0	0.0%
Director of Learning Total	637	-144	0	0.0%
Total	18,807	8,475	200	1.1%
Contribution to Combined Budgets	4,730			
Overall Total	23,537	-1,241	200	0.8%
<u>Schools</u>				
Primary Schools	147,925	145,679	0	0.0%
Secondary Schools	624	545	0	0.0%
EOTAS	5,213	1,986	0	0.0%
Special Schools	17,570	16,770	407	2.3%
Nursery Schools, Classes & PVI Providers	25,757	17,011	0	0.0%
Schools Total	197,089	181,992	407	0.2%
High needs top-up - mainstream	13,199	6,075	0	0.0%
High needs top-up - Post-16	0	959	0	0.0%
High needs top-up - Early Years	0	43	0	0.0%
High-needs top-up - Other institutions	0	257	0	0.0%
High Needs top-up total	13,199	7,334	350	2.7%
SEN Units	1,729	767	166	9.6%
Special Schools - Outreach	271	219	0	0.0%
Growth Fund	2,000	1,160	1	0.1%
Schools Misc	2,960	-2,505	0	0.0%
Pools and Contingencies	39	-1,162	0	0.0%
Schools Total	217,287	377,128	924	0.0%
Overall DSG	240,824	375,887	1,124	
Schools Financing	-217,287	-105,310	0	0.0%
Financing DSG	-23,537	-9,716	0	0.0%
Grant Funding Total	-240,824	-9,716	0	0.0%

Narrative is given below where there is an adverse/positive variance greater than 2% of annual budget or £100,000 whichever is greater.

Service	Current Budget for 2016/17	Forecast Variance Outturn																	
	£'000	£'000	%																
1) Special Schools Quantum	17,570	407	2.3																
<p>It is expected that the Special Schools budget will overspend by approximately £407,000. This is due to the increasing number of children in Special Schools (an increase of 22 since 2015/16) and also by the increasing complexity of need of these children. The increasing complexity of need is supported by the increase in the value of the average top-up per pupil since 2014/15 despite top-up amounts and criteria remaining constant:</p> <table border="1"> <tr> <td></td><td>16/17</td><td>15/16</td><td>14/15</td></tr> <tr> <td>Average Special School Top-Up per pupil</td><td>£10,199</td><td>£9,955</td><td>£9,755</td></tr> </table>					16/17	15/16	14/15	Average Special School Top-Up per pupil	£10,199	£9,955	£9,755								
	16/17	15/16	14/15																
Average Special School Top-Up per pupil	£10,199	£9,955	£9,755																
2) SEN Specialist Units	1,729	166	9.6																
<p>The SEN Specialist unit budget is forecast to overspend by £166,000 at year-end. This overspend is primarily as a result of the purchase an additional 25 places in specialist units for the period April to August due to demand. Furthermore, a new Specialist Unit for Autism has recently opened at Trumpington Community College which required funding for 2016/17.</p>																			
3) High needs top-up	13,199	350	2.7																
<p>The High Needs top-up budget is forecast to overspend by £350,000. The main reason for this is an increase in the number of Post-16 pupils.</p> <p>Between June 2014 and June 2016, the number of post-16 students at Further Education colleges increased from 154 to 270. This increase is as a result of national legislative changes which mean that High Needs children may now continue in education until the age of 25.</p>																			
4) SEN Placements	8,563	200	2.9																
<p>The Special Educational Needs (SEN) Placements budget is forecasting a £200k overspend in 16/17. This budget is funded from the High Needs Block (HNB) element of the Dedicated Schools Grant (DSG).</p> <p>This is a similar level to this time last year and highlights the increasing cost for placements. Whilst inflation has been kept very low the cost of new places increases. The number of maintained Statement/EHCP numbers is fairly consistent, but the level of need is escalating. This means that the cost of placements is higher.</p> <table border="1"> <tr> <th>Year</th><th>2013</th><th>2014</th><th>2015</th></tr> <tr> <td>No. of Daily placements</td><td>91</td><td>115</td><td>131</td></tr> <tr> <td>Average cost per daily placement</td><td>£35,193.98</td><td>£33,091.96</td><td>£36,652.90</td></tr> <tr> <td>No. of 38 week placements</td><td>43</td><td>49</td><td>37</td></tr> </table>				Year	2013	2014	2015	No. of Daily placements	91	115	131	Average cost per daily placement	£35,193.98	£33,091.96	£36,652.90	No. of 38 week placements	43	49	37
Year	2013	2014	2015																
No. of Daily placements	91	115	131																
Average cost per daily placement	£35,193.98	£33,091.96	£36,652.90																
No. of 38 week placements	43	49	37																

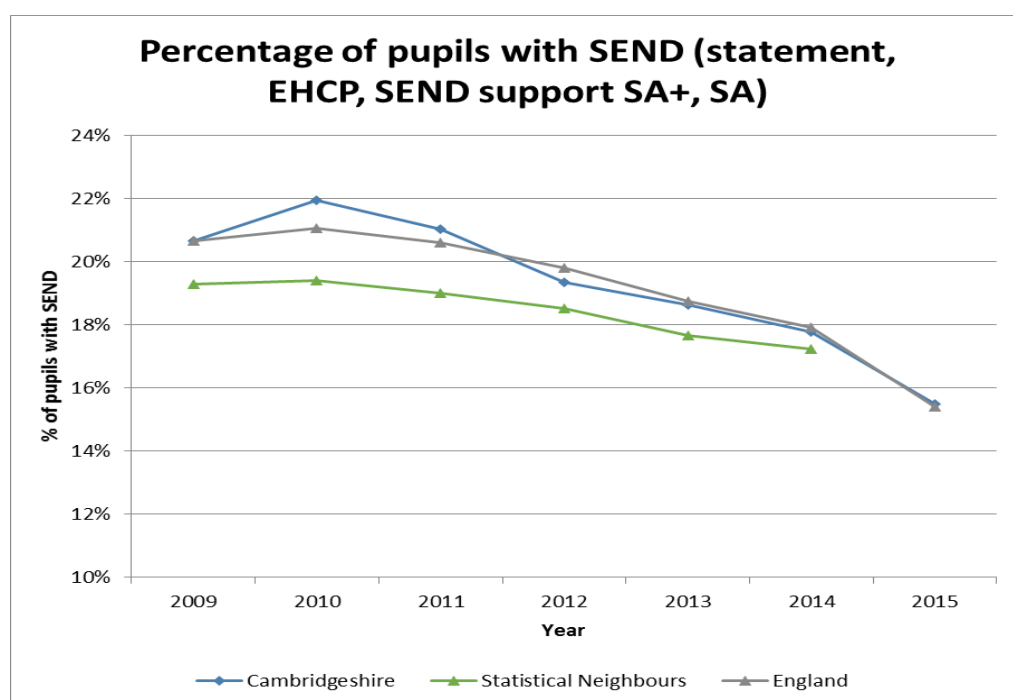
Average cost per 38 week placement	£79,789.44	£79,567.94	£84,383.12
No. of 52 week placements	20	26	20
Average cost per 52 week placement	£206,691.49	£220,039.84	£230,686.73

4.0 HIGH NEEDS DATA

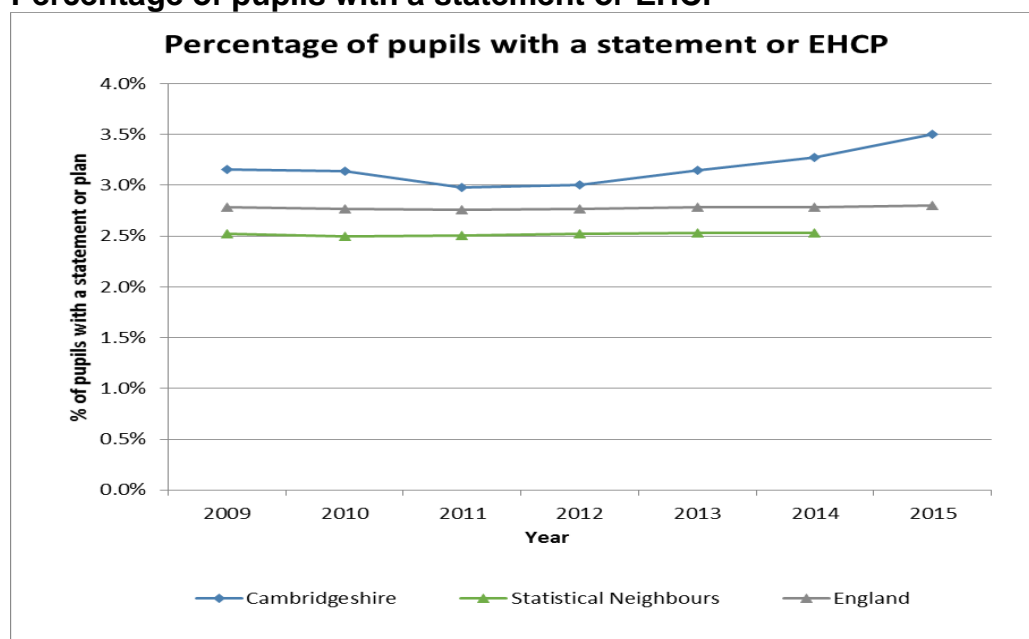
4.1 The data provided below is intended to provide context to the current position.

4.2 Percentage of pupils with SEND

Overall, the percentage of pupils with SEND is decreasing in Cambridgeshire. This is consistent with the national trend. However, as shown in 4.3 below, the percentage of pupils with a statement or EHCP is increasing; these are the children with the highest levels of need requiring the most support.



4.3 Percentage of pupils with a statement or EHCP



- 4.4 The f40 group recently undertook some informal research with its members to ascertain the overall position in respect of High Needs.

In summary, of the 21 local authorities which responded most have a deficit in the High Needs block which is being met either by the last of their reserves or movements from other blocks.

Other key findings, many of which align with the position in Cambridgeshire, were:

- There is an increase in numbers of pupils and costs for independent school places.
- There are increasing numbers of Post 16 places needed, but no additional funding in the High Needs Block to pay for them.
- There's an increased demand for Post-19 placements, with pupils then coming back into the High Needs Block system. Parental expectations that an EHCP automatically continues to age 25.
- Some LAs are seeing significant increases in the need for special school places. There is a view that there is banding creep, although it may be that less complex pupils are now staying in mainstream, placing more complex, more expensive pupils in special schools (with the knock on effect of higher funding to each school). This is not viewed as bad, but does introduce a pressure on the Higher Needs Block.
- More EHCPs are being requested as a result of recent changes to the system. The costs are massively increasing.
- Some LAs are experiencing difficulties in transition to EHCPs and management of annual review processes.
- There's an increased number of exclusions from school.
- Some LAs are seeing reduced social care contributions.

