

Date: Wednesday, 13 December 2017

Democratic and Members' Services

Quentin Baker
LGSS Director: Law

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 and declarations of interest</u> | |
| | <i>Guidance on declaring interests is available at http://tinyurl.com/ccs-conduct-code</i> | |
| 2 | <u>Minutes of the Meeting on 3 November 2017</u> | 3 - 10 |
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11	<u>Date of Next Meeting</u>	

The Schools Forum will meet next on Friday 19 January 2018 at 10.00am in the Kreis Viersen Room, Shire Hall, Cambridge.

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CAMBRIDGESHIRE SCHOOLS FORUM: MINUTES

Date: Friday 3 November 2017

Time: 10.00am – 12.30pm

Place: Kreis Viersen Room, Shire Hall, Cambridge

Present: P Hodgson (Chairman), Dr A Rodger (Vice Chairman), S Blyth, T Bryden (substituting for S Connell), T Davies, J Digby, A Goulding, J North, D Parfitt, Dr K Taylor, S Tinsley, R Waldau, M Woods

Observers

G Fewtrell	Teachers' Union representative
Councillor S Bywater	Cambridgeshire County Council
Councillor P Downes	Cambridgeshire County Council
Councillor J Whitehead	Cambridgeshire County Council

Officers

K Grimwade, J Lee, H Belchamber, M Wade and R Greenhill (Clerk)

Apologies: Forum Members: L Calow, S Conant, S Connell (substituted by T Bryden) and N Jones

11. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies were noted as recorded above. There were no declarations of interest.

12. MINUTES OF THE MEETING ON 7 JULY 2017 AND ACTION LOG:

The minutes of the meeting held on 7 July 2017 were approved as a correct record, subject to the correction of some minor typographical errors, and were signed by the Chairman.

The Action Log was reviewed and the following update noted:

1. Minutes 5 and 6: Cambridgeshire 2018/19 Funding Formula/ High Needs Block

The proposed letter to local MPs had been overtaken by events following publication of the 2018/19 funding formula.

13. DEDICATED SCHOOLS GRANT FINANCIAL POSITION 2017-18

The Forum received a report from the Strategic Finance Business Partner providing a summary of the overall 2017/18 Dedicated Schools Grant (DSG) financial position to the end of September 2017. The Local Authority expected to receive around £234m in DSG funding, subject to further academy conversions. A deficit of £134k had been carried forward from 2016/17 arising from pressure on the High Needs Block. The position to the end of October had worsened from that described in the report, particularly in relation to special educational needs (SEN) placements and out of school tuition costs and now showed a forecast overspend of £1.3m. Increased SEN placement costs reflected not only an increase in pupil numbers, but also an increase in

the complexity of need. Work was already underway within the new 0-25 Special Educational Needs and Disability (SEND) Team to look at this issue and at the SEN Sufficiency Plan and a new SEND Commissioning Strategy would be published later in the year. Significant work was needed as the uplift in High Needs funding was not enough to meet these pressures. The Department for Education (DfE) had published a new bench-marking tool the previous day and officers would use this to do some further analysis and report back to the Schools Forum in December.

The following points were raised in discussion of the report and in response to questions from members:

- A Member stated that Lucy Frazer QC MP had asked two questions in the House of Commons regarding the responsibilities of Clinical Commissioning Groups in funding health support for children with SEN. Copies would be sent to members of the Forum for information.
(Action: Democratic Services Officer)
- The Vice Chairman noted that Section 4 of the report set out a number of areas which had been identified for review to reduce current spend and manage future demand, but commented that it was not possible to make sensible decisions until there was a clear understanding of the pressures and potential savings. It was important to put numbers against the actions described. He advocated more strategic thinking in relation to budgetary management, including consideration of moving to a two year planning model;
- An elected Member stated that the Children and Young People Committee was acutely aware of the funding issues relating to children's services and that unless additional funds were made available in the forthcoming Budget they did not anticipate the position improving. Another elected Member described the position as bleak;
- A member highlighted the importance of the early identification of additional needs in both improving a child's outcomes and reducing the greater financial cost of later and often more long-term interventions. They emphasised the vital role of early years professionals in identifying these emerging needs;
- Officers confirmed that the proposed review of social, emotional and mental health (SEMH) services would include recommendations about need and how this could be met;
- A member stated that the number of children with recorded SEN in mainstream schools had remained broadly consistent, but that the complexity of their needs had increased. The same trend was evident in special schools. This was compounded by issues of disadvantage in some parts of the county;
- The Vice Chairman emphasised the importance of arguing the county's case from a clear evidence base and stated that it was important to establish what services could and could not be paid for from the baseline budget.

It was resolved to:

Note and comment on key areas.

14. CAMBRIDGESHIRE 2018/19 FUNDING FORMULA

The Head of Integrated Finance Services reported that since the Schools Forum met last in July 2017 the Department for Education (DfE) had published a number of documents relating to both schools funding for 2018-19 and the National Funding Formula (NFF) for schools and high needs. A briefing note had been sent to all schools (copy at Appendix 2 to the report) and a working group had been convened to conduct initial discussions, to which all members of the Schools Forum had been invited. The Authority Pro-forma Tool (APT) had been released by the DfE the previous week which would now enable officers to model the impact of the formula locally. There had been an uplift to the High Needs block of £0.8m, but it was anticipated that the pressure by the end of the financial year would be between £2-2.5m. Under the NFF the Schools Block allocation would be ring-fenced, but in 2018/19 the Local Authority (LA) would be permitted to transfer up to 0.5% of this sum to other blocks. In Cambridgeshire this equated to £1.7m. To make such a transfer the LA was required to consult all schools and obtain the agreement of the Schools Forum. If agreed, this would represent a single year adjustment only and it was not yet clear how such a transfer might be achieved once the hard funding formula was in place.

The following points were raised in discussion of the report and in response to questions from members:

- A member commented that repeatedly topping up the High Needs block was not sustainable; the cost base needed to be addressed;
- A member commented that population growth would be reflected in increased numbers of children and young people with SEN, but noted the lag in funding new cases;
- Officers highlighted differences in the formula factors used previously in Cambridgeshire and those included in the NFF;
- A reduction in the Key Stage 4 basic pupil entitlement in 2017/18 under the NFF, although this would be off-set in the short-term by additional protection in 2017/18. An elected Member highlighted the concerns expressed by the Association of School and College Leaders with regard to this reduction and questioned whether this was indicative of a direction of travel by the DfE towards a more restricted curriculum at Key Stage 4;
- A member commented that the Minimum Funding Guarantee figures were widely known and argued strongly these should be included in the formula going forward. Officers acknowledged this concern, but noted the implications of moving funds to the High Needs Block;
- Paragraph 3.4: A member commented that it would be helpful in future to make explicit which services were funded under which funding block;
- A member questioned whether the High Needs Block should be subject to some pressure now by transferring less than the maximum £1.7m permitted to begin the trajectory needed to move its funding levels back to those within the NFF.

The Chairman invited comments on the draft consultation on school funding arrangements for 2018/19 which had been circulated after publication of the main agenda as Appendix 3 to the report. Officers reported that the section relating to

Behaviour, Attendance and Improvement Partnerships (BAIPs) would be removed as these were specific to secondary schools which would instead be consulted direct.

Members and observers offered the following comments on the draft consultation document:

- Paragraph 28(c): This question should be split into two sections;
- The narrative should explain what the High Needs Block funds, how it is derived and what the pressures are. This should make explicit the ramifications to schools of reductions to the High Needs block;
- A member expressed concern that to continue to top up the High Needs Block at this stage could exacerbate the difficulties of living within its budget in future years if it was no longer possible to transfer funds to offset the pressures. They questioned whether it was better to begin reducing the top-up now so that the pressures could be managed over a longer period of time, rather than risking an even greater deficit in two years' time if no further top-ups were possible.

Another Member questioned whether the Forum might choose to maintain current High Needs funding levels in 2018/19 via a top-up to ensure stability, but with a clear health warning that the direction of travel was towards a reducing budget.

Officers stated that it was not certain that the High Needs Block would receive a top-up in 2018/19, but that in order to preserve this as an option available to the Forum a consultation must take place now. Conversations were already taking place about how quickly pressures could be managed from within the High Needs allocation to ensure that all options would be available to the Forum for consideration in December;

- There was a legal entitlement to some SEN provision so it would be the non-statutory elements of provision which would be impacted by reductions in funding to the High Needs Block;
- An elected Member noted that the Local Authority had statutory responsibilities in relation to Looked After Children and SEN and that the Children and Young People Committee would be bound by these when it considered schools funding proposals in January 2018;
- Officers confirmed that the consultation operated on a 'one school, one vote' basis;
- An elected Member offered the view that that the draft consultation was not sufficiently sensitive or subtle to inform the decisions needed. They urged those present to do all within their power to discourage the introduction of hard funding arrangements at a time of austerity;
- A free-text option should be included for respondents to offer any other comments or opinions on the proposals;
- A member highlighted the significant impact on school staffing costs if the cap on annual pay rises was raised;

- Members debated whether the consultation should seek approval for the Forum to transfer funds to any funding blocks to keep all options open, but judged that the acute nature of the pressure on High Needs meant that in practice this was the only block to which it would consider transferring funds.

It was resolved to:

- a) Note the High Needs funding arrangements for 2018-19;
- b) Note the Schools funding arrangements for 2018-19 resulting from the publication of the NFF for schools;
- c) Comment on the authority's proposals to consult with all schools on:
 - i. Moving the Cambridgeshire schools funding formula as closely to the NFF as possible in 2018-19; and
 - ii. Transferring up to 0.5% (£1.7m) from the Schools Block to the High Needs Block in 2018-19 if required.
- d) Comment on the Draft Consultation document to be issued to schools.

15. CENTRAL SCHOOL SERVICES BLOCK, RETAINED FUNDING AND DE-DELEGATIONS

The Strategic Finance Business Partner stated that, as previously reported, the Department for Education's (DfE) latest national funding formula proposals confirmed the creation of a Central School Services Block (CSSB) which would include funding for responsibilities previously included in the Education Services Grant (ESG). Based on the latest published illustrative figures for the CSSB, Cambridgeshire would receive approximately £8.004m in 2018/19 compared to a baseline of £7.949m in 2017/18. The final figure received would be subject to adjustment based on the October 2017 pupil census. There was an expectation that historic commitments would unwind over time.

The Local Authority (LA) was required to find total savings of £37.2m in 2018/19 as part of total savings of £85m required across the next five years. The LA's business planning process had already identified savings of more than £25m plus additional income streams worth around £6m for 2018/19, leaving a funding gap of around £5.5m. Officers were seeking the Forum's approval to continue funding for early intervention support workers and other historic commitments in 2018/19 from the CSSB at current levels for a further year.

The Director of Learning stated that since publication of the report officers had received a fair challenge to clarify exactly how the contribution to the combined budget was spent and the implications of reducing the level of contribution to combined budgets. As it was used to part-fund posts across a number of services there was no discrete budget contribution to individual areas. However, an indication of the potential impact on service levels could be obtained by looking at staffing levels across the service areas described at paragraph 2.10. These were:

- Early Help District Deliver Service – North
- Early Help District Deliver Service – South
- Schools Intervention Service - Safeguarding

- Schools Partnership Service – Special Educational Needs (SEN)
- Virtual School
- Youth Service
- Preparing for Adulthood Additional Needs Team
- Occupational Therapists

There were currently 89 full-time equivalent (FTE) staff posts across these services. A very rough estimate would be costs of around £40k per post including on-costs. On this basis a reduction to the budget of £1.7m would require the loss of 42.5 FTE posts (48% of the total current posts). This would have a significant impact on the delivery of the services across the board including stopping some services completely. A reduction to the budget of £0.5m would require the loss of 12.5 FTE posts (14% of the current total). This would still lead to some impact on services, but it was envisaged that the reduction in LA staff could be managed through natural wastage and management. However, this could not be guaranteed. A top to bottom review of Education Services would begin in January 2018 to look strategically at provision going forward and any proposed reduction in services would require consultation with schools.

The following comments arose from discussion of the report and in response to questions:

- An elected Member noted the pressure placed on front-line staff when support staff posts were reduced;
- A member expressed concern about the impact of reductions to early help services and the possibility of creating greater problems and pressures further down the line;
- A member questioned whether this decision could be postponed to the December meeting so that it could be considered in the wider context of the possible transfer of funds to the High Needs Block. Officers stated that in the context of the Local Authority's wider business planning process a decision on this element was required now in order for it to be reflected in proposals going to the Children and Young People Committee in early December and to the General Purposes Committee in January 2018;
- Officers noted that the Education Services Grant had reduced from around £6m to £1.5m over time and that the Local Authority had absorbed this cut in order to maintain services to schools;
- A member expressed concern about agreeing a reduction in funding without knowing exactly which services would be impacted. Officers offered an assurance that reductions would be managed holistically in order to minimise the impact on services and staff;
- A member commented that there was a need to go back to basics to establish the cost of meeting the Council's statutory duties to establish what expenditure was unavoidable and what was discretionary. Officers stated that this would be addressed in the review of education services to be conducted in the new year;
- Officers stated that the LAs traded services currently broke even;

- Officers confirmed that a decision on the proposed de-delegations could be postponed until the December meeting to allow maintained primary representatives and the Cambridgeshire Primary Heads Group the opportunity to consult with their colleagues;
- Officers confirmed that it was within the Schools Forums powers to agree a reduction to the funding of historic commitments.

Summing up, the Chairman stated that proportioning the financial pressures across funding blocks was not ideal, but was at this stage more acceptable than concentrating reductions in a single area.

It was resolved:

a) Central School Services Block

To comment on this section and approve the continuation of the £733k for Early Intervention Support Workers and £3,079k for other Historic Commitments to Contribution to Combined Budgets into 2018/19.

b) Education Services Grant Functions

To approve the following on-going arrangements for 2018/19:

- The continued use of the £1,279k (adjusted for final pupil numbers) within the CSSB to support ongoing retained duties.
- The continued retention of £10 per pupil from maintained schools for services specifically provided to maintained schools.

c) De-Delegations

To postpone consideration of this item to the December meeting to allow Maintained Primary representatives on Schools Forum and the Cambridgeshire Primary Heads Group to consult with colleagues on the proposals.

d) To note the approach set out in the report.

16. **GROWTH FUND AND FALLING ROLLS CRITERIA 2018/19**

The Head of 0-19 Place Planning and Organisation stated that following national changes to the allocation of the Dedicated Schools Grant (DSG) funding blocks, growth funding was now within the Local Authority (LA) Schools Block allocation, based on historic spend. This meant that moving funding from the schools formula into the growth fund would not be treated as a transfer between funding blocks. However, the Schools Forum did still need to agree the total growth fund allocation.

In 2017/18 the growth fund was increased to £2.5m with total commitments to date in the region of £2.3m, allowing for academy adjustments. It was proposed to maintain the level of the growth fund at £2.5m for 2018/19.

The following comments arose in discussion of the report and in response to questions from members:

- A member noted that the opening of new schools could have a significant impact on the viability of existing schools in the area. An elected Member stated that the Local Authority was acutely aware of this issue and had made strong

representations to the Regional Schools Commissioner about the impact of approving new schools in areas where there was no basic need and rejecting proposals for new schools in areas where additional places were required;

- A member questioned why no criteria had been established for allocating funding in the case of schools with falling rolls. Officers stated that this had not been done to date as the Government criteria restricted allocations to schools judged good or outstanding where rolls were expected to increase in the next two years, but agreed that this would be revisited;
(**Action:** Head of 0-19 Place Planning and Organisation)
- A member commented that to be fair and consistent, pressure should be put on the Growth Fund budget in the same way that was proposed across other budgets. Officers stated that the Growth Fund was already below the level needed to fully meet all the associated costs and that the figure of £2.5m was in the baseline given by the Department for Education;
- A member questioned the reference to catchment areas when these were not used by all schools and suggested that this use of language might be reviewed;
- Officers agreed to re-visit how many schools would qualify for funding against the proposed revisions. They would also review the language used in relation to catchment areas and look again at patterns and trends and bring this information back to the next meeting.
(**Action:** Head of 0-19 Place Planning and Organisation)

It was resolved to:

- a) Approve the continuation of the Growth Fund at £2.5m for 2018/19;
- b) Request that officers review the criteria in section 3 to be applied from April 2018 subject to Education and Skills Funding Agency (EFSA) approval and bring these back to the Schools Forum meeting in December 2017.