- 4.5 These pressures and increasing levels of demand have significant implications for future year budget setting, and the ability to support our most vulnerable young people from within the available levels of DSG funding.

- 4.6 Further to this, if the national funding reforms are implemented as per current proposals, it will not be possible to move funding between DSG funding blocks which will significantly reduce the flexibility to respond to cost pressures.

5.0 RECOMMENDATION

- 5.1 **Members of Schools Forum are asked to note the contents of the report and provide comment on key areas.**

NATIONAL FUNDING FORMULA & SCHOOLS BUDGET SETTING 2017-18: UPDATE

To: Cambridgeshire Schools Forum
Date: 14th October 2016
From: Martin Wade - Strategic Finance Manager (Children's & Schools)

1.0 INTRODUCTION

1.1 This report provides an update on the latest announcements on the National Funding Formula and the local schools budget setting issues for consideration for 2017-18, including:

- Revised Baselines for 2017-18
- Local Formula and distribution options.
- Early Years Funding (including 2 year olds and Early Years Pupil Premium)
- High Needs Block
- Centrally Retained Budgets and De-Delegations
- Other Funding/Considerations
- Key Decisions and Timetable

2.0 FUNDING BASELINES FOR 2017-18

2.1 On Thursday 21st July, Justine Greening, the new Secretary of State for Education announced that the implementation of the next stage of the national funding formula would be delayed until 2018-19. The government's full response to the first stage of the schools and high needs consultations and proposals for the second stage will be published in the autumn. A full consultation and final decisions will then be published early in 2017.

2.2 Subsequently, the DfE published finance tables and operational guidance which will inform the budget setting process for 2017-18. Full details can be accessed at:

<https://www.gov.uk/government/publications/schools-funding-arrangements-2017-to-2018>

2.3 As previously reported to Schools Forum the DfE have undertaken a baseline exercise to reflect the actual patterns of spend by each local authority across the three notional funding blocks. Due to the way in which statements of SEN were funded prior to April 2013 and the subsequent requirement for mainstream schools to fund the first £6,000 of each statement a technical adjustment was made in the 2013-14 budget setting process. This has now been reflected in the revised baseline block allocations and the Schools Block per Pupil amounts.

Please note: This is ***not*** additional funding per pupil, but is just a technical adjustment to change the block in which it is initially allocated.

- 2.4 The following tables compare the original funding blocks for 2016-17 as at April 2016 and the revised baselines (excluding 2 year old funding and Early Years Pupil Premium):

Original 2016-17 DSG Funding Blocks	£m
Schools block allocation	£328.05
High needs block allocation	£65.19
Early years block allocation	£21.92
Other (NQT) allocation	£0.11
Total (= 2016-17 DSG allocation)	£415.27

Revised DSG Funding Blocks	£m
Schools Block (Including Growth Fund and Central Spend)	£330.98
High needs block	£61.81
Early years block	£22.48
Total (= 2016-17 DSG allocation)	£415.27

- 2.5 Further to this the DfE have made 2 further adjustments to the 2016-17 baselines:

- Transfer of £125m nationally from the post-16 budget to the High Needs Block – this equates to £0.95m for Cambridgeshire
- Transfer of £117m nationally from the Education Services Grant (ESG) retained duties budget to the Schools Block – this equates to £1.24m for Cambridgeshire. Further implications of changes to the ESG are highlighted in section 5.1 below.

Please note: This is not additional funding per pupil, but is just a transfer of function.

These adjustments result in final baseline figures (excluding 2 year old funding and Early Years Pupil Premium):

Revised DSG Funding Blocks Baseline	£m
Schools Block (Including Growth Fund and Central Spend)	£332.23
High needs block	£62.76
Early years block	£22.48
Total (= 2016-17 DSG allocation)	£417.47

- 2.6 The DfE have then applied current pupil numbers to the revised Schools Block baseline which results in a Schools Block per Pupil allocation of **£4,311.24**.

	2016-17	2017-18
Schools Block per Pupil	£4,257.07	£4,311.24

Again it is important to note that the £54 per pupil increase is not new money and as such there is no inflationary increase in funding which will result in schools having to absorb any associated increases in costs.

Please note: The final actual Schools Block DSG to be received for 2017-18 will be based on October 2016 pupil numbers, and as such will not be notified to the Local Authority (LA) until December 2016.

3.0 LOCAL FORMULA AND PROPOSED DISTRIBUTION

- 3.1 LA's will be required to calculate funding for all academies and free schools through the Authority Proforma Tool (APT) in accordance with the local formula. However, the Education Funding Agency (EFA) will then take into account any previous levels of protection prior to allocating academy budgets. Unlike previous years LA's will not be required to submit an initial APT in October, but will only need to submit the final budgets by the 20th January 2017 deadline.
- 3.2 To attempt to minimise turbulence for individual schools it is proposed to make minimal local changes to the funding formula for 2017-18, however it will be necessary to use the revised datasets from the EFA which will include changes to the IDACI and Secondary Prior Attainment methodology.
- 3.3 The 2015 IDACI dataset used for 2016/17 budget setting showed a markedly different distribution to the previous dataset. Consequently, for 2017/18, the EFA have updated the IDACI bandings so that the proportion of pupils within each band is roughly similar to that in 2015/16. Modelling based on October 15 census data suggests that this will only have a small impact overall for Cambridgeshire schools.
- 3.4 **Secondary Prior Attainment**
- For pupils assessed at KS2 up to 2011, eligible pupils are those who did not reach level 4 in either the English or Maths elements.
 - For pupils assessed from 2011, eligible pupils are those who did not reach level 4 in any of the reading test, teacher assessed writing, or Maths. This reflects the new KS2 English assessment methodology which was introduced in 2012, to include separately a reading test and teacher assessed writing.
 - The 2016 KS2 assessments are the first which assess the new, more challenging national curriculum. At a national level, a higher number of the year 7 cohort in financial year 2017 to 2018 will be identified as having low prior attainment. The DfE intend to use a national weighting to ensure that this cohort does not have disproportionate influence within the overall total.
 - The weighting will be confirmed in advance of finalising 2017 to 2018 allocations and included in the APT in December, having taken into account the latest data about year 7 pupils in the October census. As such we are unable to model the potential impact at this time. On receipt of the data we will not be able to change the weighting, but would be able to adjust the secondary low prior attainment unit value to mitigate any significant turbulence.
- 3.5 Further to this consideration will need to be given to the possible transfer of funds from the Schools Block to support pressures/functions such as:
- Special School Places and Other Specialist Provision (including High Needs Units and Further Education Places) – Subject to confirmation of High Needs Block uplift.
 - Growth Funding

As an indication of the impact of any such transfers every £0.5m moved from the Schools Block equates to an approximate reduction in the Basic Entitlement of £5.40 per Primary pupil, £7.60 per KS3 pupil and £9.90 per KS4 pupil. However the final impact on the Basic Entitlement is dependent on the interaction of all formula factors, including the additional costs associated with the funding of new schools whilst they fill to capacity.

- 3.6 Once any identified pressures have been funded it is proposed to allocate the local formula factors as follows:
- a) Required demographic changes to be calculated based on:
 - i) Changes to overall numbers of schools.
 - ii) Changes in overall pupil numbers to be funded (including variations to pupil numbers for new schools)
 - iii) Changes in overall cost of factors for deprivation, prior-attainment, EAL, LAC, etc due to updated datasets.
 - b) Rates and PFI to be adjusted to reflect latest estimates.
 - c) No proposed changes to local funding factors other than:
 - i) Basic Entitlement to be adjusted based on total available funding (current ratios to be maintained)
 - d) Retained funding to be calculated subject to EFA clarification of duties and guidance on allowable mechanisms.
 - e) Minimum funding guarantee will be dependent on individual school circumstances.

Appendix A shows the available local formula factors alongside the proposed approach and unit values for 2017-18.

Appendix B shows the actual allocation of funding in 2016-17 across the available formula factors.

4.0 HIGH NEEDS BLOCK

- 4.1 In the absence of a revised High Needs distribution formula for 2017/18, no local authority will see a reduction from its 2016/17 funding for high needs, against the baseline figures in 2.5 above. Further to this the EFA have stated that they will “*apply an uplift later in the year*”. As yet we have no indication as to the level of this uplift, (although the equivalent figure in 2016/17 was £1.07m), and EFA advice is for LA’s to use the baseline figures for initial planning purposes.
- 4.2 As the paper on the current in-year DSG position shows there are significant pressures on the High Needs Block due to increasing number of special school places and complexity of need. Therefore any uplift that is received will be required to alleviate this pressure. Consideration will also need to be given to the transfer of funding from the Schools Block should the overall uplift be insufficient to meet the increasing need.
- 4.3 Any increase in the High Needs Block will be to meet the demographic pressures only, there is no intention to increase the overall Top-up rates for mainstream schools and special schools due to constraints on resources.
- 4.4 Alongside this a review is currently being undertaken to develop a consistent approach to funding Top-Up within Further Education (FE) and Post-16 Colleges.
- 4.5 Further guidance on the national approach for High Needs Funding can be accessed at: <https://www.gov.uk/government/publications/high-needs-funding-arrangements-2017-to-2018/high-needs-funding-operational-guide-2017-to-2018>

5.0 EDUCATION SERVICES GRANT (ESG), CENTRALLY RETAINED BUDGETS AND DE-DELEGATIONS

- 5.1 **Education Services Grant (ESG) –**
In the 2015 Spending Review, a saving of £600m from the ESG general funding rate by 2019 to 2020 was announced. As highlighted in 2.6 above there has been a transfer of £117m nationally from the (ESG) retained duties budget to the Schools Block to reflect the removal of the ESG general funding rate, which equates to £1.24m for Cambridgeshire.
- 5.2 Local authorities will receive transitional ESG funding from April 2017 to August 2017 with the general funding rate being removed from September 2017. At this stage levels of transitional protection are yet to be announced with the EFA stating “*We will say more about the transitional protection in respect of the general funding rate later in the year*”.
- 5.3 The EFA recognise that LA’s will need to use other sources of funding to pay for education services once the general funding rate has been removed. The split of former ESG duties to be funded from centrally retained schools block funding (for all pupils including academies) and those that can be retained for maintained school pupils only will be set out when the EFA consult on the schools and early years finance regulations later this year.
- 5.4 On receipt of the definitive list of functions and duties the required levels of retained funding will be calculated and presented to Schools Forum for approval – subject to the approval process being confirmed.