17. AGENDA PLAN

Members noted the forward agenda plan.

18. DATE OF NEXT MEETING

The Forum agreed to meet next on Wednesday 13 December at 10.00am in the Kreis Viersen Room, Shire Hall, Cambridge.

Chairman
(13 December 2017)



Introduction:

The Action Log captures the actions arising from meetings of the Cambridgeshire Schools Forum.

This is the updated action log as at 20 November 2017:

Minutes of 3 November 2017					
13.	DSG Financial Position 2017-18	Richenda Greenhill	To circulate copies of two Questions asked recently in Parliament about the responsibilities of Clinical Commissioning Groups in funding health support for children with SEN by Lucy Frazer QC MP.	21.11.17: Copies of the Parliamentary Questions tabled by Lucy Frazer QC MP on 16.11.17 and 17.11.17 sent to all Forum members by email.	Completed

18.	Growth Fund and Falling Rolls Criteria 2018-19	Hazel Belchamber	<p>1.To re-visit the possible establishment of criteria for allocating funding in the case of schools with falling rolls.</p> <p>2.To re-visit how many schools would qualify for funding against the proposed revisions; and</p> <p>3.To review the language used in relation to catchment areas and look again at patterns and trends and bring this information back to the next meeting.</p>	To be reflected in the December report to Forum.	On-going
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CAMBRIDGESHIRE SCHOOL FUNDING FORMULA 2018/19

To: Cambridgeshire Schools Forum
Date: 13 December 2017
From: Jon Lee – Head of Integrated Finance Services
Keith Grimwade - Service Director: Learning

1.0 INTRODUCTION

1.1 This report presents to the Schools Forum the next stage in the process for setting the Cambridgeshire schools funding formula for 2018/19. Schools Forum are reminded that for 2018/19 the funding formula continues to be a local authority decision in consultation with the Schools Forum. Following this meeting the Authority's Children and Young People (CYP) Committee will meet to formally approve the final 2018/19 funding formula for Cambridgeshire, which must be submitted to the Education and Skills Funding Agency (ESFA) by the 19 January 2018.

1.2 Reports have previously been presented to Schools Forum on the Department for Education's (DfE) national funding formula (NFF) and the considerations and implications for the local Cambridgeshire formula in 2018/19. One of the requirements on the Authority is the need to consult with all schools on any changes to the local formula as well as any proposed transfer of funding out of the Schools Block for 2018/19. Since the last Schools Forum meeting this consultation has been undertaken.

1.3 The purpose of this report is to:

- a) Feedback on the outcome of the consultation process;
- b) Seek the Schools Forum approval to transfer £0.7m of the Schools Block to the High Needs Block; and
- c) Present to Schools Forum the proposed Cambridgeshire schools funding formula for 2018-19 following the consultation with schools.

Schools Forum are required to vote on items (b) and (c).

1.4 As reported at the 3 November 2017 Forum meeting the Growth Fund will be maintained at the 2017/18 value of £2.5m.

2.0 CONSULTATION RESPONSE

2.1 Consultation with all schools was undertaken from 7 November to 28 November 2017. Officers also attended Primary Heads and Secondary Heads to discuss the school funding arrangements for 2018/19. The Authority consulted on the following two proposals, both of which contained a number of specific questions:

- 1) To move to the NFF arrangements for the Cambridgeshire funding formula in 2018-19, as closely as possible; and
- 2) To transfer up to 0.5% (£1.7m) from the Schools Block to the High Needs Block in 2018-19, subject to the final position being confirmed at the December meeting in respect of the estimated High Needs pressure for 2018-19.

The consultation document can be found at Appendix 1.

2.2 In total 60 responses were received from a possible 232 schools and academies providing a 25.8% response rate. The schools represented from the responses will be slightly higher also where multi academy trusts have responded for all of their schools. Appendix 2 provides an analysis of the responses to each question, which are summarised below.

- 2.3 83.3% of respondents agreed that the Authority should move towards the NFF factors in 2018/19 and 85.0% similarly agreed that the NFF unit values should be matched as closely as possible in the local Cambridgeshire formula. For those that did not agree the main reasons given were that a more staggered approach over two years should be considered and the impact of the change in the lump sum, for small schools or those with high needs costs, was identified as a concern for schools that did not agree with moving towards the NFF in 2018/19.
- 2.4 In terms of sparsity 71.7% agreed that the NFF sparsity rates of £25k for Primary and £65k for Secondary should be used in 2018/19. Of the 28.3% that did not agree some commented that this funding should remain within the lump sum, some felt that the factor should not be used since it does not appear to benefit small schools and also the fact that small schools in the city centre would not benefit from this factor despite seeing reductions in the lump sum. Responses were also received to this question that suggested if a transfer was made from the Schools Block to the High Needs Block that all factors should be reduced rather than just the AWPU. If the sparsity factor is used 83.3% of respondents agreed that it should be applied on a tapered basis.
- 2.5 The proposal not to continue with the Looked After Children (LAC) factor in the local Cambridgeshire formula was supported by 96.7% of respondents.
- 2.6 The minimum funding guarantee (MFG) offers protection by limiting any loss of funding to minus 1.5% per pupil year on year. The consultation proposal was to maintain the MFG at minus 1.5% for Cambridgeshire, which was supported by 75% of respondents. Of the 25% that did not support this proposal were in favour of a higher level of protection with figures of 0% and 1% MFG being quoted in order to reflect the significant pressure that schools have had to face in recent years. Respondents also commented that this should be considered in the context of the minimum per pupil levels of funding.
- 2.7 71.7% of respondents agreed that the cost of the MFG should be funded from the application of a funding cap in 2018/19. Of the 28.3% that did not agree with this proposal comments fed back were predominantly due to the fact that schools gaining under the formula would be those that have been historically under funded and therefore should not be penalised by applying a cap. A number of respondents also commented that further information to inform their responses in this area would have been helpful, which is acknowledged.
- 2.8 If a funding cap is required to meet the cost of the MFG but the funding generated from the cap is insufficient 53.3% felt that the AWPU should be reduced to meet any remaining MFG cost. This proposal therefore received a much more mixed response with those not agreement commenting that this could be a double hit if a transfer to the High Needs Block is also made, that all factors should be reduced and that schools need their per pupil funding in order to be able to plan their budgets. Again a number of respondents also commented that further information to inform their responses in this area would have been helpful, which is acknowledged.
- 2.9 The Authority's proposal to transfer up to £1.7m (0.5%) from the Schools Block to the High Needs Block was supported by 54.2% of respondents therefore with 45.8% not in support. Some of the comments received from those not agreement were of the opinion that the Authority was seeking to transfer the full £1.7m regardless of the actual transfer required. This is not the case and is explained further in Section 3. In addition other comments from those not in support were that additional information on High Needs spend would have helped to inform responses further to this question.
- 2.10 If a transfer was to be made from the Schools Block to the High Needs Block the responses in support of funding this through the AWPU were 67.8% in support with 32.2% not supporting the proposal. Those not in support commented that it seemed unfair to reduce all children's allocations and that all factors should be reduced rather than just the AWPU or that other elements of the Schools Block such as the Growth Fund should fund any transfer.

3.0 TRANSFER FROM THE SCHOOLS BLOCK

3.1 Under the NFF the Schools Block is ring-fenced although in 2018-19 the authority is allowed to transfer up to 0.5% on a one off basis from the Schools Block to other blocks. For Cambridgeshire this equates to £1.7m. Schools Forum should note that this would be a one off transfer only in 2018-19. As per the DfE Operational Guidance all schools were consulted on the proposal to transfer up to 0.5% (refer to paragraphs 2.9 and 2.10), however the decision remains with the Schools Forum to agree any final transfer from the Schools Block for 2018/19.

3.2 It was reported to the Forum at the 3 November 2017 meeting that there is an estimated High Needs pressure being carried forward into 2018/19 of £2.5m, which is the estimated full year impact of the 2017/18 in year pressure of £1.3m reported to the Forum in November. The pressure being experienced in the High Needs Block is the result of increased SEN placement costs due to the increase in pupil numbers, but also an increase in the complexity of need. Currently the funding identified to manage this pressure is set out below.

	£M
2018/19 Estimated Full Year Pressure	2.5
Funded by:	
Increase in 2018/19 High Needs Block funding #	(0.8)
Review of High Needs costs	(0.5)
Transfer from the Central Services Schools Block (agreed at the November Forum meeting)	(0.5)
Remaining Shortfall	0.7

Note this assumes that there is no increase between the indicative and final High Needs Block allocation, which is still to be announced by the ESFA.

3.3 After taking account of these actions there is a remaining shortfall of £0.7m. It is recommended to Schools Forum that a transfer from the Schools Block to the High Needs Block be approved to cover the shortfall of £0.7m in 2018/19, which also reflects the consultation responses from schools in this area.

3.4 As the transfer between the blocks is only one off there will need to be ongoing management actions in order to balance the High Needs budget beyond 2018/19. Schools Forum should also refer to the High Needs strategic plan being separately covered on the meeting agenda.

4.0 THE NFF FOR SCHOOLS AND THE CAMBRIDGESHIRE FORMULA 2018-19

4.1 As set out in Section 2, the Authority's proposals regarding the Cambridgeshire funding formula for 2018/19 were in the main supported by respondents. The Authority is therefore proposing to:

- a) Move to the NFF as closely as possible, applying the NFF unit values where possible taking into account affordability of the funding formula against the overall Schools Block funding;
- b) Introduce the sparsity factor on a tapered basis using the prescribed NFF rates of £25k for Primary and £65kk for Secondary;
- c) Remove the Looked After Children Factor on the basis the Pupil Premium Plus grant is being increased to reflect this change;
- d) Maintain the minimum funding guarantee (MFG) at minus 1.5% for 2018/19; and
- e) Apply a cap of 3% on increases in funding for any schools that gain from the changes.

4.2 During the consultation the Authority has been undertaking work to replicate the NFF within the Authority Pro-forma Tool (APT). This work has progressed although the Schools Forum are asked

to note that the ongoing review and due diligence of the APT will continue until it is submitted in January. As part of the modelling work the Authority has applied the NFF factors and unit rates. The outcome of this modelling is that there is headroom of £1.0m in the currently modelled 2018/19 Cambridgeshire funding formula after taking account of the Growth Fund. This headroom is calculated based on the indicative Schools Block allocation as shown below.

Cost v Funding of Full NFF Factors and Rates	£M
Pupil Led Factors (basic entitlement, deprivation, EAL, mobility, prior attainment)	302.1
Other Factors (rates, PFI, lump sum, area cost adjustment, sparsity, split sites, exceptional funding and minimum pupil levels)	35.9
Minimum Funding Guarantee	0.5
Funding Cap	(5.4)
Pupil Growth Fund	2.5
High Needs pupils adjustment	0.5
TOTAL COST	336.1
FUNDING AVAILABLE (INDICATIVE)	(337.1)
HEADROOM	(1.0)

4.3 From the initial APT modelling the Schools Forum should note that:

- a) The indicative MFG cost of the formula has decreased from £1.4m in 2017/18 to £0.5m in 2018/19 reflecting the funding uplift from the DfE from their indicative allocations; and
- b) In applying the NFF, as expected, there is a redistribution of the available funding between the formula factors as follows:
 - A £17.5m increase in the funding allocated through Prior Attainment predominantly resulting from the significant increase in the unit values compared to the current Cambridgeshire formula rates and the NFF factor increasing the number of eligible pupils attracting this funding;
 - A £6.1m increase in deprivation funding using all the proxy measures (FSM, Ever6 FSM and IDACI);
 - A reduction in funding of £9.7m through the Lump Sum as expected from the change in the unit rate from £150k to £110k; and
 - A decrease in the funding allocated through the basic entitlement of £4.2m.

4.4 Since the Authority's local consultation with Schools the DfE have also confirmed that in the 2018/19 local funding formula Authority's can apply a cap in excess of the cost of the MFG. A cap of 3% on increases in funding for any schools that gain through the formula change is applied in the Authority's current modelling which equates to a total cap of £5.4m. Schools Forum should note that if this cap is not applied then the Schools Block would be over allocated. The funding cap will be kept under review as the final DfE Schools Block allocations are announced and the funding cap increased where appropriate to allow schools to benefit from as much of their gains as possible.

4.5 Further still in applying the NFF factors and unit values the illustrative DfE uplift in funding between 2018/19 and 2019/20 for Cambridgeshire is £5.6m. In theory this additional funding will be sufficient to remove the funding cap, provided everything else remains equal. This will form part of the modelling and analysis in later years.

4.6 Appendix 3 provides a more detailed analysis of the modelling for 2018/19.

4.7 The headroom of £1.0m in the current modelling will enable the Authority's proposed transfer of £0.7m to be undertaken without adjusting the NFF unit rates. Alternatively if the transfer from the

Schools Block to the High Needs Block is not approved then the headroom would be available to increase the level at which the funding cap is set.

- 4.8 As mentioned above the modelling work associated with the 2018/19 budgets continues and will undergo further due diligence and quality assurance. It will also need to be refreshed to take account of the DfE final allocations and confirmation of actual pupil numbers, which are due to be announced later in December. Any resulting changes will be reported to Schools Forum in January.

5.0 ACTIONS AND RECOMMENDATIONS

5.1 Schools Forum are asked to:

- 1) Vote to approve the transfer of £0.7m from the Schools Block to the High Needs Block in 2018/19;**
- 2) Discuss the responses to the consultation with schools and the Authority's funding formula proposals for 2018/19; and**
- 3) Vote on the Authority's funding formula proposals for 2018/19.**

School Funding Arrangements for 2018-19

Cambridgeshire County Council Consultation with Primary and Secondary Schools

November 2017

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NOTE:

- 1. Please note that any reference to schools in this document applies similarly to academies unless stated otherwise.**
- 2. Please also note that the elements of the Schools funding formula are applied on the same basis to both maintained schools and academies. The difference is that maintained schools receive their 2018-19 funding from the Authority for the April 2018 to March 2019 period where academies have the same funding formula applied over the academic year September 2018 to August 2019.**

PURPOSE

1. The purpose of this consultation document is to outline Cambridgeshire County Council's (the Authority) proposed changes to the school funding formula arrangements for 2018-19. The principle is to move as closely as possible to implementing the Department for Education's (DfE) national funding formula (NFF).
2. The proposed changes included in this consultation were discussed with the Schools Forum at its meeting of 3 November 2017 and the outcome of the consultation will be reported back to the 13 December Schools Forum meeting. The intention is to continue to support schools so that the movement to the NFF is undertaken in a managed way in readiness for the hard formula which is expected from 2020-21 and through the use of the minimum funding guarantee (MFG) protection arrangements and funding caps if required.
3. The consultation provides an opportunity for primary and secondary schools to comment on the changes being proposed. This document:
 - a. Provides an overview of the proposed changes to the schools funding formula for 2018-19;
 - b. Provides a link to the financial implications of the NFF for individual schools as published by the DfE, which the Authority is considering for 2018-19. The indicative figures are based on current information and have not been updated for the October 2017 pupil numbers or other datasets that are required for the calculation of the 2018-19 school budgets. Any school level analysis must therefore be taken in this context; and
 - c. Asks specific questions for Schools to express their views on the proposals.
4. For the 2018-19 funding arrangements, the timeframes imposed on the Authority in terms of its deadlines to make submissions to the Education and Skills Funding Agency (ESFA) and the timing of the DfE NFF announcements does mean that the period of consultation is relatively short. The deadline for responses to this consultation is 28 November 2017.
5. **To respond to this consultation, please complete the on-line response form by 28 November 2017 – the form is available via the following link:**

<https://www.surveymonkey.co.uk/r/CCCSchools1819>
6. Responses received will be analysed and shared with members of the Schools Forum at its December meeting prior to the Authority deciding on the funding formula rates for use in 2018-19 to be submitted to the DfE by the 19 January 2017.