5.5 **Centrally Retained Funding -**

As a result of changes announced by DfE in 2012, the finance regulations restrict a number of central schools block lines (capital expenditure funded from revenue, combined budgets, termination of employment costs, prudential borrowing and miscellaneous purposes (provided the expenditure does not amount to more than 0.1% of the authority's schools budget) to historic commitments no higher than the budgets set in 2012, unless a disapplication is approved by the Secretary of State. The table on the following page lists those that apply to Cambridgeshire and the amounts allocated in 2016-17:

Service/Function	2016/17 Amount	Comments
Growth Fund	£2,000,000	Can be increased with Forum approval – revised demographic forecasts required.
Falling Rolls Fund	£0	Falling roll fund only applies to good and outstanding school where growth is expected within 3 years.
Infant Class Size Requirement	£0	Overall cost deemed too high to put in place – complex to administer.
Back-pay for equal pay claims	£0	No expenditure in this category
Remission of boarding fees	£0	No expenditure in this category
Places in independent schools for non-SEN pupils	£0	No expenditure in this category
Admissions	£404,757	No increase in expenditure allowed – unless disapplication approved by SoS
Servicing of Schools Forum	£3,000	No increase in expenditure allowed – unless disapplication approved by SoS
Capital Expenditure from Revenue	£1,537,540	Includes CPSN Contract
Contribution to Combined Budgets	£4,312,208	As previously agreed by Schools Forum – reduced from previous levels.
Existing Termination of Employment Costs	£0	No expenditure in this category
Schools Budget Funded Prudential Borrowing Costs	£0	No expenditure in this category
Schools Budget Funded SEN Transport Costs	£0	No expenditure in this category

- 5.6 As reported to Schools Forum in April the EFA required the LA to submit details of planned spend for 2017-18 across six sections reflecting specific expenditure lines from the Section 251 return.

Section 251 Budget Line	2016/17 Budget	Description
1.4.1 Contribution to combined budgets	£4.31m	£3.53m – contribution to Children’s Services £0.73m – Early Intervention Family Worker (previously Parental Support Advisors), £0.05m – Residual CPH Funds and EPM Contract
1.4.4 Termination of employment costs	Nil	
1.4.6 Capital expenditure from revenue (CERA)	£1.54m	£1.46m – Cambridgeshire Public Services Network (CPSN) Broadband Contract, £0.08m – Tree Maintenance
1.4.7 Prudential borrowing costs	Nil	
1.4.9 Equal pay - back pay	Nil	
1.4.12 Exceptions agreed by Secretary of State	£0.4m	National Copyright Licence arrangements

- 5.7 Following support from Schools Forum to continue the ongoing arrangements in respect of existing contracts and the contribution to Children’s Services, Early Intervention Family Workers and Tree Maintenance into the 2017/18 financial year a submission was made in May. However, the LA is still awaiting confirmation from the EFA as to which of the expenditure lines will be approved to continue into 2017/18. Until this approval is received there is significant risk to the associated funding and as such a further update will be presented at the December meeting of Schools Forum.

5.8 **De-Delegations**

Primary Head Teacher representatives will be asked to consider the de-delegations methodology and proposed approach for 2017-18 which apply to maintained primary schools only and cover:

- i) Cambridgeshire Race Equality Advisory Service (CREDS)
- ii) School Leaders & Governors Online Information Service
- iii) Free School Meals Eligibility
- iv) Trade Union Facilities Time
- v) Insurance (Material Damage, Theft, Public Liability)
- vi) Maternity Cover
- vii) Contingency

The current values and total estimated de-delegation for 2016/17 is set out below:

Service	2016/17 Basis	2016/17 Estimated Total*
Cambridgeshire Racial Equality and Diversity Service (CREDS)	£3 per pupil and £160 per EAL	£726,171
School Leaders & Governors Online Information Service	50p per pupil and £307 per school	£69,678
Free School Meals	£4.65 per FSM child	£16,828
Insurance	£18.20 per pupil	£793,598
Trade Union	£1.10 per pupil	£42,525
Maternity	£5.90 per pupil	£226,437
Contingency	£2.10 per pupil	£80,596

*Final amounts subject to change due to academy conversions

- 5.9 Revised amounts will be calculated on receipt of updated pupil data and presented at a future Schools Forum meeting for approval.

6.0 OTHER FUNDING / CONSIDERATIONS

6.1 Grants

Additional Grants for the following areas will be confirmed in due course:

- Pupil Premium - <https://www.gov.uk/guidance/pupil-premium-information-for-schools-and-alternative-provision-settings>
- Universal Infant Free School Meals (UIFSM) - <https://www.gov.uk/government/publications/universal-infant-free-school-meals-uifsm-funding-allocations-2016-to-2017>
- Primary PE and Sports Premium - <https://www.gov.uk/guidance/pe-and-sport-premium-for-primary-schools>
- School Capital - Devolved Formula Capital (DFC) - <https://www.gov.uk/government/publications/capital-allocations>

6.2 Rateable Values

On 1st April 2017, new rateable values will be implemented, based on based on a valuation date of 1st April 2015, and as a result most schools are likely to experience a change in their business rates.

Draft rateable values were published online by the Valuation Office Agency (VOA) on 30th September, but further work is required to quantify the total impact for all Cambridgeshire schools. Any increase in the total cost will be funded through initial budget allocations, so although not a direct cost to individual schools, will be a pressure on the overall distribution total.

Alongside this, any in-year changes for maintained schools will now be retrospectively adjusted as part of the annual budget setting process.

6.3 **Apprenticeship Levy**

The apprenticeship levy will impact on all UK employers with a pay bill of over £3 million per year. This includes maintained schools, academies and multi-academy trusts. The levy payable is equivalent to 0.5% of their payroll, but each employer will receive an annual allowance of £15,000 to offset against the required amount.

This means that employers with pay bills of £3 million and under will not pay any levy because 0.5% of £3 million is equal to the £15,000 allowance and an employer with a £5 million payroll would have to pay £10,000, which is their £25,000 charge at 0.5% of their payroll, minus the £15,000 allowance.

Work is currently underway to fully understand the implications for maintained schools and as such will be communicated in due course.

7.0 **KEY DECISIONS AND TIMETABLE**

7.1 Schools Forum will be consulted on the main formula funding factors and movements between funding blocks, but the final decision sits with the Local Authority and will be subject to approval by the Children and Young Peoples (CYP) Committee. Schools Forum will be required to approve the following:

- Revised Growth Criteria for Primary and Secondary Schools (Maintained and Academy) –Updated policy to be presented for approval.
- Revised New School Funding Policy - Updated policy to be presented for approval.
- De-Delegations for Maintained Primary – Final proposals will be presented at a future Schools Forum meeting for approval.

7.2 The table below shows the key dates in the budget setting process:

Date	Action
6 October 2016	School Census Day
14 October 2016	Schools Forum
26 November 2016	School Census database closed.
30 November 2016	Deadline for submitting requests for: <ul style="list-style-type: none"> • MFG exclusions • exceptional premises factors • sparsity factors • lump sum variations for amalgamating schools • pupil number variations
6 December 2016	CYP Committee (Reserve Date)
Mid-December 2016	DfE to publish pupil data and factors and confirm Schools Block and High Needs Block allocations for 2017 to 2018 (prior to academy recoupment). Publication of provisional early years block allocations
14 December 2016	Schools Forum
17 January 2017	CYP Committee
20 January 2017	Local authorities submit final data for Schools Budget pro-forma.
27 January 2016	Schools Forum
January – February 2017	Local authorities confirm budgets for maintained schools (28 February).
31 March 2017	EFA confirm general annual grant to academies open by 9 January 2017
April 2017	First DSG payments to local authorities based on 2017 to 2018 allocations, net of academies recoupment (DSG allocations updated termly for in year academy conversions).
June 2017	Early Years Block updated for January 2017 Early Years pupils.
June 2018	Early years block updated for January 2018 early years pupil numbers (pro rata 7/12ths as this relates only to the period September 2017- March 2018).

7.3 The Schools Forum meeting in December and CYP Committee meeting in January will be key for gaining final approval prior to budget setting.

7.4 Members of Schools Forum are asked to note and comment on the contents of the above report.

Background documents: none

Appendix A

Number	Formula Factor	Cambridgeshire Approach for 2016/17	Primary Values 2016/17	Secondary Values 2016/17
1	Basic Entitlement	Equal Value for KS1 & KS2, Different Value for KS3 & KS4 - 16/17. Uplifted based on total available funding - final values dependent on all other factors	£2,721	KS3 £3,838 KS4 £4,989
2	Deprivation - Free School Meal (FSM)	To be used as part of the deprivation funding. Free meals as at the previous October census.	£600	£600
2	Deprivation - Income Deprivation Affecting Children Index (IDACI)	To be used as part of the deprivation funding. Bandings shown below.		
		IDACI Lower and Upper Limit	Unit Value	Unit Value
		Band 0 - 0.0-0.2	£0	£0
		Band 1 - 0.2-0.25	£220	£220
		Band 2 - 0.25-0.3	£500	£500
		Band 3 - 0.3-0.4	£500	£500
		Band 4 - 0.4-0.5	£750	£750
		Band 5 - 0.5-0.6	£750	£750
		Band 6 – 0.6-1	£750	£750
3	Prior Attainment - Primary Phase Low Attainment	New Profile for Y1 & Y2 and EYFSP score below 78 points mapped to October 14 Census for pupils in Y3 to Y6.	£750	n/a

Number	Formula Factor	Cambridgeshire Approach for 2015/16	Primary Values 2016/17	Secondary Values 2016/17
3	Prior Attainment - Secondary Phase Low Attainment	To be applied to pupils scoring below level 4 in either English (reading or teacher assessed writing elements) or Maths at KS2	n/a	£420
4	Looked After Children (LAC)	To be applied to qualifying pupils recorded as LAC as at March 2014 mapped to January 2014 Census	£750	£750
5	English as an Additional Language (EAL)	To be funded for the 1st, 2nd or 3rd year in the education system	£750	£750
6	Mobility	Not to be applied due to concerns over data quality	n/a	n/a
7	Sparsity	Not to be applied. Limitations on usage limit benefits to Cambridgeshire schools	n/a	n/a
8	Lump Sum	Lump Sum to be set at £150,000 for all Primary and Secondary Schools	£150,000	£150,000
9	Split Site Lump Sum	Local Criteria (Appendix B) - Lump Sum	£50,000	£50,000
10	Rates	To fund schools based on latest estimates available. Any changes to be retrospectively amended a year in arrears	Variable	Variable
11	Private Finance Initiative (PFI)	To be funded based on actual cost to be revised annually - Revised amount to be calculated	n/a	Variable
12	London Fringe	Does not apply to Cambridgeshire Schools	n/a	n/a
13	Post-16	Not to be applied. Have not previously funded.	n/a	n/a
14	Exceptional Premises	To fund specific schools where additional exceptional premises costs previously met by the LA	Variable	Variable