CONTEXT

7. In September the DfE published its response to the NFF for schools and high needs. This consultation focuses only on the schools NFF since the high needs generates funding at an Authority level rather than at an individual school level.
8. The DfE has confirmed that the arrangements in both 2018-19 and 2019-20 will allow some local discretion through what is termed a 'soft' funding formula. In effect, this means that the DfE will

calculate a notional funding allocation per school based on the NFF, which will then be aggregated to generate an Authority schools funding allocation. The soft formula means that the Authority can still decide how it allocates its funding to schools using the available NFF factors but has flexibility to determine the value of these factors. By contrast, when the DfE moves to a ‘hard’ formula, each school will receive its funding through the NFF. The DfE has stated that their “objective remains to move to a ‘hard’ national funding formula in time”.

9. From 2018-19, the Dedicated Schools Grant (DSG) continues to be ring-fenced. There are now four separate blocks as set out below with the introduction of the Central Services Schools Block. There is a change in the 2018-19 arrangements whereby the Schools Block is ring-fenced; previously the blocks within the DSG were not ring-fenced. However there remains one exception, the Authority has the ability to move up to 0.5% of the Schools Block to other blocks after consultation with schools and with the School’s Forum agreement.

DEDICATED SCHOOLS GRANT			
SCHOOLS BLOCK	CENTRAL SERVICES SCHOOLS BLOCK	EARLY YEARS BLOCK	HIGH NEEDS BLOCK
This Block funds: <ul style="list-style-type: none"> - Individual school budgets; - Services de-delegated from maintained school budgets and - The Growth fund 	This Block funds: <ul style="list-style-type: none"> - Historical commitments previously agreed with Schools Forum such as the Public Sector Network (broadband) contract; and - Ongoing responsibilities of the Authority such as Admissions, the servicing of the Schools Forum, copyright licenses and services to meet statutory responsibilities 	This Block funds: <ul style="list-style-type: none"> - The 2 year old Early Years single funding formula; - The 3 and 4 year old Early Years single funding formula (universal and extended entitlement); - The Disability Access Fund; - Maintained Nursery school supplementary funding; and - Any central expenditure by the authority to support early years services 	This Block funds: <ul style="list-style-type: none"> - Special school budgets; - Special schools outreach; - Top up funding for pupils with High Needs; - Out of County SEN placements; - SEND specialist services; - Early Help District Delivery Services; - Alternative provision such as PRUs, High Needs Units; - EOTAS devolution; and - Commissioning Services

10. The final NFF factors remain largely unchanged from those that the DfE consulted on previously in their Stage 1 and Stage 2 consultations. The NFF and the operational guidance define what factors local authorities are allowed to use in funding primary and secondary schools. The schools formula factors for 2018-19 are predominantly the same as for 2017-18. The only difference is the ability to include a factor to set a minimum per pupil amount. The impact for Cambridgeshire schools comes from formula factors not currently used but which will become compulsory and where the values for particular formula factors differ, for example the change in the lump sum to £110,000 per school.

11. Any schools that may lose funding through the change will be protected by the Minimum Funding Guarantee (MFG) which limits reductions in funding to minus 1.5% per annum on per pupil funding. The MFG arrangements in the new NFF maintain this protection but also give authorities the option to enhance the protection by moving the MFG closer to zero i.e. a higher level of protection.

SCHOOLS NATIONAL FUNDING FORMULA – OVERVIEW

12. The factors used in the 2017-18 Cambridgeshire school funding formula are set out in the following table alongside the factors in the NFF and the difference between them.

NFF Factor		Used by CCC in 2017-18	CCC Unit Rate 2017-18 (£)	NFF Unit Rates 2018-19 (£)	Difference CCC Rates to NFF Rates (£)	
Basic per pupil entitlement (AWPU)	AWPU: Primary	Yes	2,711	2,747	36	
	AWPU: Secondary KS3		3,823	3,863	40	
	AWPU: Secondary KS4		4,971	4,386	(585)	
	Minimum per pupil funding	New in NFF	n/a	n/a	-	
Deprivation (based on ever 6 free school meal numbers)	FSM current - Primary	Yes	600	440	(160)	
	FSM current – Secondary	Yes	600	440	(160)	
	Ever6 FSM – Primary	No	-	540	540	
	Ever6 FSM – Secondary	No	-	785	785	
	IDACI Band F: Primary	Yes	220	200	(20)	
	IDACI Band F: Secondary		220	290	70	
	IDACI Band E: Primary		500	240	(260)	
	IDACI Band E: Secondary		500	390	(110)	
	IDACI Band D: Primary		500	360	(140)	
	IDACI Band D: Secondary		500	515	15	
	IDACI Band C: Primary		750	390	(360)	
	IDACI Band C: Secondary		750	560	(190)	
	IDACI Band B: Primary		750	420	(330)	
	IDACI Band B: Secondary		750	600	(150)	
	IDACI Band A: Primary		750	575	(175)	
IDACI Band A: Secondary	750		810	60		
Low Prior Attainment	Primary		Yes	750	1,050	300
	Secondary		Yes	420	1,550	1,130
English as an Additional Language	Primary		Yes	750	515	(235)
	Secondary	Yes	750	1,385	635	
Pupil Mobility	n/a	No	-	n/a	-	
Lump Sum	Primary	Yes	150,000	110,000	(40,000)	
	Secondary	Yes	150,000	110,000	(40,000)	
Sparsity	Primary	No	-	25,000	25,000	
	Secondary	No	-	65,000	65,000	

Notes to the Table

- a) Figures in brackets are negative / minus figures i.e. reductions in the unit rates in the context of this table
 - b) The DfE recognises that some factors cannot easily be allocated on a formulaic basis and under the national funding formula are funding these at historical (2017-18) cost. This covers pupil mobility and the Premises factor which includes PFI, split site and rates for those schools affected.
 - c) The Looked After Children factor is not included in the NFF. Rather than including a LAC factor the DfE is increasing the Pupil Premium Plus grant rate for 2018-19. Cambridgeshire did use the LAC factor in 2017-18 which is considered later in this document.
 - d) Sparsity will be based on school eligibility as determined against DfE criteria based on the number of pupils and the distance ('as the crow flies') to the next closest school (2 miles for primary, middle and all-through schools and 3 miles for secondary schools).
13. The above NFF factors can be applied in all Local Authorities schools funding formula in 2018-19 and have been used to generate the indicative school budget allocations under the NFF. However authorities may chose not to use some factors under the soft formula and apply differing unit rates to each factor in 2018-19. This also includes the ability to continue using the Looked After Children factor even though it is not included in the NFF.

INDIVIDUAL SCHOOL LEVEL IMPACT

14. The impact on individual school budgets of the NFF has been calculated by the DfE, which schools should refer to as part of this consultation. As outlined above the DfE has calculated individual school notional allocations using the NFF (i.e. the factors set out in paragraph 12), the October 2016 census pupil numbers and data sets. These notional allocations can be found in two places by schools:

- Firstly the DfE publications website which has every school's notional allocation at a summary level. This sets out for each school the 2017-18 baseline level of funding, the 2018-19 and the 2019-20 notional allocations and the funding allocation on full implementation of the NFF.

Schools can either enter their details on the worksheet called 'Look up a school' by selecting the local authority and your school's name, or by finding your school in the 'NFF all schools' tab (this latter option works best if you filter on the LA Name column and then find your school). The link to the impact on schools is below (on following the link scroll down to the excel file called '**Impact of the Schools NFF**')

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

- Secondly the DfE **Collect** system where you will be able to download the detailed calculations and data used in the calculation of your school's notional funding. You will need your school's Collect access details to be able to see this information. The link to the Collect system is as follows with a link also to supplementary guidance on the NFF and how to access the system if schools should need this:

<https://sa.education.gov.uk/idp/Authn/UserPassword>

<https://www.gov.uk/government/publications/national-funding-formula-how-to-interpret-the-allocation-data>

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/547148/secure_access_end_user_guide.pdf

15. As part of the response to the 2 stage consultation the DfE has also updated its equalities impact assessment and published this on their website reflecting the final decisions and the impact of the NFF on pupils with protected characteristics. There is also a response to the points raised during the consultation:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/648520/NFF_Equalities_Impact-Assessment.pdf

16. It is important to note that the notional funding allocations that the DfE have published are indicative and do not include any required additional Capping for affordability in the context of the overall Local Authority funding allocation. The indicative allocations will be updated to take account of the most recent October 2017 pupil census reflecting changes in pupil numbers and data sets in the final 2018-19 funding allocations. These updates will be made available by the DfE in mid December 2017. We have been provided with an indicative Authority Pro forma Tool with which to better understand the published indicative budgets and check balances to the Schools Block DSG allocation.

17. A high level analysis, using the DfE published impact on schools, shows that if the NFF allocations (before MFG) were simply taken and implemented:

- In 2018-19, 231 schools out of 232 (99.5%) Cambridgeshire schools would receive increases in their funding of up to 3%;
- In 2019-20 there would be 116 (50%) schools receiving gains in excess of 3%; and
- With full implementation of the NFF 121 (49.7%) schools would receive gains in excess of 3%, the percentage decreasing slightly due to the inclusion of new and growing schools with full implementation.

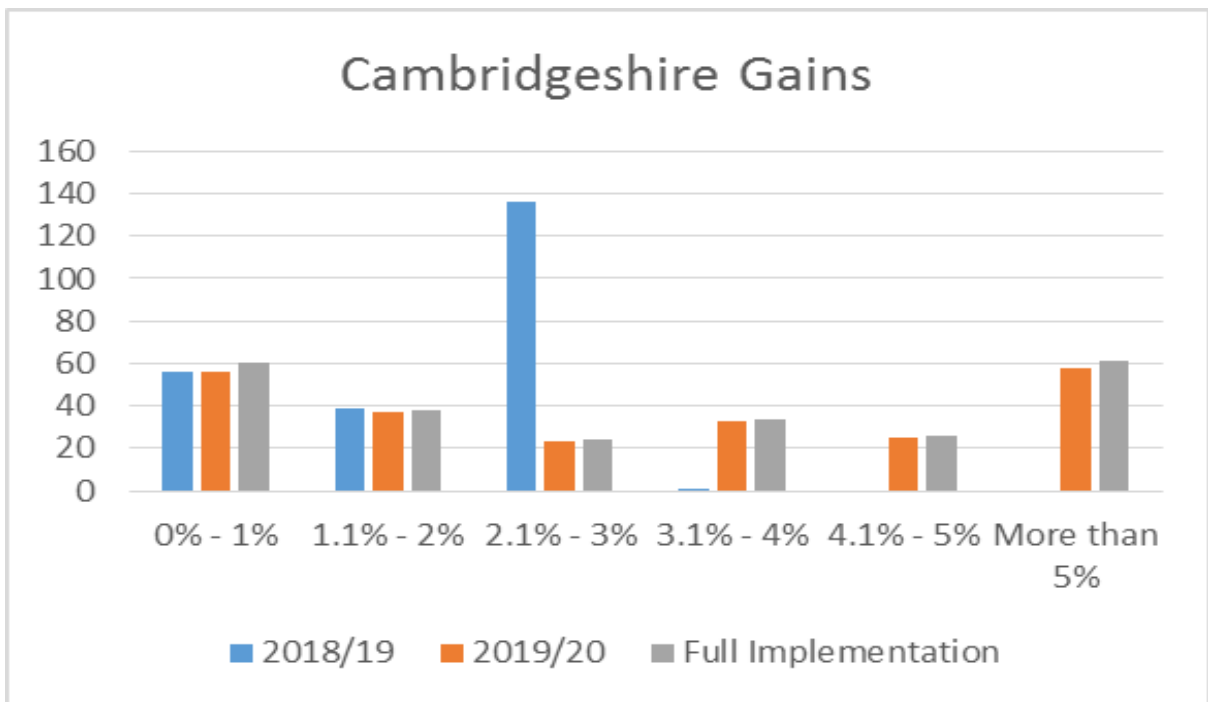
The following table and graph provide further details on this analysis.

Number of Schools Gaining By % Band

	2018/19	2019/20	Full Implementation (includes new and growing schools)	
Cambridgeshire				
Total Number of Schools	232	232	243	
Gains between:	0% - 1%	56	56	60
	1.1% - 2%	39	37	38
	2.1% - 3%	136	23	24
	3.1% - 4%	1	33	34
	4.1% - 5%	0	25	26
	More than 5%	0	58	61
	232	232	243	

Notes to the Table

- a) Special Schools are excluded from these numbers as they receive their funding on a different basis through the High Needs Block funding arrangement.
- b) The change in the number of schools from 232 to 243 on full implementation (2020/21) reflects new schools



2018-19 SCHOOL FUNDING FORMULA – CONSULTATION PROPOSALS

18. The NFF proposals do represent changes to the existing Cambridgeshire schools funding formula. The different factors are discussed in the bullet points below with key changes outlined (please also refer to the table on page 5 for context):

- **Basic Entitlement** – for Key Stages 2 and 3 the AWPU unit rates in the NFF are increasing compared to the current Cambridgeshire formula values, however for Key Stage 4 the AWPU unit rate will be decreased by £585 per pupil;
- **Deprivation** - the NFF deprivation factor uses all of the proxy deprivation measures. Currently Cambridgeshire uses current FSM and IDACI (income deprivation affecting children index) in its formula factor to allocate funding for deprivation. Applying the NFF will include the use of the Ever6 FSM numbers as well as current FSM numbers and the use of IDACI to allocate funding to deprivation. For Cambridgeshire this will result in a redistribution of deprivation funding because each of the unit rates are different under the NFF compared to the Authority's current formula;
- **Low Prior Attainment** – this is a formula factor that Cambridgeshire already uses however the NFF attaches a higher unit of funding to this NFF. As a result Prior Attainment will be funded more under the NFF than is currently the case in Cambridgeshire;
- **English as an Additional Language (EAL)** – as with prior attainment this factor is already being used in the Cambridgeshire formula. The affects of the NFF are mixed for EAL as the existing Cambridgeshire rate is higher than the NFF unit value for Primary schools. However for Secondary pupils the opposite is true with the existing Cambridgeshire rate being £635 less than the NFF unit value. Again the move to the NFF would see changes to the amounts schools receive in respect of EAL with the impact being different Primary and Secondary schools that qualify for EAL;
- **Pupil Mobility** – this is not currently used in the Cambridgeshire formula. The intention is to support schools where they have a high level of pupils joining mid way through the year, for example a large inward movement of children whose parents are in the Armed Forces. The Government are still looking to find a suitable robust data set on which to base this funding but in the NFF for 2018-19 this will be funded at 2017-18 values. As a result of having no historical spend on this factor this will be nil for Cambridgeshire.
- **Sparsity** – this is not currently used in the Cambridgeshire funding formula but is included in the NFF. This would be introduced as a new factor into the Cambridgeshire funding formula for 2018-19 using the DfE data sets. There are criteria that a school must meet to be eligible for sparsity funding as follows:
 - Primary – with an average of fewer than 21.4 pupils per year group (Reception to Year 11 only) and the average distance is at least 2 miles to the next closest school;
 - Secondary – with an average of fewer than 120 pupils per year group (Reception to Year 11 only) and the average distance is at least 3 miles to the next closest school;
 - Middle – with an average of fewer than 69.2 pupils per year group (Reception to Year 11 only) and the average distance is at least 2 miles to the next closest school; or

- All Through – with an average of fewer than 62.5 pupils per year group (Reception to Year 11 only) and the average distance is at least 2 miles to the next closest school;

Sparsity can be applied on a tapered basis or as a lump sum for eligible schools. A tapered basis means a school will attract sparsity funding in inverse proportion to its average year group size i.e. the closer to the average pupil values stated above the lower the level of funding attracted. If a lump sum basis is used an eligible school would receive the total level of sparsity funding regardless of how sparse it is considered to be.