Appendix B

2016/17 Formula Distribution

Factor	Primary £	Primary %	Secondary £	Secondary %	Total £	Total %
Activity Funding	133,733,678	71.74%	122,010,105	89.76%	255,743,783	79.34%
School Lump Sum	31,075,000	16.67%	4,800,000	3.53%	35,875,000	11.13%
Split Site Lump Sum	50,000	0.03%	0	0.00%	50,000	0.02%
Amalgamated Schools Lump Sum	105,000	0.06%	0	0.00%	105,000	0.03%
Rates	3,021,573	1.62%	1,033,873	0.76%	4,055,446	1.26%
PFI	0	0.00%	215,120	0.16%	215,120	0.07%
Exceptional Premises	84,500	0.05%	0	0.00%	84,500	0.03%
Prior Attainment	6,606,998	3.54%	2,831,926	2.08%	9,438,924	2.93%
Deprivation (FSM)	2,853,232	1.53%	1,578,530	1.16%	4,431,762	1.37%
Deprivation (IDACI)	5,017,139	2.69%	2,455,639	1.81%	7,472,778	2.32%
LAC	103,203	0.06%	101,802	0.07%	205,005	0.06%
EAL	3,489,712	1.87%	501,936	0.37%	3,991,648	1.24%
MFG Adjustment	266,387	0.14%	401,481	0.30%	667,868	0.21%
	186,406,422	100.00%	135,930,412	100.00%	322,336,835	100.00%

EARLY YEARS NATIONAL FUNDING FORMULA UPDATE

To: Cambridgeshire Schools Forum
 Date: 14th October 2016
 From: Matthew Moore – Learning/Schools Funding Accountant
 Sam Surtees - Strategic Policy and Early Years Operations Manager

1.0 INTRODUCTION

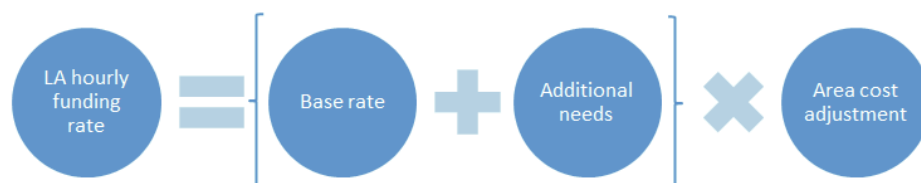
- 1.1 The Department for Education (DfE) published its consultation on the Early Years National funding formula on 11th August 2016. The consultation deadline was 22nd September and the new funding arrangements will be implemented from April 2017 onwards. The local authority response to the consultation is included in appendix 1 of this report.

2.0 Consultation Outline

The key points of the Early Years National Funding Formula are summarised below:

2.1 Part one: Funding from central government to providers

The National Allocation Basis to Local Authorities:



The base rate will account for 89.5% of the national funding envelope in total.

Additional Education Needs (AEN) will be based on three metrics and weighted accordingly:

- Free Schools Meals (FSM) eligibility at Key Stage 1 & Key Stage 2 - 8%
- English as an additional Language (EAL) numbers at Key Stage 1 & Key Stage 2 – 1.5%; and
- Disability Living Allowance (DLA) based on numbers of entitled children aged 0-5 – 1%

- 2.2 These figures will then be multiplied by an area cost adjustment amount which is a combined measure looking at the staff costs in an area (General Labour Market Measure) and the premises costs (Rateable value). This is intended to reflect the higher costs faced in different part of the country. This results in overall funding to Cambridgeshire of £4.42 per hour per pupil.
- 2.3 The consultation document confirmed that the Early Years Pupil Premium (EYPP) will continue to be paid at the same rates as now (£0.53p per hour for eligible children).
- 2.4 Two Year-Old funding will also continue based on the current system but with an enhanced hourly rate. The indicative hourly rate for Cambridgeshire is £5.41 (compared to £5.05 at present) which is a larger increase than most local authorities due to the application of an area cost adjustment.
- 2.5 Part two: Local authority funding to providers**
- The Early Years National Funding Formula will be applied to both the current 15 hours free entitlement and the extended 15 hours offer, which is scheduled for implementation on 1 September 2017.
- 2.6 It is proposed that local authorities will only be able to retain 7% of Early Years block funding centrally for 2017/18, reducing to 5% thereafter. In Cambridgeshire we currently retain approximately 4% of funding centrally.
- 2.7 Proposed centrally retained budget for 2017/18:

Centrally Retained Budget	Value
Qualifications	£375,000
Commissioned Services linked to Early Years childcare development and Support	£245,580
EY Access Officers	£82,263
EYPP Eligibility	£11,000
Contribution to support Early Years Service statutory duties	£340,000
Fixed term Sufficiency Officer Posts to support implementation of the 30 hours entitlement	£130,000
Total	£1,183,843

- 2.8 Local authorities will remain responsible for determining and administering a local Early Years Single Funding Formula which must incorporate a universal base rate for all providers by 2019/20 at the latest.

Supplementary funding would be provided to local authorities with Nursery Schools for two years to help transition towards the universal base rate. For Cambridgeshire, the proposals suggest that this would equate to £1,217,716 per year.

2.9 **Formula Supplements:**

- Local authorities will continue to be able to use funding supplements as part of their local formula to enable them to meet the individual needs within their area.
- It is proposed that Deprivation will remain a mandatory supplement in the local formulae, Local authorities will be free to determine their own metric for allocation. Currently in Cambridgeshire the Income Deprivation Affecting Children index IDACI measure is used to align with the main Schools Funding formula.
- Rurality / Sparsity, Flexibility, Efficiency and Delivery of the 30 hours are proposed as optional supplements within the formula. Of these, flexibility is the only optional supplement that is currently used in Cambridgeshire. Consideration will need to be given, therefore, as to whether this continues.
- The amount of funding to be passed through the above supplements would be capped at 10% of the hourly funding rate.

Part three: Meeting the needs of disabled children and children with special educational needs

- 2.10 Additional Disability Access funding will be allocated to local authorities to pass on directly to providers to enable them to make “reasonable adjustments and build the capacity of the setting to support disabled children”. This funding amounts to £12.5m nationally; further information is awaited on the actual funding rate for providers.
- 2.11 Local authorities may be required to create a central SEN inclusion fund. It is suggested that this could be created by pooling funding from either one or both of the Early Years Block or High Needs Block. Due to budget pressures on the High Needs Block it is unlikely that funding would be available from this source and therefore it is likely that this would need to come from the Early Years Block which would have the effect of reducing the hourly rate to providers.

Part four: Transition to the new funding arrangements

- 2.12 Reductions faced by local authorities will be limited to a maximum of 10% against the 2016/17 baseline. Those local authorities facing reductions will lose a maximum of 5% of funding in 2017/18 followed by a maximum of 5% again in 2018/19.
- 2.13 As outlined in section 2.6, local authorities will be able to retain a maximum of 7% of funding in 2017/18 which will then reduce to 5% in 2018/19.
- 2.14 Local authorities will be required to use a universal per child base rate of funding regardless of provider type by 2019/20 at the latest. In line with expectations in the consultation we would anticipate moving to the universal base rate from 2017/18.

3.0 Issues for Cambridgeshire

- 3.1 Initial modelling, based on existing levels of centrally retained funding and on the continuation of deprivation supplement at the current rates equates to an approximate hourly rate of £4.10 per hour. This is calculated by taking the £4.42 allocated to Cambridgeshire and then removing the deprivation and centrally retained funding. However this takes no account of a continuing flexibility supplement or possible creation of an SEN inclusion fund. Any funding allocated through these mechanisms would result in a reduction of the base rate, at a rate of approximately £0.01 for every £60k required.
- 3.2 As a result of the current proposals, the majority of Private, Voluntary and Independent (PVI) providers in the County should gain additional funding; however, it is likely that a number will only see relatively small increases and feedback from the Early Years Provider Reference Group suggests the funding may be insufficient to enable some providers to offer the extended 30 hour entitlement.
- 3.3 The move to a universal base rate and the removal of the additional funding for quality, leadership and business rates would cause a significant loss of funding for nursery schools if there is no other mechanism to provide them with additional funding. The transition funding in the consultation is available for two years but there is a lack of certainty about what happens after this point with the document implying that the government will consult further in due course. Work is underway with the maintained nursery school sector to review and identify alternative models of delivery to provide sustainability within future available funding levels.

4.0 Next steps

- 4.1 The consultation deadline was 22nd September and therefore it is expected that the outcome of the consultation will be known at the beginning of November.
- 4.2 Once the National Funding Formula is confirmed then we will consult with providers on the local formula including the use and value of any supplements within the formula. This will take place between November and January.
- 4.3 The final local formula will then be confirmed by February for implementation from April 2017 onwards.

Recommendation

- 5.0 **Members are asked to note the contents of the report and to approve the planned Centrally Retained amounts for 2017/18 as set out in section 2.7.**

Response ID ANON-8PBM-MPR3-S

Submitted to **Early years funding: changes to funding for 3 and 4 year olds**

Submitted on **2016-09-21 16:53:26**

Introduction

1 Welcome - would you like to provide your email address?

Email:

schools.funding@cambridgeshire.gov.uk

2 Would you like to tell us the name of your organisation?

Organisation:

Cambridgeshire County Council

About you

3 We'd like to know which area of the early years sector your answers represent. Which of these categories best describes your role in the sector?