- **Lump Sum** – the NFF reduces the lump sum for all Cambridgeshire schools by £40,000 from £150,000 to £110,000. This is an issue of concern for small schools for whom the lump sum is so important. However the baseline funding for 2017-18 against which schools are being protected through the MFG does include the £40,000 difference between the 2017-18 and 2018-19 lump sums for Cambridgeshire Schools.
- **Premises** – the factors comprising premises (PFI, rates and split sites) remain unchanged and are being funded at the same level as in 2017-18 but with indexation included in any PFI allocations;
- **Minimum Funding Guarantee (MFG)** – continues under the NFF but there is flexibility to offer greater protection by setting the MFG at a value of 0 to minus 1.5% of per pupil funding with a value closer to 0 offering greater protection, which in turn would create an additional cost to all schools not in receipt of the MFG.
- **Looked After Children (LAC)** – this is a formula factor that Cambridgeshire is currently using but which is not included in the NFF. In effect the DfE have transferred the value of the LAC formula factor in 2017-18 nationally into the Pupil Premium Plus grant with an increase in the value of the grant to £2,300 per pupil (an increase from £1,900 in 2017-18). Therefore the NFF does not include this as a formula factor although authorities are able to continue using this under the soft formula arrangements. The DfE has stated that local authorities using the LAC factor ‘may want to consider whether they continue to do so in light of the new arrangements’. For Cambridgeshire the value of the LAC factor in 2017-18 was £221k. If this formula factor is continued then the £221k would have to be funded from reductions to other factors in the formula.

19. Despite the various movements in the unit rates and the changes that the NFF would bring to some schools in Cambridgeshire the DfE has included a minimum level of per pupil funding over the next 2 years for Primary and Secondary schools. Schools should note that the minimum funding levels should not be read as the basic entitlement / AWPU values. Rather the minimum per pupil levels of funding are calculated based on a schools total funding. If this level falls below the minimum levels set out in paragraph 20 then the school will receive additional funding to bring it up to the minimum level in the NFF.

20. The minimum levels of funding per pupil do provide some additional funding for some schools in the move to the NFF alongside the MFG. The minimum levels of funding are set out below, however it may be the case that schools may not see these minimum funding levels in their budgets in 2018-19 due to local decisions that we are consulting on in terms of transferring funding from the Schools Block to the High Needs Block and the need to fund any MFG costs within the overall Schools Block.

Minimum Per Pupil Funding in the DfE NFF	2018-19 £	2019-20 £
Primary	3,300	3,500
Middle Schools without KS4	4,000	4,200
Secondary	4,600	4,800
All through schools and middle schools will attract minimum funding levels for the specific year groups that they educate		

21. Before the implementation of the hard NFF, the Authority has the choice on whether to introduce the NFF factors under the soft NFF arrangements.
22. The separate Growth Fund also needs to be funded from within the Schools Block. If there is a significant increase in growth due to new schools or schools increasing their pupil admission numbers (PAN) at the local authority's request then these increased costs have to be met by increasing the Growth Fund. In turn this means there is less funding available for distribution to schools. For 2018-19 the Authority estimates that growth can be managed within the existing Growth Fund budget of £2.5m. Any increase in future years will need to be considered separately. The DfE are continuing to review the best way to allocate funding for growth to Authorities.
23. The CPSN broadband contract is currently funded within the Central Services Schools Block. If there is a requirement from the DfE for this funding to reduce in future years as the contract becomes due for renewal, it is likely that schools may need to fund the costs of any subsequent contract directly.

PROPOSAL 1 - MOVING TO THE NFF

24. As the DfE has now finalised the NFF and is intending to move to a hard formula in future years, the Authority is proposing to implement the NFF as closely as possible in 2018-19. In practice what this means is that the authority would apply the NFF factors at the unit rates published by the DfE subject to the cost of the MFG protection and the outcome of Proposal 2 to transfer funding from the Schools Block to the High Needs Block.
25. Regarding the use of the Sparsity factor it is proposed that since this is a new factor for Cambridgeshire that the NFF unit rates of £25,000 and £65,000 be used for Primary and Secondary Schools respectively. It is also proposed that Sparsity would be applied on a tapered basis rather than a lump sum basis in 2018-19 (refer to paragraph 18).
26. It is also proposed that the Looked After Children formula factor is not used in 2018-19 to reflect the fact that the DfE has transferred the amount spent through this factor nationally into an increase in the Pupil Premium Plus grant making the value of that grant in 2018-19 £2,300 per pupil.
27. As part of implementing the NFF factors it is important for schools to understand that this will create a redistribution of funding between Cambridgeshire schools, which will be dependent on the school's individual circumstances as captured by the DfE data sets. Also the Authority will need to consider the outcome of the remaining proposals set out in this consultation and the need to fund any increased MFG protection as a result of moving to the NFF. The Authority is proposing to continue the MFG at minus 1.5%, the level MFG has been set nationally over recent years and reflected in the Cambridgeshire formula.
28. If there are additional protection costs resulting from the introduction of the NFF and maintaining the MFG at minus 1.5% it is proposed to meet this cost by firstly applying a funding cap on those schools gaining funding as a result of these changes. Secondly if required a reduction to the basic

entitlement AWPU rates may be required in order to remain within the total DSG Schools Block funding allocation for the Authority. Any capping would be kept to the minimum and the DfE guidance states that capping can only be used to the extent that it meets the cost of the MFG. Further still any capping would be removed at the earliest opportunity in future years.

Proposal 1	
Moving as closely as possible to the National Funding Formula factors and unit rates in 2018-19.	
a	Do you agree that the Authority should move its funding formula to the NFF factors in 2018-19? If not please explain why and any factors you think should not be used in 2018-19.
b	Do you agree that the Authority should move its funding formula as closely as possible to the NFF unit values in 2018-19? If not please explain why and what unit values you think should apply.
c	Do you agree that the Authority should use the NFF rates for the Sparsity factor of £25,000 for Primary and £65,000 for Secondary? If not please explain why.
d	Do you agree that the Authority should apply the Sparsity funding on a tapered basis i.e. those schools that are eligible for Sparsity will receive more funding the further away they are from the DfE average pupils per year group (refer to paragraph 18)? If not please explain why.
e	Do you agree with the proposal not to continue the use of the Looked After Children formula factor in 2018-19 as this funding is transferred to the Pupil Premium Plus grant in 2018-19? If not do you agree that the basic entitlement AWPU rates are reduced in order to fund the cost of the LAC factor in 2018-19?
f	Do you agree that the authority should maintain the level of the MFG at minus 1.5% in 2018-19? If not what level do you think the MFG should be set at and why?
g	In order to meet any MFG costs do you agree that first a cap should be applied on schools which gain from the introduction of the NFF formula change in 2018-19? If not please explain why.
h	Do you agree that if a cap is insufficient to meet the cost of the MFG that the basic entitlement AWPU rates be reduced to ensure affordability of the formula within the total funding allocation for Cambridgeshire? If not please explain why.

PROPOSAL 2 – SCHOOLS BLOCK TRANSFER TO THE HIGH NEEDS BLOCK

29. As outlined in paragraph 9 under the NFF arrangements from 2018-19 the Schools Block is ring-fenced although there is a limited amount of flexibility for the authority to transfer up to 0.5% of the Schools Block funding to another DSG block. For Cambridgeshire 0.5% of the Schools Block equates to £1.7m.
30. As in many Local Authorities, the High Needs block of the DSG is under financial pressure as a result of increasing high needs pupil numbers, many with increasingly complex needs driving high needs costs continually upwards. Some of the growth is also due to demographic growth in the Authority. In addition the High Needs Block is funded on a lag basis meaning that any growth in high needs pupils after the final DSG allocation is not recognised in the grant until the subsequent year. The High Needs Block for Cambridgeshire funds the following services (as also set out in paragraph 9):
- Special school budgets;
 - Special schools outreach;
 - Top up funding for pupils with High Needs;
 - Out of County SEN placements;
 - SEND specialist services;
 - Early Help District Delivery Services;
 - Alternative provision such as PRUs, High Needs Units;
 - EOTAS devolution; and
 - Commissioning Services.
31. Over the last three years, the sums added to the high needs budget from the Schools Budget are set out below. The Authority has worked hard to minimise any transfer from the Schools Block as demonstrated below with no transfers being required in 2015-16 and 2016-17 as increased DSG grant and savings in the High Needs Block covered the pressure in those years:
- 2015-16 £0m (nil transfer);
 - 2016-17 £0m (nil transfer); and
 - 2017-18 £0.67m (transferred from the Schools Block).
32. The DfE will update the High Needs allocations to take account of movements in special schools pupil numbers before the final High Needs allocation is confirmed in December 2017 but the estimated shortfall of funding for High Needs in Cambridgeshire (after taking account of the High Needs grant increase and other savings and mitigations) is currently £0.7m for 2018-19, prior to any further demand pressures or new pressures, e.g. secondary schools agreeing to transfer funding to support the EOTAS (BAIP) budget.
33. It is therefore proposed that **up to** 0.5% (£1.7m) of the Schools Block funding be agreed to be transferred to support High Needs pressures.
34. The authority will only transfer the actual amount required to meet the high needs pressures. If this is less than the 0.5% (£1.7m) the difference will remain within the Schools Block for distribution.
35. Any transfer between the Schools Block and High Needs Block would only be for 2018-19. The authority has to consult with schools for transfers between blocks in future years.

36. Any transfer from the Schools Block will reduce funding available within the Schools Block, which will mean that the unit rates of the Schools funding formula will have to be reduced. The Authority is proposing that any transfer of funding from the Schools Block will be funded by a reduction to the basic entitlement (AWPU) across both the Primary and Secondary sectors. This means that all schools would be equally impacted by the transfer rather than reducing specific additional needs factors that would impact more significantly on those schools with such characteristics. . An exception would be if a phase specific initiative required funding, e.g. EOTAS delegation.
37. The estimated impact of reducing the AWPU for different values would be as set out in the following table. Clearly the greater the level of any transfer between the Schools and High Needs Blocks, the greater the reduction required to the basic entitlement AWPU rates.

Value of Transfer from the Schools Block	Estimated reduction in Primary AWPU (£)	Estimated reduction in Secondary AWPU KS3 (£)	Estimated reduction in Secondary AWPU KS4 (£)
£0.5 million	5.24	7.39	9.61
£1.0 million	10.48	14.78	19.21
£1.7 million	17.82	25.12	32.66

38. If a transfer from the Schools Block to the High Needs block is required but not approved by the Schools Forum then the Authority would have to look at finding savings and efficiencies within the High Needs Block itself in order to manage within the DSG grant allocation. Such a scenario could potentially lead to reduced top up funding rates for schools with high needs pupils as well as the possibility of reductions to high needs support services from the Authority.

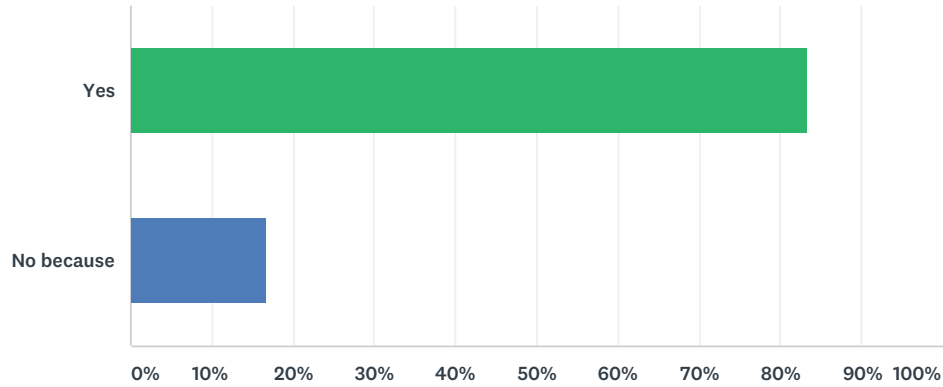
Proposal 2	
Transferring up to 0.5% (£1.7m) from the Schools Block to the High Needs Block in 2018-19.	
a	Do you agree with the authority's proposal to transfer up to £1.7m (if the Schools Forum consider it necessary) from the Schools Block to the High Needs Block to support the financial pressures being experienced in supporting pupils with high needs? If not please explain why.
B	If any transfer is ultimately to be made between these blocks do you agree that the basic entitlement (AWPU) rates should be reduced equally to fund the transfer, unless there are phase specific issues to be considered? If not please explain which factor within the Schools Block NFF you think should be reduced and why.

To respond to this consultation, please complete the on-line response form by **28 November 2017** – the form is available via the following link:

<https://www.surveymonkey.co.uk/r/CCCSchools1819>

Q1 1a) Do you agree that the Authority should move its funding formula to the NFF factors in 2018-19? If not please explain why and any factors you think should not be used in 2018-19.

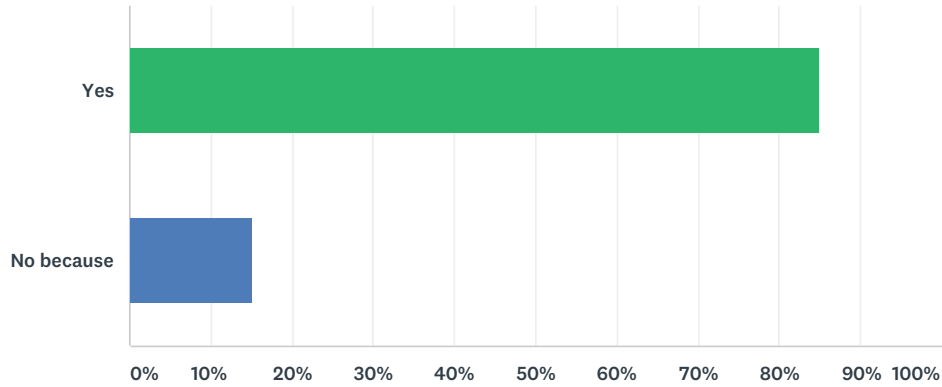
Answered: 60 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	83.33%	50
No because	16.67%	10
TOTAL		60

Q2 1b) Do you agree that the Authority should move its funding formula as closely as possible to the NFF unit values in 2018-19? If not please explain why and what unit values you think should apply.

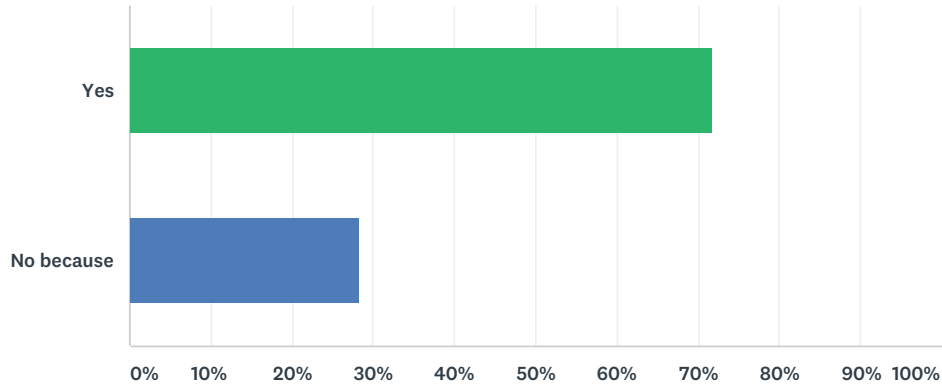
Answered: 60 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	85.00%	51
No because	15.00%	9
TOTAL		60

Q3 1c) Do you agree that the Authority should use the NFF rates for the Sparsity factor of £25,000 for Primary and £65,000 for Secondary? If not please explain why.

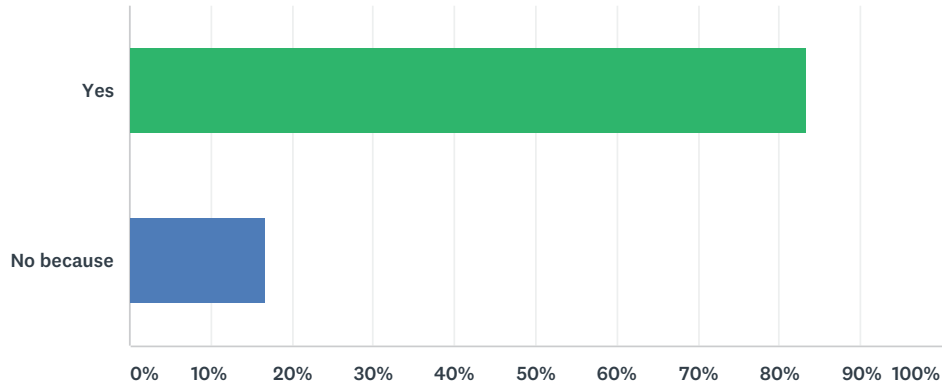
Answered: 60 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	71.67%	43
No because	28.33%	17
TOTAL		60

Q4 1d) Do you agree that the Authority should apply the Sparsity funding on a tapered basis i.e. those schools that are eligible for Sparsity will receive more funding the further away they are from the DfE average pupils per year group (refer to paragraph 18)? If not please explain why.

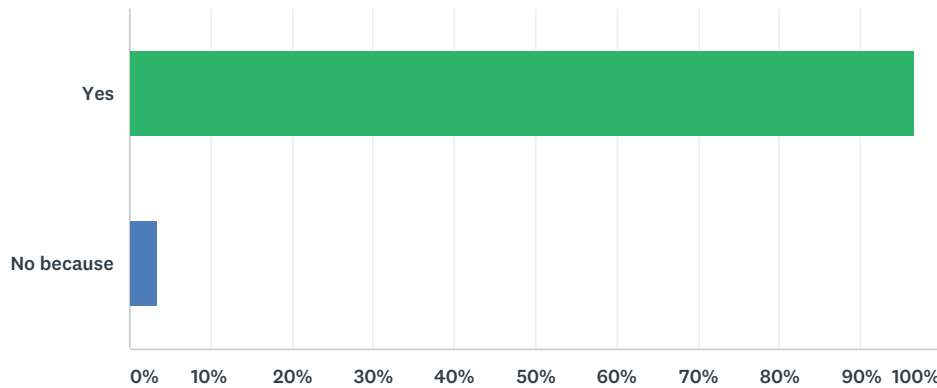
Answered: 60 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	83.33%	50
No because	16.67%	10
TOTAL		60

Q5 1e) Do you agree with the proposal not to continue the use of the Looked After Children formula factor in 2018-19 as this funding is transferred to the Pupil Premium Plus grant in 2018-19? If not do you agree that the basic entitlement AWPU rates are reduced in order to fund the cost of the LAC factor in 2018-19?

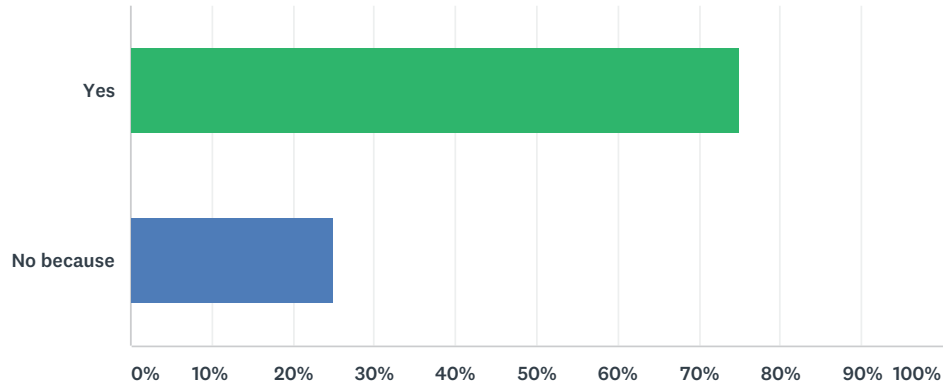
Answered: 60 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	96.67%	58
No because	3.33%	2
TOTAL		60

Q6 1f) Do you agree that the authority should maintain the level of the MFG at minus 1.5% in 2018-19? If not what level do you think the MFG should be set at and why?

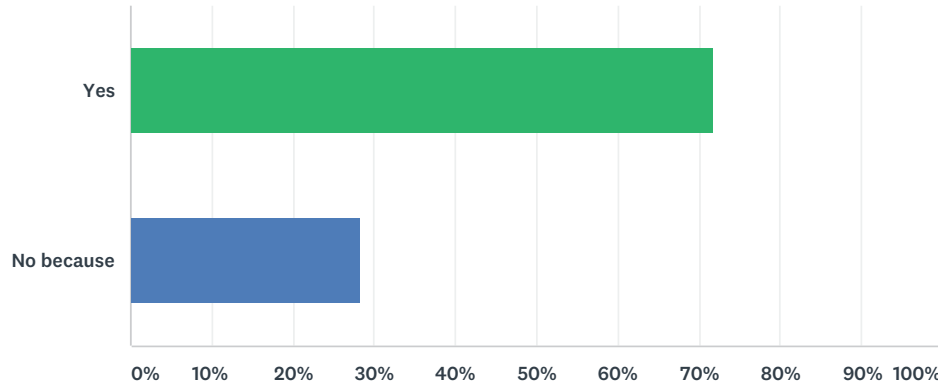
Answered: 60 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	75.00%	45
No because	25.00%	15
TOTAL		60

Q7 1g) In order to meet any MFG costs do you agree that first a cap should be applied on schools which gain from the introduction of the NFF formula change in 2018-19? If not please explain why.

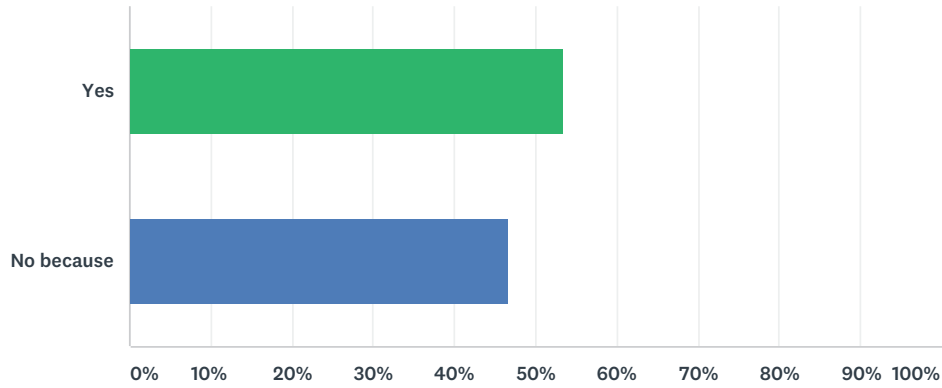
Answered: 60 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	71.67%	43
No because	28.33%	17
TOTAL		60

Q8 1h) Do you agree that if a cap is insufficient to meet the cost of the MFG that the basic entitlement AWPU rates be reduced to ensure affordability of the formula within the total funding allocation for Cambridgeshire? If not please explain why.

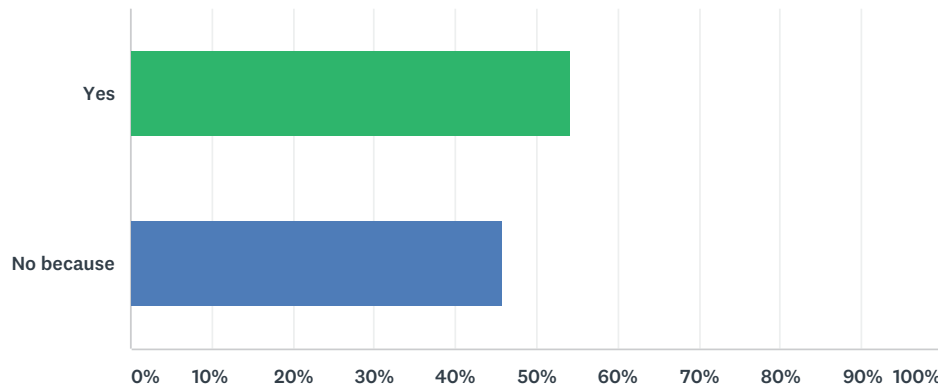
Answered: 60 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	53.33%	32
No because	46.67%	28
TOTAL		60

Q9 2a) Do you agree with the authority’s proposal to transfer up to £1.7m (if the Schools Forum consider it necessary) from the Schools Block to the High Needs Block to support the financial pressures being experienced in supporting pupils with high needs? If not please explain why.

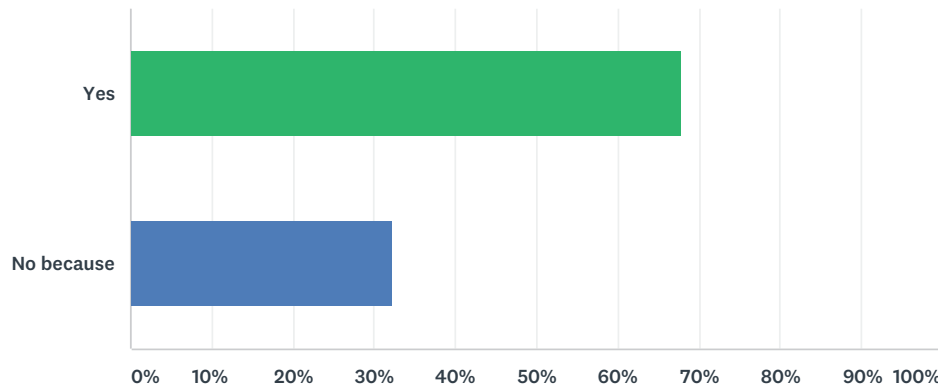
Answered: 59 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	54.24%	32
No because	45.76%	27
TOTAL		59

Q10 2b) If any transfer is ultimately to be made between these blocks do you agree that the basic entitlement (AWPU) rates should be reduced equally to fund the transfer, unless there are phase specific issues to be considered? If not please explain which factor within the Schools Block NFF you think should be reduced and why.

Answered: 59 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	67.80%	40
No because	32.20%	19
TOTAL		59

DE-DELEGATIONS 2018/19

To: Cambridgeshire Schools Forum
 Date: 13th December 2017
 From: Martin Wade – Strategic Finance Business Partner

1.0 INTRODUCTION

1.1 Maintained Primary representatives will be required to approve the de-delegations methodology and proposed approach for 2018-19 which apply to maintained primary schools only and cover:

1. Contingency
2. Cambridgeshire Race Equality Advisory Service (CREDS)
3. Free School Meals Eligibility
4. Insurance (Material Damage, Theft, Public Liability)
5. Maternity Cover
6. Trade Union Facilities Time

2.0 DE-DELEGATION METHODOLOGY

2.1 The current basis, total de-delegation for 2017/18 and proposals for 2018/19 are set out below:

	Agreed 2017/18 Basis	Approx. 2017/18 Amt. £'000	Proposed 2018/19 Basis
Contingency	£2.10 per pupil	£74k	£2.10 per pupil
Cambridgeshire Race Equality and Advisory Service (CREDS)	£12 per pupil and £142.50 per EAL	£681k	tbc
Free School Meals	£4.65 per FSM child	£16k	£4.65 per FSM child
Insurance	£18.20 per pupil	£711k	Awaiting Data
Maternity	£5.00 per pupil	£177k	£5.00 per pupil
Trade Union Facilities Time	£1.10 per pupil	£39k	£1.10 per pupil
TOTAL		£1,698k	

2.2 Final de-delegation amounts for 2018/19 will be updated on receipt of revised data from the Department for Education (DfE) and presented at the January meeting of Schools Forum. Please note: Although final amounts will change to reflect final pupil numbers and academy conversions the principles for de-delegation will remain as set out below.

2.3 **Contingency** – No proposed change to de-delegation rate for 2018/19.

2.4 CREDS – maintained schools have previously indicated that they are not minded to de-delegate for this service in 18/19. Cambridgeshire Primary Heads are meeting on 12th December to discuss this and their representatives, and the Service Director for Learning, will inform Forum of the final decision at the meeting.

- 2.5 Free School Meals Eligibility – No proposed change to de-delegation rate for 2018/19.
- 2.6 Insurance – Awaiting final details of cost for 2018/19. Final per pupil amount will be updated to reflect any changes in overall cost.
- 2.7 Maternity – It is proposed to continue at the reduced rate of £5.00 per pupil for 2018/19. (Previously £5.90 per pupil in 2016/17).
- 2.8 Trade Union Facilities Time – This de-delegation provides approximately half of the funding used to provide payments for the six county secretaries either to schools where union secretaries are taking time off for duties, or payments directly to union secretaries where they are no longer working directly for schools (for example, they are retired). The viability of this funding arrangement is dependent on the continued buy-in from a large proportion of academies. It is proposed to keep this de-delegation amount the same as in previous years.
- 2.9 **Maintained Primary representatives on Schools Forum are asked to approve the continuation of de-delegations in respect of:**
- **Contingency**
 - **Free School Meals Eligibility**
 - **Insurance**
 - **Maternity**
 - **Trade Union Facilities Time**

3.0 **NEXT STEPS**

- 3.1 Final de-delegation totals will be calculated on receipt of the 2018/19 Authority Proforma Tool (APT).

EARLY YEARS NATIONAL FUNDING FORMULA REVIEW 2018/2019 UPDATE

To: Cambridgeshire Schools Forum
 Date: 13th December 2017
 From: Sam Surtees - Strategic Admissions Manager (Cambridgeshire and Peterborough)
 Emma Jones – Finance Business Partner (Education Directorate)
 Helen Phelan – Head of Special Educational Needs and Disabilities (SEND) Specialist Services (0 – 25)

1.0 INTRODUCTION

1.1 The Department for Education (DfE) announced the introduction of the Early Years National funding formula which would come into effect from April 2017 and the introduction of a new early learning and childcare scheme for working parents from September 2017. Eligible working parents are now entitled to access an additional 15 hours of free childcare above the Universal Entitlement which would enable them to access 30 hours of free childcare in total.

The Local Authority undertook a full consultation with providers in Cambridgeshire and a new Cambridgeshire funding formula was agreed and implemented which came into effect in April 2017.

Funding for 2018 – 2019

2.0 The DfE recently published the Early Years National Funding Formula Hourly Rates for 2018 – 2019 financial year. This confirms that there will be no increase to baseline funding rate of £4.42 received during 2017 -18 and no changes within the operational guidance which will have an impact on the Cambridgeshire Funding Formula.