This is a drop down menu of different categories of respondent - from nursery to local authority:

Local Authority

If you have answered 'other' please provide more details::

4 In which region do you work?

A drop-down menu of the 9 regions of England:

East of England

5 If you are not responding as a local authority, which local authority you work in?

A list of all the local authorities in England:

6 If you are a childcare provider, do you consider yourself to work in a:

7 If you are a childcare provider, how many children can your individual setting offer places to?

Not Answered

8 If you are a childcare provider, do you offer the free entitlement to:

Page 2 - Early Years National Funding Formula

9 Should there be an early years national funding formula (to distribute money from Government to each local authority)?

Yes

10 Considering a universal base rate of funding which does not vary by local area...

Base rate (EYNFF) - Should a universal base rate be included in the early years national funding formula?:

Yes

Base rate (EYNFF) - Is 89.5% of overall funding the right amount to channel through this factor?:

Yes

11 Considering an additional needs factor...

Add needs - metrics - Should an additional needs factor be included in the early years national funding formula?:

Yes

Add needs - metrics - Do we propose the correct set of metrics?:

Unsure

Add needs - metrics - Do we propose the correct weightings for each metric?:

Yes

12 Considering an area cost adjustment...

ACA - Should the early years national funding formula include an area cost adjustment?:

Yes

ACA - Should that adjustment be based on staff costs (based on the General Labour Market measure) and on nursery premises costs (based on rateable values)?:

Yes

13 If you have any comments or recommendations for alternative metrics or weightings to be used in the early years national funding formula, please explain here:

This box allows you to write an answer freely:

We agree that additional needs-led factors are required. However, there is no evidence provided to show that FSM and DLA are the most appropriate measures. Furthermore, there are inconsistencies in the data ranges being used in terms of age range e.g. the DLA is measured on the 0-5 age range whilst KS1 and KS2 data is used for other factors. We would also wish to ensure that the metrics are refreshed on a regular basis to ensure that changes in the need of different areas are then reflected within the funding formula.

Regarding the Area Cost Adjustment we would also argue that within an individual region (for example, Cambridge City and South Cambs) there can be a significant range of area costs which are not recognised by the national measures and, therefore, are not captured within the proposed formula. We would also wish to ensure that this measure is refreshed at regular intervals to reflect changing economic conditions and growth in particular areas which may impact on the costs faced.

Regarding the funding floor limit: Whilst we have no strong views regarding this question, if we understand the proposal correctly, this appears to perhaps be at odds with the first principle of a national funding formula. To make this commitment the government is essentially continuing to provide additional funding to local authorities who, under the revised formula, have been identified as previously overfunded. Provision of a funding floor limit may help to preserve some historical inequality, reducing the funding available to those authorities that have been historically underfunded.

14 To what extent do you agree with the proposed funding floor limit, so that no local authority would face a reduction in its hourly funding rate of greater than 10%?

Neither agree nor disagree

Page 3 - Two technical questions

15 To implement the increased hourly rate for the two-year old free entitlement...

2YO - Should we retain the current two-year-old funding formula?:

Yes

2YO - Should we use the additional funding secured at the spending review to uplift local authorities' allocations based upon this?:

Yes

16 Considering the Dedicated Schools Grant, should the free entitlement be capped at 30 hours for children of eligible working parents and 15 hours for all other children?

Yes

Page 4 - A high pass-through of local authority funding to providers

17 Should Government set the proportion of early years funding that must be passed on to providers?

Yes

18 Do you think that 95% is the correct minimum proportion of the money that should be passed from local authorities to providers?

Yes, I agree

19 If you would like to explain a response you've submitted on this page in more detail, please do so here:

This box allows you to write an answer freely:

17) We agree with the requirement to pass on a high proportion of funding directly to providers. However, it must be borne in mind that local authorities have already taken on additional responsibilities (funded 2s) and it is essential, therefore, that they have sufficient funding to fulfil all of their duties with regard to the sufficiency and suitability of early years and childcare places. We agree that as this is a national policy and in the spirit of being transparent and fair, there needs to be commonality in distribution to providers and settings. We have many providers who operate settings in Cambridgeshire and neighbouring counties where funding rates differ. At least by ensuring the proportion of funding to be passed on is the same, whilst the hourly rate is likely to be different, there is a common understanding as to how this has been determined.

18) This appears a reasonable amount to pass on to enable local authorities to continue to fulfil their responsibilities whilst ensuring that providers receive as

much funding as possible. However, if any additional responsibilities are given to local authorities then this figure should be adjusted accordingly to enable local authorities to fulfil their duties.

Page 5 - How money is distributed from local authorities to childcare providers

20 Should local authorities be required to give the same universal hourly base rate to all childcare providers in their area?

Yes

21 Considering funding supplements that local authorities could choose to use (above the universal base rate)...

Supplements - Should local authorities be able to use funding supplements?:

Yes

Supplements - Should there be a cap on the proportion of funding that is channeled through supplements?:

Yes

22 If you agree that there should be cap on the proportion of funding that is channeled through supplements, should the cap be set at 10%?

Yes, I agree with a 10% cap

23 Should the following supplements be permitted?

Basket of supplements - Deprivation:

Yes

Basket of supplements - Sparsity / rural areas:

Yes

Basket of supplements - Flexibility:

No

Basket of supplements - Efficiency:

No

Basket of supplements - Additional 15 hours of childcare:

No

24 When using funding supplements, should local authorities have discretion over the metrics they use and the amount of money channeled through each one?

Metrics & amount - supplements - Deprivation:

Yes - over the metric they use, Yes - over the amount of money

Metrics & amount - supplements - Sparsity / rural areas:

Yes - over the metric they use, Yes - over the amount of money

Metrics & amount - supplements - Flexibility:

Metrics & amount - supplements - Efficiency:

Metrics & amount - supplements - Additional 15 hours of childcare:

25 If you agree that efficiency (efficient business practices that provide excellent value for money) should be included in the set of supplements, do you have a suggestion of how should it be designed?

This box allows you to write an answer freely:

Supplements for flexibility, efficiency and additional hours are, in our view, not necessary. They are incentives not supplements to support what should be "business as usual" for providers within a market driven model. Payment of these supplements further reduces the hourly rate at a time when all providers have already identified financial concerns not just linked to the delivery of the extended entitlement but to staffing costs generally as a result of government policy.

26 If you agree the delivery of the additional 15 hours of free childcare should be included in the set of supplements, do you have a suggestion of how should it be designed?

This box allows you to write an answer freely:

See Q25.

27 If you think that any additional supplements should be permitted which are not mentioned here, please set out what they are and why you believe they should be included:

This box allows you to write an answer freely:

Other than the recognition of the additional costs incurred by maintained nursery schools we have no suggestions regarding additional supplements as we would wish to see the maximum amount of funding distributed to all providers as they are all required to deliver the same outcomes to the same standards under the Early Years Foundation Stage Framework.

28 Finally, for this page, if you want to explain a response you've submitted on this page in more detail, please do so here:

This box allows you to write an answer freely:

20) In principle we agree as all providers are required to deliver the same levels and outcomes for all children no matter the status of the setting. However, we have serious concerns about the impact upon maintained nursery schools and do need to be mindful of the legislative requirements for maintained nursery schools with regards to staffing structures, staffing levels and infrastructures, which a common hourly rate does not recognise, support or facilitate. The consultation suggests that the government will "consult on further detail in due course" with regards to nursery schools, we would ask that this happens quickly to enable nursery schools sufficient time to plan and to ensure that the transitional funding is used effectively to support any changes that need to be made. At present it is unclear what alternative arrangements or regulations for nursery schools might be and until that is clear full transitional funding must be provided to enable nursery schools to continue to operate.

21) local authorities should have the flexibility to determine and use funding supplements to support the needs of particular children, settings in their area where there is an identified need to do so to ensure quality of education and outcomes for children and sustainability for providers.

22) Yes, otherwise the principle of a fair national formula and a single funding rate for providers could be negated through the use of supplements to give tiered rates linked to setting types. However, unless there is clear guidance in respect of the future arrangements for the maintained nursery schools it may be appropriate to have additional supplements and/or lump sums to recognise differences in staffing requirements.

25) We would welcome some shared information about how other LAs are allocating their supplements or some guidance as to the metrics the government would suggest for all available supplements.

Page 6 - Funding for disabled children

29 Should there be a Disability Access Fund to support disabled children to access their free entitlement?

Yes

30 Should eligibility for the Disability Access Fund be children aged 3 or 4 which are a) taking up their free entitlement and b) in receipt of Disability Living Allowance?

No

31 When it comes to delivering the funding for the Disability Access Fund, is the most appropriate way the existing framework of the Early Years Pupil Premium?

Unsure

32 If you want to explain a response you've submitted on this page in more detail, please do so here:

This box allows you to write your answer freely:

30) We feel that the proposed eligibility requirement is too limited. It does not take account of those children whose needs would not meet criteria for DLA, EHC, or Early Years Support Needs within SEND code of practice descriptors, but for whom additional support and resource would be required to settle and manage behaviour but whose needs might reduce over time. Failure to support these children adequately or appropriately as they enter early years education may lead to greater need for support and intervention as the child ages, which could have been prevented and which will not allow the child to achieve their full potential.

31) We feel this is a blunt tool. It is not reflective of the needs of all children with entitlement being determined by how well someone can complete a form, rather than the needs of the child.

The proposals are not clear as to what would happen when funding is paid from this fund to a setting for a child who then moves to another setting, or who is unable to attend due to illness. This needs to be clarified nationally to avoid a "postcode lottery" as there are many children who access provision in more than one local authority area.

Page 7 - Funding for children with special educational needs

33 To what extent do you agree that a lack of clarity on how parents / childcare providers can access financial support results in children with special educational needs not receiving appropriate support? (We mean children who do not already have an Education, Health and Care Plan)

Agree

34 When it comes to establishing an inclusion fund...

SEN - inclusion fund - Should local authorities be required to establish an inclusion fund?:

Agree

SEN - inclusion fund - Would an inclusion fund help improve the supply of appropriate support children receive when in an early years setting?:

Agree

35 If you envisage any barriers, arising from existing practice or future proposals, to introducing a new requirement on local authorities to establish an inclusion fund, please tell us what they are and how they might be overcome:

This box allows you to write an answer freely:

High Needs Budgets are already severely overstretched and as such it would be difficult to use funding from the High Needs Block to create an inclusion fund. Therefore, any funding for such a fund would most likely need to come from the Early Years block which would reduce the hourly rates paid to all providers.

We are concerned that there will be no possibility of moving funding between blocks within the DSG in the future. It would be preferable for the LA to determine DSG in totality and to move funding to meet pressure areas. This is especially important in a county such as Cambridgeshire, which is experiencing unprecedented economic and population growth.

Additionally, funding pressures on LA's as a whole are leading to constant restructuring and re-organisation, which in turn lead to loss of expertise and resource to support these children and families.