3.0 Summary of the Proposed Cambridgeshire Formula for 2018/19

3.1 Unlike the schools funding formula, Local Authorities will continue to be responsible for determining and administering their own Early Years Single Funding Formula.

3.2 The proposed Cambridgeshire Formula is as follows:

1. **Base Rate** – This is a basic hourly rate that is paid to providers on a per child basis, based on actual hours of provision. This factor is applied to all providers and all providers will be paid the same hourly rate which is a result of the national guidance changes. The proposed funding rate will remain at £4.04 per hour.
2. **Deprivation** – This is a mandatory supplement provided to settings on a per child basis to children living in a postcode deemed to be deprived according to the Income Deprivation Affecting Children Index (IDACI). The ranking are as follows:

Rank	Residence of child	IDACI Rank of postcode	Value per hour
1	Highest 10% per IDACI	0 - 3284	£1.30
2	Next highest 10% per IDACI	3285 - 6568	£1.00
3	Third highest 10% per IDACI	6569 – 9852	£0.65
4	Fourth highest 10% per IDACI	9853 - 13136	£0.30
0	Remaining 60% least deprived	13137 - 32844	£0.00

3. **Nursery School Supplement** – Nursery schools would be the most adversely affected by a move to a universal base rate of funding for all providers. Therefore, in recognition of this the government is providing an additional Nursery School supplement to Local Authorities, guaranteed until 2019 – 2020. This funding will be passed onto Nursery Schools in the form of additional top-ups so that their funding is maintained at current levels.

4.0 Additional Funding outside of the funding formula

4.1 **2 year old funding**

Funding for eligible 2 year olds will continue at the rate of £5.41 and will be administered in the same way as at present, subject to proposals below for the creation of an Additional Needs Fund to support those funded two year old children with additional needs but who do not meet the threshold for an Education Health and Care Plan.

4.2 Early Years Pupil Premium

This will continue to be paid at a rate of £0.53 per hour for eligible children.

4.3 Disability Access Funding

This fund was introduced in April 2017 and will continue be paid at a rate of £615 per eligible child per year. Eligibility is based on three and four year olds who are in receipt of child disability living allowance.

4.4 Top-up funding due to Education Health and Care Plans (EHCPs) or from Special Educational Needs (SEN) Inclusion Fund

Settings will get additional top-up funding for children with Education Health and Care Plans. Additional funding will also be available to support three and four year old children before they have an EHCP in the form of top-up funding from the new SEN Inclusion Fund (SENIF). Work has been ongoing since last April to put in place the policy, process and criterion for the new SEN Inclusion Fund (SENIF), which came into effect for new children from September 2017. The current SENIF policy, guidance and application documentation can be found at <https://www.cambslearntogether.co.uk/early-years/sen-support/>

A two tier system has been implemented for SENIF applications:

- Tier 2-One off payment of up to £1000 which could be used, for example for a short term targeted intervention for a child; and
- Tier 3-High need funding for up to 30 hours for those with the most complex needs

Funding requests are for an amount of hours per child and are a contribution towards any additional support and/or resources the child may need. The maximum amount of hours available is 30. The funding amount will be £6.50 per hour.

The funding will be paid directly to settings once awarded and for the Tier 3 funding it will be for a period of up to 38 weeks, split across 3 academic terms, paid on a termly basis, with the expectation of review paperwork to be submitted at the end of each term. Funding is attached to the child, and therefore if the child moves setting the funding will follow the child.

4.5 Creation of Additional Needs Funding (ANF) for eligible two year olds and other children aged 0 -3

It has been identified, in working with providers, that as a result of the eligibility criteria for free early learning and childcare for two year olds, many of the children taking up these places present with additional needs requiring additional support which is not provided for within the current hourly rate and which could prevent the child from being able to access their entitlement to free childcare.

Two options are currently being explored by officers to create this funding stream. The first of these options would be to create any such funding by reducing the hourly rate paid to all providers for eligible two year olds and to retain this centrally. This funding will provide a top-up to the basic hourly rate paid to providers who are supporting eligible two year olds to bring the total hourly rate for identified children to a maximum of £6.50 per hour.

It is currently estimated that there are currently no more than 50 children eligible for two year old funding who will also be eligible for the new ANF. Using a working assumption that each of these 50 children will wish to access their maximum entitlement of 570 hours the following table shows the amount the hourly rate of £5.41 would need to be reduced by to create funding of the required level of approximately £31,000

New funded 2s hourly rate (£)	Reduction from the current rate (£)	Fund that could be created (£)
5.36	0.05	35,942

The second option will be to explore other funding sources which might available to create this fund.

- 4.6** In addition, it is proposed to create an additional funding stream which would run alongside SENIF for children under the age of 3, funded from the High Needs Block. The plan is to launch this at the end of March 2018, following a period of consultation early in the Spring Term to ensure a continuation of funding is available to support children who require additional support which will be administered in accordance with proposed policy, guidance and criterion as shown in **Appendix A**.

Due to the very limited budget available for this additional support, hourly rates may be changeable in the future, once both SENIF and ANF are fully operational.

5.0 Early Years Centrally Retained Funding

The new Early Years Funding guidelines restrict local authorities to retaining a maximum of 5% of funding centrally for 2018/19. While the Cambridgeshire allocation for 2018/19 is not yet known, the proposal is to retain approximately 3.4% of current funding, well within this restriction.

6.0 Update on the Extended Entitlement

- 6.1 The extended entitlement to early learning and childcare for 3 and 4 year olds was implemented nationally from 15 to 30 hours a week for working parents from September 2017 who meet the qualifying criteria.
- 6.2 It was estimated by HMRC that in Cambridgeshire there would be up to 5010 families with children who would be aged 3 and 4 who would be eligible to take up this entitlement in the first full year of implementation.
- 6.3 There are 2415 children taking up the extended entitlement this term.

7.0 Next steps

- 7.1 We will be consulting on the proposals for the creation of the Additional Needs Funding for two year olds in the Spring Term and will publish the result of this consultation in March, with proposed implementation, if the proposals are supported from April 2018 onwards.
- 7.2 The final local formula will be confirmed by Children and Young People's Committee in March for implementation from April 2018 onwards.

8.0 Recommendation

- 8.1 Members of Schools Forum are asked to note the contents of the report and to approve the planned Centrally Retained amounts for 2018/19 as set out in section 5.**

Appendix A

Early Years Additional Needs Funding Guidance 2018 - 19

1. Context and background

Local authorities and providers must have regard to the SEND Code of Practice (2014) and the Equalities Act 2010 and be able to demonstrate how they are implementing a graduated approach to support all children with special educational needs or a disability to fulfil their potential.

5.4 Providers must have arrangements in place to support children with SEND or disabilities. These arrangements should include a clear approach to identifying and responding to SEND. (SEND Code of Practice, January 2015 update)

All local authorities are required to establish an inclusion support fund for 3 and 4 year olds receiving the Early Years Funding, but there is no statutory requirement to offer funding for under 3s.

2. Introduction to the Additional Needs Fund (ANF)

From April 2018 the Local Authority will be offering the Additional Needs Fund applications for children aged 0-3.

The purpose is to build on existing good practice and to support providers to address the needs of individual children with additional needs in the early years and promote inclusion. We recognise that **“children develop at their own rates and in their own ways”** (EYFS Framework 2017). The suggestions here are *guidance for practitioners and settings rather than a checklist*.

This guidance is to inform all Cambridgeshire Early Years providers on how to access support for a child in their care who does not have an EHCP.

3. Eligible providers

The following early years providers in Cambridgeshire are eligible to receive support from the Early Years ANF for children aged 0-3. Applications can therefore be made by;

- An Ofsted registered childcare provider
- An Ofsted registered childminder
- A school where childcare falls outside of educational statutory provision

4. Applying to the Additional Needs Fund

The majority of children with SEND do not require specialist resources or enhanced staffing to be successfully included in settings. Most settings meet the needs of children with SEND very well from within their existing resources and through their own best practice.

It is important to note that a delay in learning and development in the early years does not always necessarily indicate that a child has a special educational need that calls for special educational provision. Similarly, difficulties related solely to learning English as an additional language are not considered a special educational need.

Applications can be made using the ANF application form, alongside supporting documentation e.g. progress check at 2, children tracker, Healthy Child record to evidence the child meets the criteria for the fund. An Early Help Assessment or Social Care equivalent assessment should also be attached.

Parents must be involved in the decision to apply for support from the Early Years Interim under 3s Fund and be in agreement with the application.

5. Types of support available from the Additional Needs Fund

ANF should be used in a variety of ways and **in conjunction with any other funding being received at child level** to best meet the needs of the individual child/ren in your setting.

The following are illustrative examples of how the funding could be used:

- Staff training specific to the child's needs, for example; Makaton, understanding autism and working with children with physical needs;
- Specific equipment or specialist resources, for example, a chair, standing frame or mobile ramp as recommended by the relevant professional. Any equipment purchased will remain the property of Cambridgeshire County Council and if a child moves to another setting or school then the provider may be required to release the piece of to the new setting. Please note the fund does not contribute toward building or refurbishment costs;
- Funding as a contribution towards enhanced staffing for those children with a higher level of need and the support will only be available for a set period of time.

Providers will need to submit Review documentation on a termly basis to ensure ongoing funding for the child. The purpose of the review is to inform the Local Authority on how the funding has supported inclusion and learning. Providers will be required to support transition with a child profile to the next setting or school.

6. Criteria and evidence

The Panel recognises that every child is unique, and the grid should be regarded only as a guide to assist your application. The Additional Needs 3s Funding should only be applied for where a setting is positive that they will be able to promote inclusion and achievement for a child (see *Additional Needs Funding – Criteria and Thresholds*) and **not all applications will be successful**.

Appropriate evidence we would consider for the Fund may include:

- Documented evidence from the parents of the child's needs on entry;
- Early Help Assessment/Social Care assessment;
- Baseline assessment;
- Child profile;
- Communication tracker;
- EYFS Progress check at 2;
- Healthy Child review;
- Medical assessment; and/or
- Individual education plans reflecting Assess – Plan – Do – Review.

Each application will be considered on its merits and should reflect the work that has been undertaken to date by the setting with the relevant paperwork.

7. Payment

Once an application has been approved providers will receive payments of:

- Funded 2 children – top up from £xx with £xx = £xx for up to 15 hours per week (DfE states that the higher rate for eligible funded 2 year olds should cover costs for additional needs)
- Non Funded 2 children– High need funding for up to 15 hours per week for those children with the most complex needs at a rate of £xx per hour.

The funding will be paid upfront to settings for a period of 38 weeks, split across 3 academic terms, paid on a termly basis with the expectation of Review documentation to be submitted at the end of each term.

The Review paperwork must be submitted to ensure payment for the following term.

For further information on Additional Needs Funding, please contact SEND Services by email at Access@cambridgeshire.gov.uk or your district team.

Or

Early Years setting **members**, you can access advice by email Quality.AssuranceTeam@cambridgeshire.gov.uk or calling 01223 699732

0-3 Additional Needs Funding (ANF) including Funded 2s Eligibility and Criteria 2017

Criteria for 0-3 Additional Needs Funding

- Child is functioning in 0-11 months in the three prime areas with limited progress
AND/OR
- Complex medical needs e.g. meets **Continuing Care thresholds**, requiring higher than 1:3 for under 2s and 1:4 for 2 year olds
- Family in receipt of **Disability Living Allowance** for the child
PLUS IN ALL CASES
- Specialist Assessment through Early Support/medical/other professional suggests that the child will need support to access a setting or at an existing setting



If **Early Help Assessment** already open send with **Additional Needs Funding** application directly to:
access@cambridgeshire.gov.uk

Complete **Early Help Assessment (EHA)** with family and send to **Early Help Hub**
Early.helphub@cambridgeshire.gov.uk

Clearly state on **EHA for attention of SENIF Panel** and include ANF Application form



EHH completes safeguarding checks and standard hub process then sends EHA to SENIF panel and if requested Early Support within 48hours.



NB: Consider if child's needs meet Early Support criteria. If they do, mark **EHA for attention of Early Support** See Early Support criteria & guidance
www.cambridgeshire.gov.uk/earl

**SENIF Panel receives applications for
0-3 Additional Needs Funding.** Contribution to support for child until they are entitled to SENIF funding.



Agreed

ANF to support child's needs, subject to

Not agreed

Setting supports needs with

0-3 Additional Needs Funding Application

1. About your setting:							
Name of Provision							
OFSTED Reg number							
Contact Person							
Telephone							
Email							
Date of last Ofsted visit							
Ofsted outcome							
Transition Funding <input type="checkbox"/> Premium Funding <input type="checkbox"/> <i>(please tick)</i>							
About the Child							
Child's Name							
Child's DOB							
Child's Address & Postcode							
Attendance Pattern		Term Time only Yes/No		Funded Childcare hours only? Yes/No			
Hours Attended <i>Please indicate the number of hours child attends</i>		Mon	Tue	Wed	Thu	Fri	Total
Early Support Yes/No		Early Help Assessment (or open CAF) Yes/No					
Disability Living Allowance Yes/No		2 year old Funding Yes/No					
2. About the early intervention/provision you wish to develop with funding <i>(see ANF Threshold document)</i> . The Panel will use this information to make their decision so please provide all the relevant information - <i>the box will</i>							

expand as you type.

Please attach

- Early Help Assessment and any relevant evidence (ASQ Summary) of identified needs;
- available child plans (APDR),
- The advice or involvement of other services

Use the following tables to provide a detailed breakdown of how much money you are requesting to purchase **specialist resources, training or equipment for enhanced support**.

(Training, Equipment, Resource)	Cost (A)	VAT (B)	Total amount applied for (C)	Total cost to business (D)
	£	£	£	£
	£	£	£	£
	£	£	£	£
	£	£	£	£
TOTAL	£	£	£	£

You will need to provide a costed recommendation from a health professional OR prices from 3 different suppliers for each equipment item requested. The list of 3 prices should be sent on a separate document to this application form but attached to the same email

Please note: The funding may **only** be spent on items approved in your application and you must seek written permission **before** making a variation to your use of it.

3. Supporting Evidence

To support your application you are required to submit the following:

- Early Help Assessment and child plans which show identified areas of need, planning and outcomes (APDR)
- Available Early Years Foundation Stage ages and stages tracking to show development and learning.
- Any reports or advice from SEND Specialist Services (EPs, Teachers or Practitioners), Early Years Advisors, Early Support, Social Care professionals and/or Family Support Plans.
- Prices from three different suppliers, where equipment/resources are being requested
- Risk Reduction/De-escalation Plan, if appropriate

Please check the boxes to confirm you have included these with your application. It is your responsibility to obtain, anonymise and send supporting information/evidence as needed

Additional Information Contents Summary

Name	Date of Report	Personnel	Report Summary
All About Me		SC keyworker	
Family Support Plan			

4. Expected Outcomes

In the sections below please indicate **the anticipated outcomes of receiving** funding by **checking** the relevant boxes and leave blank any boxes that are not applicable to you.

	Children’s communication and language development is enhanced
	Children’s personal, social and emotional development is enhanced
	Children’s physical development is enhanced
	Children’s safety is improved
	Improved quality of care and staff interaction with children
	Improved ability to care for a child with a disability or additional needs
	Ability to employ additional staff
	Other outcomes. Please specify:

You may be required to evidence child outcomes and a child profile/passport at transition, prepared by your setting when the funding is finished or reviewed by the Local Authority.

Name of person submitting application:

Role:

Email: _____ **Phone:** _____

Signature: _____ **Date:** _____

5. Submitting your application

Please refer to the Early Years 0-3 ANF Guidance for full details of the application process. Panel will meet weekly and more information can be found on our website [CCC](#).