36 When it comes to the SEN inclusion fund, should local authorities be responsible for deciding...

SEN - local authority role - The children for which the inclusion fund is used?:

Yes

SEN - local authority role - The value of the fund?:

Yes

SEN - local authority role - The process of allocating the funding?:

Yes

37 Where specialist SEN or SEND services are delivered free at the point of use, should they be considered as funding passed directly to providers for the purposes of the 95% high pass-through?

Agree

38 If you want to explain a response you've submitted on this page in more detail, please do so here:

This box allows you to write an answer freely:

33) There is a lack of clarity nationally, leading to confusion and issues for parents who may move from one LA area to another, or who access early years provision in more than one LA area. We do not understand why the proposals within the Early Years National Funding Formula have not been linked to the proposed school funding reforms.

We would welcome proposals for consistency across national and local boundaries to make it easier for parents to be able to understand and access.

34) We agree with the establishment of an inclusion fund but with the caveat that at a national level High Needs Block funding is adequate to meet the needs of the children who are identified with additional needs, which is not the current position.

An inclusion fund would contribute to improvements but funding is not the only factor to consider here. Among the factors to be considered and addressed are; skill sets, knowledge, staff, staffing levels, early identification and timely response to identification of needs. Access to appropriate support would also be improved with the introduction of processes which meet the needs of the children and of the provider, not processes designed from an administrative perspective.

It is necessary to make sure that the introduction of an inclusion fund does not lead to settings only taking children who meet the levels of need identified because of the funding which would follow the child.

37) Yes there would be more flexibility for the LA and providers to work together to agree the best way for providers to access resources - to agree whether services should be free at point of delivery or bought back, or if providers working with SEN/SEND children should just be able to access additional funding. This is the best way to support children with additional needs, especially in Cambridgeshire where we do not currently centrally retain 5% of allocated funding.

Page 8 - Transitions to a new funding system

39 To what extent do you agree with the transition approach proposed for the Early Years National Funding Formula (money distributed from Government to local authorities)?

Strongly agree

40 To what extent do you agree with the transition approach proposed for the high pass-through of early years funding from local authorities to providers?

Disagree

41 To what extent do you agree that our proposals on the high pass-through of funding from local authorities to childcare providers makes the existing Minimum Funding Guarantee for the early years unnecessary?

Disagree

42 To what extent do you agree with the transition approach proposed for introducing the universal base rate for all providers in a local authority area?

Disagree

43 If you want to explain a response you've submitted on this page in more detail, please do so here:

This box allows you to write an answer freely:

40) This does not allow sufficient time for any HR implications to be worked through. Funding is likely to be retained to fund services which are undertaken by people. To reduce people requires consultation and restructure and an implementation timescale for the first changes to be made by April 2017 does not really allow sufficient time to make that sort of transformation.

41) We have major concerns regarding the impact the removal of the minimum funding guarantee would have on our nursery schools who would see very large reductions to their budgets.

42) There is insufficient information related to nursery schools and no certainty as to government thinking regarding their future to allow us to be able to respond to this question effectively. Whilst the transition funding for nursery schools would be welcome, the lack of certainty about what happens after 2018/19 means the funding may not end up being used effectively. Maintained Nursery Schools operate under different regulations which require them to have a more expensive model. This should be allowed for in the formula or through interim transition funding until it is clear what the alternative arrangements/regulation might be and the impact on current provision.

Page 9 - Equality Assessment

44 Please provide any representations and/or evidence on the impact of our proposals for the purposes of the Public Sector Equality Duty (Equality Act 2010). The protected characteristics are: age; disability; gender reassignment; pregnancy and maternity; race (including ethnicity); religion or belief; sex and sexual orientation.

This box allows you to write your answer freely:

N/A

GROWTH FUND AND FALLING ROLLS CRITERIA 2017/18

To: Cambridgeshire Schools Forum
Date: 14th October 2016
From: Martin Wade - Strategic Finance Manager (Children's & Schools)

1.0 GROWTH FUND

- 1.1 Local authorities (LAs) may centrally retain funding from the Dedicated Schools Grant (DSG) in order to create a Growth Fund to support schools which are required to provide extra places in order to meet basic need within the authority, including pre-opening and re-organisation costs. The growth fund **may not** be used to support schools in financial difficulty. As the Growth Fund is a top slice on the Schools Block it is available for pupils aged 5-16 only. It cannot be used to support growth in under-5 or post-16 pupil numbers.
- 1.2 The Growth Fund will need to be ring-fenced so that it is only used for the purposes of supporting growth in pupil numbers to meet **basic need** in both maintained schools and Academies. Any funds remaining at the end of the financial year must be added to the following year's DSG and reallocated to maintained schools and academies through the local formula. Any growth or expansion due to parental preference will **not** be eligible to be funded from the Growth Fund.
- 1.3 LAs are required to propose the criteria on which any growth funding is to be allocated to Schools Forum for approval. The criteria should both set out the circumstances in which a payment could be made and provide a basis for calculating the sum to be paid. The LA will also need to consult Schools Forum on the total sum to be top-sliced from each phase and must regularly update Schools Forum on the use of the funding. It is essential that the use of the growth fund is entirely transparent and solely for the purposes of supporting growth in pupil numbers.
- 1.4 Further guidance states that the growth fund should **not** be used to support schools which are undergoing re-organisations to change the age range and /or admitting additional year groups. In these instances LAs should request a variation to pupil numbers to reflect the change in all relevant formula factors and not just a marginal cost or Age Weighted Pupil Units (AWPU) only allocation.
- 1.5 In 2016/17 the Growth Fund was increased to **£2.0m**, with total commitments to date in excess of **£2.01m** (allowing for academy adjustments). A further review to be undertaken on receipt of the October 2016 census is likely to result in further allocations and as such the final in-year overspend will be met from one-off DSG carry forward.
- 1.6 There are two primary schools, one secondary school and one special school due to open in September 2017. This will cause significant additional expenditure on growth funding due to pre-opening costs and diseconomies funding required for the schools as they grow to capacity. This is in addition to the diseconomies funding already required for other recently opened schools and the growth funding for existing schools adding additional classes. Therefore, it is estimated that the growth fund will need to increase to **£2.5m** for 2017/18 to meet this additional demand.

2.0 FALLING ROLLS FUND

- 2.1 LAs may also create a small fund to support good schools with falling rolls where local planning data show that the surplus places will be needed in the near future. However as there is a mandatory requirement that *"Support is available only for schools judged Good*

or *Outstanding at their last Ofsted inspection*”, Forum have previously taken the view that it was not appropriate to apply such a factor.

3.0 PROPOSED CAMBRIDGESHIRE CRITERIA FOR ACCESSING GROWTH FUNDING 2017-18

3.1 It is proposed that the following criteria will apply in 2017/18 where a school is growing or expanding to meet basic need in their area:

- Where the predicted catchment numbers for a **Primary** School (excluding nursery classes) for the following September show an increase of more than **25** pupils or **10%** of their total roll, due to basic need, requiring the running of additional classes or significant restructure they **may be** able to access additional funding.
- Where the predicted catchment numbers for a **Secondary** School for the following September show an increase of more than **40** pupils or **8%** of their total roll (excluding Post-16), due to basic need, requiring the running of additional classes or significant restructure they **may be** able to access additional funding.
- Schools will be required to provide evidence that an additional class or tutor group and/or significant restructure would be required to meet increasing numbers. (Views will also be sought from relevant officers in the Learning Directorate.)
- Where schools have chosen to admit above their Published Admissions Number (PAN) to meet parental preference from outside of their catchment area and **not** basic need they will **not** be eligible to receive funding from the Growth Fund in recognition that the LA could have secured places for the children concerned at other schools.
- In instances where the LA has specifically requested a school to expand to take an additional class to create capacity, but the forecast numbers do not meet the thresholds above, schools may be able to claim additional funding. The funding will only be payable if the school is unable to reorganise its class teaching structure to meet the request.
- A class is defined as “additional” if it requires a change in the school’s current or historical class organisation or number of classes. In Primary schools this may result in mixed year teaching where numbers dictate and this is seen as the most prudent option for the organisation of the school as whole.
- Schools that have historically operated mixed-age classes or have a PAN in a multiple of less than 20 would be normally expected to operate some mixed-age classes. (The Growth Fund cannot be used to reduce class sizes.)
- Should additional pupils be admitted following successful appeals the expectation is that the school would be able to accommodate these without the need to re-organise or employ an additional teacher.
- The requirement for additional classes or forms of entry will be reviewed on a case-by-case basis. Rather than funding on a per pupil basis, funding will now be allocated based on the requirement for additional support / classes / forms of entry.

- Allocations will be calculated at the following rates:

Phase	Academic Year	Financial Year (7/12ths)
Primary (0.5FE)	£27,000 + £2,000	£15,750 + £2,000
Primary (1FE)	£54,000 + £4,000	£31,500 + £4,000
Secondary (0.5FE)	£42,500 + £2,000	£24,792 + £2,000
Secondary (1FE)	£85,000 + £4,000	£49,583 + £4,000

- **Please note:** The allocations include a £4,000 (pro-rata) allowance towards the cost of resourcing a new classroom. Once agreed these amounts are guaranteed irrespective of actual pupil numbers to allow schools to staff appropriately.
- Initial growth funding allocations would be based on Admissions data and demographic forecasts to aid schools with budget setting. Where there is uncertainty or disagreement around the predicted pupil numbers, funding will not be allocated until receipt of the actual October Census data.
- The LA will undertake a mid-year review, based on the October Census, but **no** additional funding would be allocated to schools where funding had already been agreed unless actual growth is deemed to be such that significant additional costs had been incurred. In instances where schools had not qualified for additional funding based on the original estimates, additional funding would **only** be allocated if the school could demonstrate additional costs had been incurred to support the additional pupils.
- In instances where actual growth was at lower levels than original estimates, schools will **not** be subject to claw-back on any funding already allocated.
- No funding adjustments will be made in respect of “missing” pupils in Key Stage 1.

3.2

Other Considerations

- Any school with a revenue balance deemed as excessive would **not** be permitted to claim the full value of the additional growth funding. (Currently defined as 16% (of ISB) or £80,000 for Primary and 10% (of Individual Schools Budget (ISB) for Secondary). These instances will be reviewed on a case-by-case basis.
- Given that the funding formula now allocates an equal lump sum to all schools regardless of size no further additional funding will be provided to support any changes in leadership structure.
- Where schools are in areas of high growth, support may be provided to allow schools to maintain class structures where there is uncertainty over timescales for the completion and occupation of new housing developments. As these arise, they will be addressed on an individual basis and will be funded using estimates of the number of places required to meet demand from the catchment area.