- **Incomplete applications will not be considered.** If you have not answered all of the questions or been able to confirm you have submitted all the information listed on the checklist by ticking the relevant box, your application will be delayed.
1. Once your application is fully complete, please send by email to: **start@cambridgeshire.gov.uk**
(Should you have any difficulty sending your application by email, please call 01223 699 362)
 2. Your application will be considered within a month of receipt.
 3. You will receive written notice of the outcome of your application within five working days of the Panel meeting. Early Years & SEND SS staff will be unable to inform you of the outcome of

your application through any other means.

Data Protection

Cambridgeshire County Council will process personal information included in this document in accordance with the Data Protection Act 1998. The Council will not disclose such information to any unauthorised person or body and will only use such information for the purposes of administering your application. The information will be retained only for as long as necessary to do so and then securely destroyed. The Council may also use this data in connection with the prevention or detection of fraud or other crime.

HIGH NEEDS PRESSURES AND ACTIONS

To: Cambridgeshire Schools Forum
Date: 13th December 2017
From: Helen Phelan – Head of SEND Specialist Services (0 – 25)/Principal Educational Psychologist
 Martin Wade, Strategic Finance Business Partner

1.0 INTRODUCTION

- 1.1 This report provides an update on the High Needs Block Dedicated Schools Grant (DSG) funding and work to develop an action plan to help manage current and future demands. Expenditure on the HNB is increasing and without doing different going forward, it is an unsustainable situation with the forecast of significant over spends on many areas of the HNB.

2.0 HIGH NEEDS BLOCK 17/18

- 2.1 From November 2017, a number of High Needs Block DSG budgets will transfer from Commissioning to SEND Specialist Services (0-25). A breakdown is provided below:

Budget	2017/18 Budget (£)	Forecast Outturn Variance	Description
Special Schools Quantum	21,227,274	350,000	Budget funds all places and top-up to Cambridgeshire special schools. Although the base budget is £21.2m, approximately £6.6m will be recouped for places at academies and all post-16 places. Place funding for post-16 pupils at maintained schools is then separately funded by the Education and Skills Funding Agency (ESFA). Schools funding team allocate the funding to schools based on commissioned places and monthly pupil top-up information from the service.
Special Schools - Outreach	271,000	0	Funding is allocated to all special schools for outreach support, with the exception of one special school who is not able to provide this.
High Needs Units (Enhanced Resources)	3,069,088	0	Funding for High Needs Units (e.g. Cabins) attached to schools. Although base budget is £3.1m, there is recoupment of approximately £0.9m for places in academies funded directly by the Education

			and Skills Funding Agency (ESFA). Schools Funding team allocate the funding based on commissioned places and top-up information from the service.
Early Years Quantum	500,000	0	Early years quantum to be combined with expenditure against Education Health and Care Plans EHCPs for 3 & 4 year olds to create the SEN inclusion fund
Out of School Provision (OOSP) - tuition	1,176,236	600,000	Tuition packages for children and young people who are in receipt of a EHC and not in school
Basic Entitlement	-57,000	0	This amount is transferred into the OOSP budget for the pupil premium which would normally go to the school the pupil was on roll at.
Extended Provision (After School Clubs)	141,518	0	This budget funds the sessions for extended provision provided by the Special Schools (after school). Previously all the Special Schools had a SLA and were funded based on the number of sessions the school provided and the number of children attending. During the 2016/17 financial year this was changed and all the schools were to be given £20,007 (fixed) each for the 2017/18 financial year.
Lovass-Educated at Home.	26,445	44,000	This budget is for pupil educated at home by parents or tutors they employ. The parents pay the tutors and then send in monthly invoices for these costs which are reimbursed. For 2016-17 there was only one pupil, but another one recently started following a tribunal decision resulting in the budget being under-funded in 17/18.
Tribunals	75,044	0	There is an SLA for this with LGSS Law for £75,044. If there are compensation

			orders for payments to parents following either tribunal or Ombudsman ruling then these also get paid from this budget. This is a fixed price contract
Childcare Access Funding	199,297	0	The requests are received from the Setting and sent to START's QA panel. If there are complex issues such as, if when the plan is issued giving 25 hours of support and it is thought that more hours are needed, then it will be escalated to SENAM or CRP for the additional hours to be agreed. Some of this funding will be used for the new Additional Needs Funding (ANF) for children under 3 years with additional needs.
Early Years Access Funding - the new SEN IF will take its place	584,013	0	The requests are received from the Setting and sent to SENIF Panel. Three tiered funding model has been created to meet the needs of 3 & 4 year olds who need additional support in a setting.
SEN Placements –out county placements	8,572,523	700,000	This budget is for the Independent Special Education Placements (ISEPs).
Recoupment	399,991	0	
Total	36,185,429	1,694,000	4.7%

2.2 Existing DSG Budgets with SEND Service (0 – 25)

SEND Services (0 25 years)	5,361,000	54,000	Hearing Impaired Service, Visual Impaired Service, Specialist Teachers, Specialist Practitioners, Access & Inclusion, Extended Provision (after school clubs)
High Needs Top Up Funding	13,573,000	200,000	Funding for all Top-up in mainstream schools and academies and post-16 in FE.

Total DSG Budget in SEND Service	55,119,429	1,948,000	3.9%
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2.3 DSG Budgets in Commissioning

Equipment (mainstream)	230,000	0	The requests are mostly made by the OTs and are sent to Statutory Assessment Team QA panel in the first instance. More complex cases are sent to SENAM/CRP.
Special Schools equipment	202,400	0	The requests are all made by OTs and all orders need an Equipment Request form completed by the OT. This does not go to panel.
Therapies	80,366	0	Requests are for provision in the EHCP.

3.0 2016/17 PRESSURES MANAGED IN YEAR

- 3.1 Unlike core funded budgets, there is no uplift in budget allocation for dedicated schools grant (DSG) funded services for annual pay inflation. The additional cost of salary inflation and salary increments creates an incremental budget pressure for DSG funded teams across the SEND 0-25 service.
- 3.2 The cost to the Access and Inclusion team of providing one to one tuition for excluded primary school children and those at risk of exclusion increased. Within the School and Early Years Finance Regulations there is provision for the Local Authority to remove funding from schools for excluded pupils. In December 2016, Schools' Forum approved that where a primary aged child is permanently excluded from the school, the funding will pass to the SEND Service to provide tuition before the child is placed in another school. This, however does not cover the full costs of tuition.

4.0 2017/18 IN YEAR POSITION

- 4.1 Including those budgets transferring to SEND 0-25, as at the end of October, there is an in year pressure of £2,116k against available budget. £1,948k of this pressure is against High Needs Block DSG funded services. The main pressures/underspends can be summarised as:

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn	
	£'000	£'000	£'000	%

SEN Placements	8,973		700	8%
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A small number of these young people are in very high cost placements due to the complexity of their need. Key activity data to the end of October for SEN Placements is shown below

Ofsted Code	BUDGET			ACTUAL (Oct 17)				VARIANCE			
	No. of Placements Budgeted	Total Cost to SEN Placements Budget	Average annual cost	No. of Placements Oct 17	Yearly Average	Total Cost to SEN Placements Budget	Average Annual Cost	No of Placements	Yearly Average	Total Cost to SEN Placements Budget	Average Annual Cost
Autistic Spectrum Disorder (ASD)	98	£6,165k	£63k	94	97.42	£6,652k	£68k	-4	-0.58	£486k	£5k
Hearing Impairment (HI)	3	£100k	£33k	2	2.00	£74k	£37k	-1	-1.00	£26k	£4k
Moderate Learning Difficulty (MLD)	3	£109k	£36k	6	4.71	£108k	£23k	3	1.71	£1k	£13k
Multi-Sensory Impairment (MSI)	1	£75k	£75k	0	0.00	£0k	-	-1	-1.00	£75k	£k
Physical Disability (PD)	1	£19k	£19k	4	2.82	£71k	£25k	3	1.82	£52k	£6k
Profound and Multiple Learning Difficulty (PMLD)	1	£41k	£41k	0	0.00	£k	-	-1	-1.00	£41k	£k
Social Emotional and Mental Health (SEMH)	35	£1,490k	£43k	38	41.28	£1,885k	£46k	3	6.28	£394k	£3k
Speech, Language and Communication Needs (SLCN)	3	£163k	£54k	2	2.00	£90k	£45k	-1	-1.00	£74k	£10k
Severe Learning Difficulty (SLD)	2	£180k	£90k	1	1.00	£90k	£90k	-1	-1.00	£90k	£k
Specific Learning Difficulty (SPLD)	8	£164k	£20k	5	4.88	£215k	£44k	-3	-3.12	£51k	£24k
Visual Impairment (VI)	2	£64k	£32k	2	2.00	£57k	£29k	0	0.00	£7k	£4k
Recoupment	-	-	-	-	-	£31k	-	-	-	£31k	-
TOTAL	157	£8,573k	£55k	154	158.11	£9,273k	£58k	-3	1.11	£700k	£4k

Overall there are rising numbers of children and young people who are LAC, have an EHCP and have been placed in a 52 week placement. These are cases where the child cannot remain living at home. Where there are concerns about the local schools meeting their educational needs, the SEN Placement budget has to fund the educational element of the 52 week residential placement; often these are residential schools given the level of learning disability of the young children, which are generally more expensive.

Out of school tuition	1,176		600	
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There has been an increase in the number of children with an Education Health and Care Plan (EHCP) who are awaiting a permanent school placement. The delay is due to the nature and complexity of the needs of these children. Many of these children are in Key Stage 1 and do not have a permanent placement due to a lack of provision for this cohort of children. In addition, there are a number of children and young people who have a Statement of SEN/EHCP and have been out of school for some time. A smaller cohort of Primary aged children who are permanently excluded, or those with long term medical absence from school, sometimes require external tuition packages when SEND Service Teaching capacity is full.

High Needs Top Up Funding	13,573		200	1%
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Numbers of young people with Education Health and Care Plans (EHCP) in Post-16 Further Education providers continue to increase and as a result a year-end pressure of £200k is currently forecast. Placements for the 2018/19 academic year are still being finalised and as such the overall cost for the remainder of the financial year could increase further as more young people remain in education.

SEND 0-25	5,361		54	1%
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Integrated district delivery teams (Specialist Teachers, Specialist Practitioners, Access & Inclusion, Sensory Support Service, Educational Psychology Service, Additional Needs Team and Statutory Assessment Team (SAT))

The Apprenticeship Levy has been payable from April 17, however no uplift in budget was available for services funded by DSG to cover this additional cost
 Access & Inclusion costs of providing one to one tuition for excluded primary school children and those at risk of exclusion, with use of agency teachers to provide this capacity.

Special Schools Quantum	14,645		350	2.4%
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Please note the £14,645k Special School Quantum is net of £6,582k adjustments for academy recoupment. The overall gross budget is £21,227k, an increase of £735k (3.6%) from 2017/18 levels.

It is expected that the Special Schools budget will overspend by approximately £350,000. This is due to the increasing number of children in Special Schools, an increase of 40 pupils between the October 2016 and May 2017 census points, and with the new school at Highfield Littleport which opened in September these numbers will only increase further.

Alongside the increase in numbers there is a continuing increase in the complexity of need reflected by the rising value of the average top-up per pupil despite top-up amounts and criteria remaining constant:

	17/18	16/17	15/16	14/15
Average Special School Top-Up per pupil	£10,248	£10,199	£9,955	£9,755

Further information for the autumn term is currently under review and is likely to increase the pressure further as numbers continue to increase.

5.0 DEDICATED SCHOOLS GRANT (DSG) STRATEGIC VIEW

- 5.1 The High Needs Block DSG funding system supports provision for pupils and students with special educational needs and disabilities from their early years to 25 years. A High Needs Strategic Planning Fund has been provided to local authorities as a one off in order to support a strategic review of services commissioned through the High Needs Block element of DSG funding.
- 5.2 The current in-year DSG position shows there are significant pressures on the High Needs Block and the DfE's illustrative national funding formula data suggests that the proposed national formula for High Needs Funding would result in no additional funding for the High Needs Block for Cambridgeshire. Therefore this review is essential to managing provision within anticipated future levels of resource.
- 5.3 Cambridgeshire's allocation of the High Needs Strategic Planning Fund is £267k and it is being used to fund capacity required to complete a strategic review of existing provision and plan for future requirements of special provision. The review should ensure the sustainability of high needs provision and is therefore contextualised alongside the current overall overspend of £1,749k against the high needs block (net figure including other over/under spends reported across services not managed by SEND 0-25).
- 5.4 We are required by the DfE to publish the outcomes of the review in a strategic plan for Cambridgeshire in March 2018.

6.0 BUDGET ACTION PLANS – MITIGATING BUDGET PRESSURES IN HNB

6.1 A number of areas have been identified for review and further work to reduce current spend and manage future demand.

6.2 Commissioning Strategy – Charter vision and principles

A draft vision and principles SEND Charter has been collaboratively produced with parents and young people from core documents already in existence, including the All Age Framework that was developed in 2016/17. This Charter will form the basis of the Commissioning Strategy and link with the SEND Sufficiency and Needs analysis work.

6.3 SEND Sufficiency and Needs Analysis

We have commissioned 1st planners to undertake a SEND Sufficiency and Needs Analysis across Cambridgeshire and Peterborough to ensure that we have the right provision in the right place. Cambridgeshire has two new special schools planned, and another recently opened to accommodate the rising demand of special school placements over the next 10 years. The two new special schools are due to open in 2020 and 2021. Alternatives such as additional facilities in the existing schools, looking at collaboration between the schools in supporting post 16, and working with further education providers to provide appropriate post 16 course is also being explored in the plan.

The initial analysis will be completed by the end of January 2018. This will inform future planning and developments, and all relevant stakeholders will be involved with future commissioning of provision and services.

There will be a series of workshops taking place in the Spring term 2018 involving schools, members, Health, parents and young people.

6.4 Social Emotional and mental Health (SEMH) Review

The SEMH Review has been looking at the needs and provision for children and young people identified as having needs in relation to SEMH to inform a graduated approach to this area of need. This work will report on the specialist provision in January 2018, linking in with the SEND Sufficiency work. The SEMH review of primary provision across Cambridgeshire will report in early Spring and there will be further work undertaken to review SEMH provision for secondary aged students.

Recommendations from the SEMH Review will consider what provision and support services will be needed in Cambridgeshire to meet need.

6.5 Autism Spectrum Disorder Review

Autism continues to be the highest area of need for children and young people with an EHCP in Cambridgeshire. To align with the work of the SEND Sufficiency and

SEMH Review, there is a need to undertake similar work in relation to ASD needs and provision. This work will be undertaken in summer 2018.

6.6 Top up funding

The budget for funding top-up in mainstream schools and academies, and post-16 in Further Education Colleges is £13.573m. An over spend of £0.2m (1.5% of budget) is currently forecast for the 2017/18 financial year. The numbers of young people with Education Health and Care Plans (EHCPs) continue to increase, particularly those in post-16. Cambridgeshire continues to have a higher number of EHCPs compared with statistical neighbours (3.5%).

We are seeking to contain the over spend in year and through the current Strategic Review of High Needs Provision, are developing an action plan to ensure longer term financial sustainability of this budget whilst improving outcomes for young people. The initial focus will be on:

- A review of the current decision making matrix, to ensure it is sufficiently robust and that the right decisions are made at the most appropriate level in the management hierarchy, according to complexity and value. We will upskill staff, to ensure they are empowered in their decision making and will provide support through an enhanced moderation process.
- Ensure consistency of decision making by undertaking moderation, independent audits, spot checks by Divisional SEND Managers and a comprehensive review of the lowest and highest cost top up plans. By bringing this work together as part of the integrated SEND Specialist Service for 0-25 years, there is a real opportunity to review this process to ensure it is sufficiently robust, timely and efficient and that decisions are made at the most appropriate level.
- A needs analysis of the capacity of the Statutory Assessment Team, to ensure there is sufficient capacity in the system to review plans, monitor plans and packages.
- It currently takes 20 weeks to process an EHCP and we will review the efficiency of this process, in order to ensure sufficient staffing resource can be attributed to ongoing monitoring and reviews of existing plans.