- Where the LA supports a school's decision to extend its age range, additional support will be made available subject to meeting the criteria in 3.1 above.
- All maintained schools funding is only guaranteed for the financial year to which it relates. Future years funding will be assessed annually during the budget setting process.

3.3 **New Schools**

- Where a new school is opening, LAs are required to estimate the pupil numbers expected to join the school in September to generate funding through the Authority Proforma Tool (APT). LAs should also estimate pupil numbers for all schools and academies, including free schools, where they have opened in the previous seven years and are still adding year groups. These estimates should be adjusted each year to take account of the actual pupil numbers in the previous funding period. For academies an allocation of funding is recouped from each LA and following formula replication by the EFA an annual grant allocated.
- Pre-opening costs and Diseconomies funding in respect of new basic need academies is also payable from the Growth Fund. Details of the current amounts payable can be found in the New Schools Funding Policy, which is also subject to approval on an annual basis.
- This funding must be made available to new basic need academies on the same basis as maintained schools, including those funded on estimates – the only exception is that the DfE will continue to pay start-up and diseconomies costs for free schools.

3.4 **Academies** will take account of the additional guidance in **Appendix A** and be subject to the same criteria as in 3.1 above with the following additions and amendments:

Where an academy is expanding due to parental preference rather than basic need the academy can bid directly to the EFA, rather than being funded from the LA Growth Fund.

- It would be for the full academic year as original funding is based on the previous October Census. This would be subject to confirmation of actual funded numbers from the EFA and would be calculated on receipt of the October Census at the start of the new academic year. DfE additional guidance states:

“Where academies are funded on estimates, however, there is no need for them to access the growth fund for this purpose. This is because they will receive additional funding through a pupil number adjustment for actual numbers. We will identify academies funded on estimates in the January edition of the APT. Around 90% of former non-recoupment academies are funded on estimates.”

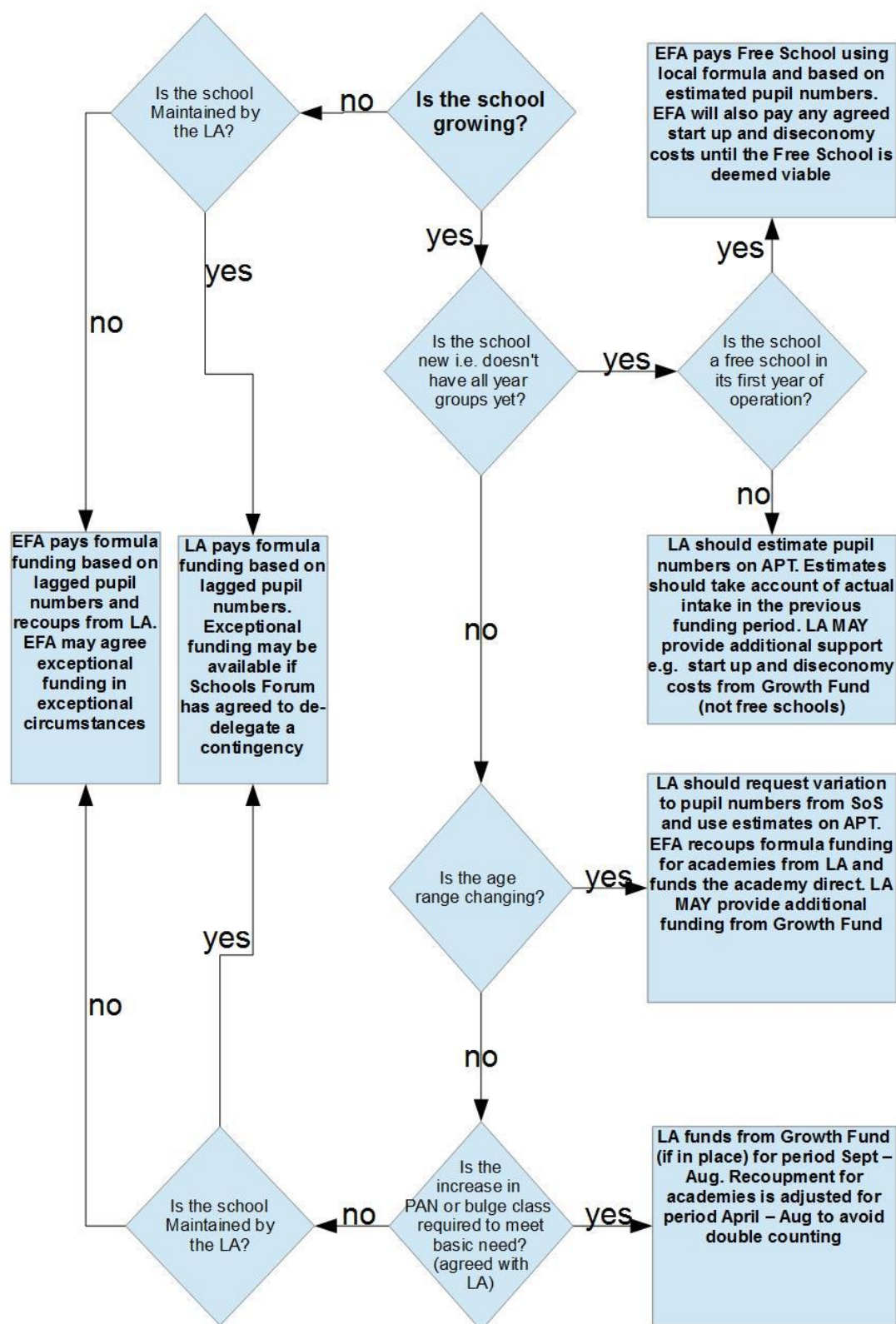
4.0 AMENDMENTS TO FUNDING CRITERIA

- 4.1 It is possible to amend the above criteria during the year where this becomes necessary; however the revised criteria must be submitted to the EFA for compliance checking and must also be approved by Schools Forum before the revised criteria can be implemented.

5.0 ACTIONS

- 5.1
- 1. Schools Forum to approve the increase of the Growth Fund from £2m to £2.5m.***
 - 2. Schools Forum to approve the criteria in section 3 to be applied from April 2017 subject to Education Funding Agency (EFA) approval.***

Appendix A – Funding Flow Chart for Growing Schools (from EFA Guidance)



NEW SCHOOL FUNDING CRITERIA 2017/18

To: Cambridgeshire Schools Forum
Date: 14th October 2016
From: Martin Wade - Strategic Finance Manager (Children's & Schools)

1.0 INTRODUCTION

- 1.1 The approach for revenue funding for new schools follows guidance provided by the Education Funding Agency (EFA) and requires approval by Cambridgeshire Schools Forum due to the elements funded directly from the Growth Fund.
- 1.2 The methodology is subject to annual amendments to reflect both national and local policy changes. The proposals below reflect the approach to be applied to the 2017/18 financial/academic year.

2.0 FUNDING FOR NEW PRIMARY AND SECONDARY SCHOOLS

- 2.1 Where a new school is opening, Local Authorities (LAs) are required to estimate the pupil numbers expected to join the school in September to generate funding through the Authority Proforma Tool (APT). LAs should also estimate pupil numbers for all schools and academies, including free schools, where they have opened in the previous seven years and are still adding year groups. These estimates should be adjusted each year to take account of the actual pupil numbers in the previous funding period. For academies an allocation of funding is recouped from each LA and following formula replication by the EFA an annual grant allocated.
- 2.2 With effect from May 2015 all new schools established through the 2011 Education Act presumption process are now classified as free schools. This change reflects the fact that "free school" is the Department for Education's (DfE's) policy term for all new provision academies whereas "academy" is a legal term for state-funded schools that operate independently of LAs and receive their funding directly from the government.
- 2.3 There is no change to the funding of new schools and as such the LA will still be responsible for providing pre-opening costs and for providing the sites for these schools. Upon opening, the school will be funded by the EFA on the same basis as other academies and free schools in the same LA area.
- 2.4 The pre-opening revenue costs and post-opening diseconomies funding will be allocated from the centrally retained Growth Fund. These costs are to be provided for free schools/academies where they are created to meet basic need. Current amounts can be seen in **Appendices A and B**.
- 2.5 In the limited number of circumstances under which new maintained schools are established and opened (those which received approval under the 2006 Education Act competition arrangements and, where agreed in response to evidence of need, Voluntary Aided schools) will be funded directly by the LA as per the local funding arrangements and funding formula. Academy schools will receive a combination of LA and EFA funding. The table on the following page shows the key areas of funding and the appropriate funding body:

2.6	Funding:	Maintained School:	Academy:	Detail:
	Local Formula Funding	LA	EFA	Based on LA local formula. Funding recouped from LA and allocated by EFA (some factors based on county averages in initial years)
	16-19 Formula Funding	EFA	EFA	Based on National 16-19 Formula
	Pupil Premium	LA	EFA	Based on National Pupil Premium funding rates
	Funding for Education Services	N/A	EFA	Based on National Education Services Grant (ESG) funding rates
	Diseconomies Funding	LA	LA	Funding from LA to recognise costs whilst the school fills to capacity (Appendix B)
	Pre-opening revenue	LA	LA	Funding from LA prior to opening to support costs (Appendix A)
	High Needs Pupil Top-Up Funding	Home LA	Home LA	Top-Up funding for pupils with Education Health and Care Plans (EHCP) or statements of special educational need (SEN)

- 2.7 Final revenue funding amounts for new schools will vary depending on numerous factors. As the majority of the funding for new academies will come directly from the EFA the final amount to be received will be based on EFA calculations.

3.0 FUNDING FOR NEW SPECIAL SCHOOLS

- 3.1 All Special Schools are funded on the Place-Plus methodology. This provides schools with £10,000 per commissioned place as agreed with the EFA for Pre and Post-16 numbers. It is the responsibility of the home LA to then provide Top-Up funding based on the individual needs of the learners in line with their Education Health and Care Plan (EHCP).
- 3.2 Once the number of places for each academic year have been agreed this provides a minimum core budget for the school and as such there is no diseconomies funding for Special Schools. For maintained schools place funding will be made directly from the LA, whereas for academies it will be paid via the EFA. The Top-Up funding is based on participation and as such will only be payable directly by the pupil's home LA for the period of time each pupil is in attendance.
- 3.3 As with mainstream academies, Special academies will also receive a per pupil ESG allocation at the national rate.
- 3.4 Details of the pre-opening funding for Special Schools can be seen in **Appendix A**.

4.0 DEDICATED SCHOOLS GRANT (DSG) FUNDING

- 4.1 As the annual DSG received by LAs is based on the previous year's October census data, in the year of opening **no** DSG is received for new schools. In subsequent years DSG is only received based on the number of pupils and the characteristics of the pupils attending new schools. The result of this is a funding gap between the amount of DSG received and the amount required to fund new schools and the associated diseconomies funding.
- 4.2 As part of the response to the first stage of the National Funding Reforms consultation, it was requested that consideration be given to the future funding mechanism to support new schools to mitigate the impact on existing schools.
- 4.3 There is further uncertainty in respect of the funding of high needs pupils and the revenue funding associated with new special schools and/or special school places. Currently there is no mechanism to access additional funding for places or the extra Top-Up funding which would be required to maintain a new special school. Therefore, if no or only limited funding can be accessed from the EFA a transfer from the Schools Block will be required to meet the revenue costs of any new Special Schools.

5.0 ACTIONS

- 5.1 ***Schools Forum are asked to approve the proposed approach for new schools for funding pre-opening as set out in Appendix A and post-opening diseconomies funding as set out in Appendix B to be applied in 2017/18.***

Appendix A

Pre-Opening Funding for New Schools

The pre-opening funding is intended to cover all revenue costs up to the opening of the school. Capital costs to secure and develop the school's site, and ICT to support the curriculum, are funded separately for the LA's five year rolling programme of capital investment. Books and other curriculum materials may be purchased before opening, using an advance of the post-opening diseconomies funding.

The pre-opening funding is to cover:

- project management (support to coordinate all work leading to the development of the school);
- staff recruitment (including the head teacher/principal);
- salary costs (which often include the head teacher/principal, finance/business manager and administrative support in advance of opening);
- office costs;
- administration of admissions (including applications and appeals).

Primary Schools - funding is calculated on the basis of 1 term prior to the date of opening.

Secondary Schools - funding is calculated on the basis of 2 terms prior to the date of opening.

Special Schools - funding is calculated on the basis of 2 terms prior to the date of opening.

In all instances the funding can be accessed earlier, but the total amount to be received remains as detailed below.

Primary	£50,000
Secondary	£150,000
Special	£130,000

Appendix B

Post-Opening Diseconomies Funding

Resources –

Paid annually as the school builds up to capacity –

- £125 for each new mainstream place created in the primary phase (years R to 6)
- £500 for each new mainstream place created in the secondary phase (years 7 to 13)

New places will be calculated annually based on the increases in roll from year to year.

Leadership –

Paid annually based on the number of year-groups that the school will ultimately have that do not yet have pupils. The amount paid to mainstream schools with pupils aged 4 – 15 each year depending on how many year-groups (cohorts) are empty is set out below:

Empty Cohorts	6	5	4	3	2	1	Total
Primary	£40,250	£33,750	£27,000	£20,250	£13,500	£6,250	£141,500
Secondary			£125,000	£93,500	£62,500	£31,000	£312,000

Please note: *Diseconomies funding for all-through schools serving the 4-15 age range will be considered as and when the situation arises.*

SPECIAL EDUCATIONAL NEEDS (SEND) PEER REVIEW NOVEMBER 2016

To: Cambridgeshire Schools Forum

Date: 14 October 2016

From: Meredith Teasdale, Service Director, Strategy and Commissioning

1.0 PURPOSE

- 1.1 To inform Schools Forum of the Council's participation in a pilot Peer Review based on a new Special Educational Needs (SEND) Framework developed with regional colleagues. The Peer Review will focus on outcomes for children and young people with SEND and this paper outlines the format of the Peer Review and the involvement of schools and partners.

2.0 BACKGROUND

- 2.1 All local authorities in the Eastern region were involved in developing a model for peer review focusing on SEND. The SEND Peer Review is part of the Eastern Region's work on improving outcomes for all pupils. It focuses on the provision and outcomes for pupils with SEN and disabilities as well as the implementation of the Children and Families Act 2014. The pilot Peer Review will target children and young people aged 5-16 (Reception to Year 11) who are at the 'SEN support' level i.e. those with additional special educational needs to their peers who do not necessarily require an Education, Health and Care (EHC) assessment or plan. The proposed key theme is 'improving outcomes for children and young people with SEND'. The four subsidiary questions will be:

1. Are children identified at the right time?
2. What has the greatest impact for improving outcomes for pupils receiving pupil premium and SEN support?
3. What are the barriers for schools in adopting best practice?
4. What is the role of other agencies in supporting and challenging schools to improve?

- 2.2 The target group has been chosen as the primary area of the review because we know that outcomes for this group in Cambridgeshire are poor compared to other areas, whereas outcomes for children and young people with an EHC plan are often better than other areas. The lead SEND Ofsted/CQC inspector, Mary Raynor, has also indicated in briefing and preparation sessions that she will be particularly focusing on this area in inspections. The age range has been limited from the 0-25 age range that is the subject of the SEND reforms to 5-16 to allow the peer reviewers to look at services and outcomes for the target group in depth.

3.0 OVERVIEW OF PEER REVIEW PROCESS

- 3.1 Prior to the peer review, Council officers from SEND Specialist Services will be making contact with a small group of schools to conduct an in depth survey regarding their arrangements for pupils receiving SEN support. The information from this survey will be collated, anonymised and shared with the peer review team.

SEND Specialist Services will also organise 3 groups for children/young people across the age range to gather their views and experiences. As with the survey, this information will be collated, anonymised and shared with the peer review team.

The third piece of work prior to the Peer Review is a selection of case file audits. SEND Specialist Services will be auditing 10 case files, some of which will have multi-agency involvement. Individual schools may be contacted as part of this process.

- 3.2 The Review will take place on Tuesday 15 and Wednesday 16 November. The team will be based at council offices, and will conduct interviews, focus groups and review evidence on both days. There will be several focus groups including schools, the full list of focus groups is below:
- Headteachers of schools where outcomes for pupils with SEN support are good (mixed primary and secondary)
 - Headteachers of schools where outcomes for pupils with SEN support is a concern (primary)
 - Headteachers of schools where outcomes for pupils with SEN support is a concern (secondary)
 - Parents and Carers of SEN supported pupils (to include SEN/FSM if possible)
 - SENCos (mixed primary and secondary)
 - Local Area Officers/Practitioners
 - Health Commissioning Officers

Invitations to focus groups will be sent out to schools over the next few weeks.

- 3.3 The peer review team will aim to identify the barriers that other schools have faced when attempting to deliver good outcomes for pupils with SEN support and determine how the local authority and other local area partners can support and challenge schools to find ways around those barriers.
- 3.4 The Peer team will base their findings on:
- Documentation provided including from case audits, surveys and children and young people's groups
 - Interviews with officers and leaders from relevant teams
 - Interviews with other officers as necessary, e.g. from Finance
 - Interviews with Members
 - Focus groups with children and young people and parents/carers

- Focus groups with Headteachers and SEN Coordinators from a variety of schools
- The results of a survey conducted with some schools to inform the review

3.5 After the end of the review, the Education Consultant will send a written feedback report within a week. The structure of the report will cover:

- Current outcomes context
- The focus of the review, key questions, review methodology
- Strategies for SEN support identified by successful schools
- Findings against the key questions including areas of strength and areas for development
- Recommendations
- Offers of support from other Local Areas

As this peer review is a pilot for the framework, feedback on the process and results will also be taken to the regional SEND network meeting and the Assistant Director regional network. Update reports will also be provided for the sector led improvement newsletter and for the termly DCS meeting. This report will be shared with partners, particularly those who were involved in the review.

3.6 The Coordinator for the review is Emily Sanderson, Quality Assurance Manager. If there is any further information needed, please do not hesitate to contact her at emily.sanderson@cambridgeshire.gov.uk.

4.0 RECOMMENDATION

4.1 The Forum is requested to note the information regarding the upcoming SEND Peer Review.

CAMBRIDGESHIRE SCHOOLS FORUM – FORWARD AGENDA PLAN

DATE/TIME/ VENUE	AGENDA ITEMS	AUTHOR	DEADLINE FOR REPORTS TO DEMOCRATIC SERVICES
Wednesday 14 December 2016, 10.00am, Kreis Viersen room	Minutes of the Meeting on 14 October 2016	Richenda Greenhill	10.30am, Friday 2 December 2016
	Schools Budget Setting 2017/18 Update	Martin Wade	
	Revenue and Capital Business Planning proposals for CFA Services 2017/18 to 2021/22	Martin Wade	
	Pilot to Support Primary Aged Pupils with Social, Emotional and Mental Health (SEMH) Difficulties: Evaluation Report and Business Case	Dr Helen Phelan	
	Behaviour and Improvement Partnership (BAIP) Devolved Funding Formula	Martin Wade/ Tom Jefford	
	30 Hours Entitlement	Matthew Moore/ Sam Surtees	
	Composition of Cambridgeshire Schools Forum	Richenda Greenhill	
	Forward Plan	Richenda Greenhill	
Friday 27 January 2017, 10.00am, Kreis Viersen room	Minutes of the Meeting on 14 December 2016	Richenda Greenhill	10.30am, Tuesday 17 January 2017
	Dedicated Schools Grant Expenditure: Update	Martin Wade	

	Forward Plan	Richenda Greenhill	
Friday 17 March 2017, 10.00am Kreis Viersen room	Minutes of the Meeting on 27 January 2017	Richenda Greenhill	10.30am, Tuesday 7 March 2017
	Dedicated Schools Grant Expenditure: Update	Martin Wade	
	Forward Plan	Richenda Greenhill	
Friday 7 July 2017, 10.00am Kreis Viersen Room	Appointment of the Chairman/ Chairwoman and Vice-Chairman/ Chairwoman	Richenda Greenhill	10.30am, Tuesday 27 July 2017
	Minutes of the Meeting on 17 March 2017	Richenda Greenhill	
	Dedicated Schools Grant Expenditure: Update	Martin Wade	
	Forward Plan	Richenda Greenhill	
? September 2017 tba			
	Minutes of the Meeting on 7 July 2017	Richenda Greenhill	
	Dedicated Schools Grant Expenditure: Mid-Year Update	Martin Wade	
	Forward Plan	Richenda Greenhill	

Updated 06.10.16