6.7 Tiered funding model for schools and Further Education (FE) colleges

A review of SEN funding for schools and FE colleges will take place in 2018. This will include proposals for a Tiered funding model for children and young people who have special educational needs, and have needs that require additional support over and above the notional funding in budgets.

Proposals for the Tiered funding model for schools will be brought back to Schools Forum in March 2018.

A review of the funding levels (hourly rates) for FE top up funding (Element 3) including a full benchmarking exercise with statistical neighbours will take place in Spring 2018. We will seek to develop a new funding model for post-16 and will explore the potential for a tiered funding model for Further Education Colleges. Any changes would be rolled out from September 2018, in full consultation with Schools' Forum.

6.8 SEN placements:

- Three new special schools to accommodate the rising demand over the next 10 years. One school opened in September 2017 with two more planned for 2020 and 2021.
- Deliver SEND Commissioning Strategy and action plan to maintain children with SEND in mainstream education;
- Work on coordination of reviews for Individual Specialist Placements (ISEPs) to look at returning in to county, where appropriate and to use creative and evidence based, and cost effective packages of support to keep children and young people in county.
- Review of Health contributions to ensure appropriate levels are being recovered.

6.9 Out of school tuition:

- Managing in-year budget pressure: a new process has been established to ensure all allocations and packages are reviewed in a timely way and that there is oversight of moves back into full time school. This will include trend and needs analysis of the existing cohort, work with the SEND Divisional Managers and Statutory Assessment Team to undertake deep-dive in to cohort of young people who have been in the receipt of out of school tuition for more than 6 months and also placing immediate additional controls on the approval of packages
- Developing an action plan to ensure financial sustainability and improved outcomes: the transfer of the Out of School Tuition budget to the SEND Services (from November 17) provides an opportunity to use resources differently and to have more cost effective in-house tuition. It is proposed there will be longer term mitigation through potential reinvesting of some of the existing budget in order to create both in-house preventative capacity to work with primary pupils ahead of imminent primary exclusion and also internal teaching/specialist practitioner capacity to delivery alternative education tuition packages for those with an EHCP (instead of agency tuition). This work will feed in to the current strategic review of Social Emotional and Mental Health (SEMH) provision; ensuring there is a coherent graduated response for children and young people experiencing difficulties resulting from their psychological and emotional wellbeing. This review will include support for pupils in school; those at risk of exclusion; and those needing to access short or longer term provision within the county.

7.0 SUBSCRIPTION MODEL FOR EDUCATIONAL PSYCHOLOGY

- 7.1 The aim of the Educational Psychology team is to support schools in developing their capacity to meet the needs of pupils experiencing difficulties and thus to promote inclusion. This is done through applying psychology to direct work with children, their families, school staff and other agencies and indirectly by working in partnership with schools and settings to improve their wider practice in meeting the needs of children and young people.

The SEND Service intends to offer schools the opportunity to maintain or increase their access to Educational Psychologists from April 2018.

Following the outcome of a consultation with schools, schools will have the chance to sign up for a subscription to the Educational Psychologists.

Schools will be consulted on this in February 2018 for implementation April 2018.

8.0 ACTION PLANNING FOR LONG TERM SUSTAINABILITY

- 8.1 Work is under way to develop a detailed action plan, including identified savings so that the HNB will be self-sustainable from 2019/2020. This is likely to involve considerable changes to provision and to support services, many of which are DSG funded.
- 8.2 Under the new national funding arrangements although the schools block will be ring-fenced from 2018 to 2019, local authorities will retain limited flexibility to transfer up to 0.5% (£1.7m) of their schools block funding into another block, i.e. the High Needs Block, with the approval of their schools forum. A consultation with all schools is underway. Any transfer between Schools Block and HNB would be for 2018-19 only as the authority has to consult with schools for transfers between blocks in future years.

9.0 RECOMMENDATIONS

- 9.1 Present recommendations from the Social Emotional and Mental Health review to School's Forum in January 2018. This will include recommendations for specialist provision and support from SEND Services.**
- 9.2 Bring detailed Action plan and identified savings for the High Needs Block to School's Forum in January 2018.**
- 9.3 Bring proposals for subscription for Educational Psychology team to School's Forum in January 2018.**
- 9.4 Bring key findings and initial recommendations from the SEND Sufficiency/Needs analysis to School's Forum in March 2018.**
- 9.5 Bring proposal for Tiered funding model for schools and post 16 providers to School's Forum in March 2018.**

GROWTH FUND AND FALLING ROLLS CRITERIA 2018/19

To: Cambridgeshire Schools Forum
Date: 13 December 2017
From: Martin Wade - Strategic Finance Business Partner

1.0 GROWTH FUND

1.1 Following national changes to the allocation of the Dedicated Schools Grant (DSG) funding blocks, growth funding is now within the local authority (LA) Schools Block allocation, based on historic spend.

- As it's within the schools block, a movement of funding from the schools formula into the growth fund would **not** be treated as a transfer between blocks.
- Schools Forum still needs to agree the total growth fund.

1.2 As the Growth Fund is a top slice on the Schools Block it is available to support growth in pupil numbers in the 5-16 age range only to meet basic need within the Authority. It cannot be used to support growth in under-5 or post-16 pupil numbers. In addition, it can only be used to :

- support additional classes needed to meet the infant class size legislation. (Please note: The growth fund is not used for this purpose within Cambridgeshire due to the overall cost.)
- meet the cost of new schools. (Pre-opening and diseconomies funding as prescribed in the New Schools Funding Policy.)

The growth fund **may not** be used to support schools in financial difficulty.

1.3 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 growth or expansion due to parental preference will **not** be eligible to be funded from the growth fund.

1.4 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 retained and must 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.

1.5 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.

1.6 In 2017/18 the growth fund was increased to **£2.5m**, with total commitments to date in the region of **£2.3m** (allowing for academy adjustments). A further review to be undertaken on receipt of the October 2017 census is likely to result in further allocations. However, it was accepted by Schools Forum at its meeting on 3 November 2017 that the level of the Growth Fund should remain at the current **£2.5m** for 2018/19.

2.0 FALLING ROLLS FUND

2.1 LAs may also create a small fund to support schools with falling rolls where local planning data shows 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. As requested by Schools Forum on 3 November 2017, a review has been undertaken to determine how many schools might qualify for financial support should a Falling Rolls Fund be established. Currently only one Cambridgeshire school would meet the DfE’s criteria. There is insufficient supporting evidence, therefore, to justify creating a Falling Rolls Fund in 2018/19.

3.0 CAMBRIDGESHIRE CRITERIA FOR ACCESSING GROWTH FUNDING 2018-19

3.1 It is proposed that the following criteria will apply in 2018/19 where a school is growing or expanding to meet basic need in their area:

- Where the predicted numbers for a **Primary** School (excluding nursery classes) for the following September show an increase, due to basic need, requiring the running of additional classes or significant restructure they **may be** able to access additional funding.
- Where the predicted numbers within the Authority’s planning area as agreed with the DfE (for the purposes of calculating its basic need funding allocation) for a **Secondary** School for the following September show an increase (excluding Post-16), requiring the School to run one or more additional classes and/or undertake a significant restructure they **may be** able to access additional funding.
- Where schools have chosen to admit above their Published Admissions Number (PAN) to meet parental preference from outside of their agreed planning 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 represent the need for an additional class, 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.
- Where the LA has not specifically requested a school to operate an additional class, the school will be required to provide evidence that an additional class or tutor group and/or significant restructure would be required to meet basic need. (Views will also be sought from relevant officers in the Learning Directorate and Finance.)
- 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 reorganise or employ an additional teacher.
- The requirement for additional classes or forms of entry will be reviewed on a case-by-case basis. Funding will 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 requests will be evaluated using 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.
- 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 Individual Schools Budget (ISB) or £80,000 for Primary and 10% 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 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 ESFA 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 Education and Skills Funding Agency (ESFA), 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 ESFA 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.”

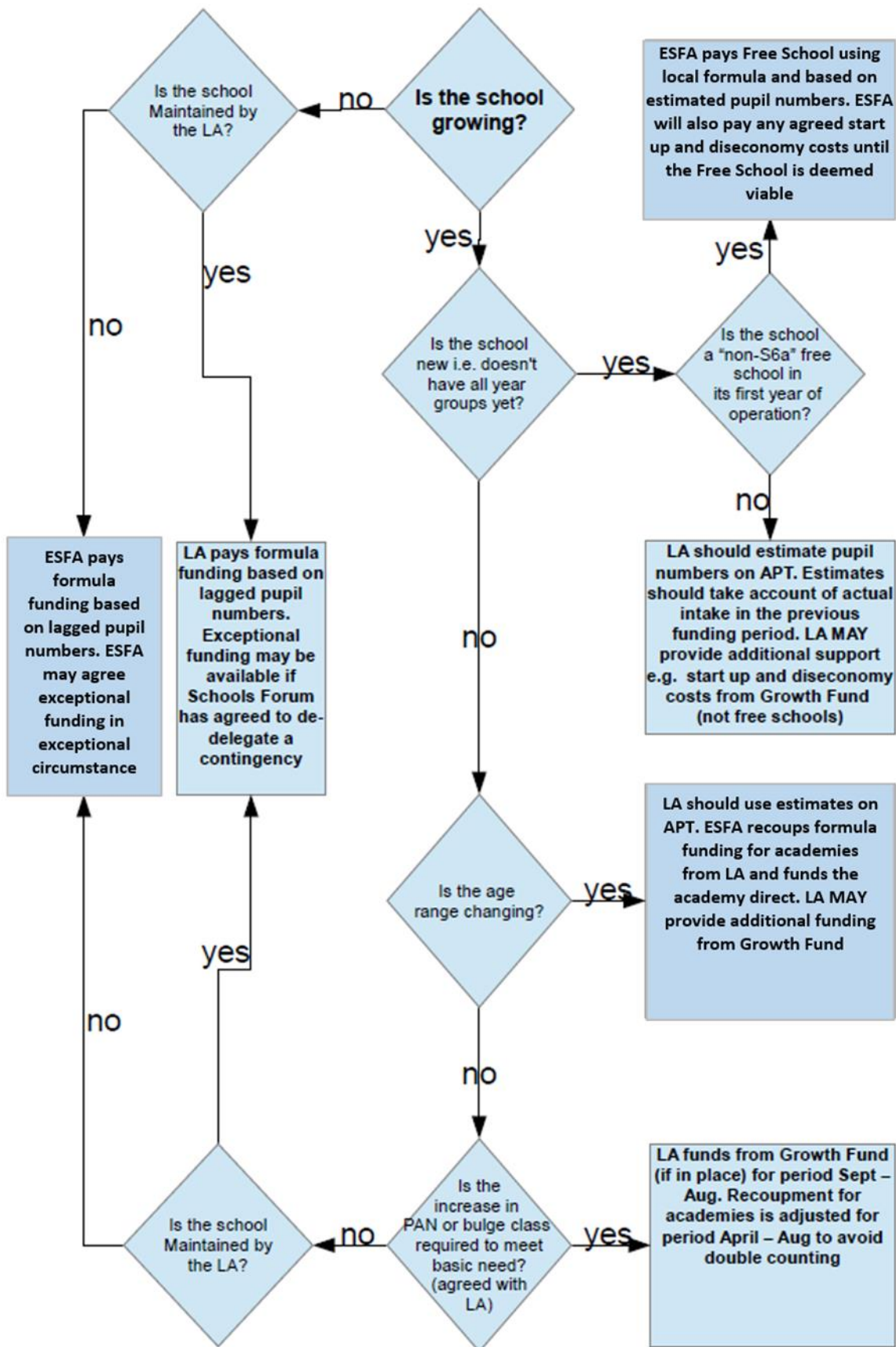
4.0 **AMENDMENTS TO FUNDING CRITERIA**

- 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 ESFA 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 continuation of the Growth Fund at £2.5m for 2018/19.**
 - 2. Schools Forum to approve the criteria in section 3 to be applied from April 2018, subject to ESFA approval.**
 - 3. Schools Forum to approve the proposal that the Authority should not create a Falling Rolls Fund for 2018/19.**

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



NEW SCHOOL FUNDING CRITERIA 2018/19

To: Cambridgeshire Schools Forum
Date: 13th December 2017
From: Martin Wade - Strategic Finance Business Partner

1.0 INTRODUCTION

- 1.1 The approach for revenue funding for new schools follows guidance provided by the Education & Skills Funding Agency (ESFA) 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 2018/19 financial/ academic year.

2.0 FUNDING FOR NEW PRIMARY AND SECONDARY SCHOOLS

- 2.1 Where a new school is due to open, the regulations require that local authorities should estimate the pupil numbers expected to join the school in September and fund accordingly, explaining the rationale underpinning the estimates.
- 2.2 Under these regulations, local authorities should 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. Local authorities can adjust estimates each year, to take account of the actual pupil numbers in the previous funding period.
- 2.3 From 2017 to 2018, the main funding formula allocation for all mainstream free schools is now recoupable from the first year of opening. This means ESFA will provide funding directly to the free schools opening, and recoup the funding from local authorities from the estimated pupil numbers in the Authority Proforma Tool (APT).
- 2.4 There is no change to the funding of new schools and as such the local authority (LA) will still be responsible for providing pre-opening costs and post-opening diseconomies of scale funding, from the centrally retained Growth Fund, where they are created to meet basic need. Current amounts can be seen in **Appendices A and B**.
- 2.5 The ESFA will continue to fund start-up and diseconomy costs for new free schools where they are not being opened to meet the need for a new school as referred to in section 6A of the Education and Inspections Act 2006.
- 2.6 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. Pathfinder Primary School (Northstowe) and Trumpington Community College both opened as maintained schools under this provision and are now in the process of converting to academies. The only other school currently approved to open as a maintained school is the Northstowe Secondary School. This will open as a Foundation school in September 2019. Academy schools will receive a combination of LA and ESFA funding.
- 2.7 Equally, where alternative models of delivery are approved, such as expansion to all-through provision on an existing site, or a second campus to an existing school these will

be reviewed on a case-by-case basis to ascertain whether pre-opening and post-opening funding is required as per the amounts applied to new schools.

2.8 The table below shows the key areas of funding and the appropriate funding body:

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

2.9 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 ESFA the final amount to be received will be based on ESFA 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 ESFA 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 ESFA. 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.

3.4 Details of the pre-opening funding for Special Schools can be seen in **Appendix A**.

4.0 NEW SCHOOLS PUPIL NUMBERS FOR 2018/19

- 4.1 The table at **Appendix C** below shows proposed numbers for new school funding for the 2018/19 financial year. Please note: All of these figures are to be confirmed on receipt of the October 2017 census and forecast data.
- 4.2 Following implementation of the national funding reforms the revised Dedicated Schools Grant (DSG) funding allocations do now include an element of implicit growth towards the cost of these new school places. However there is still a lag in funding due to the use of the October census data which results in a subsidisation of new school places by existing schools.
- 4.3 As part of the further reforms we would support a national approach to funding new schools which a) results in a consistent approach wherever new schools are opening in the country and b) removes the impact on existing school budgets.

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 2018/19.***

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) – (excluding Special Schools)

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. The amount paid to mainstream schools with pupils aged 4 – 15 each year is set out below:

Year	1	2	3	4	5	6	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*

Appendix C – Proposed Pupil Number Adjustments for New Schools – to be finalised.

School	Year Opened	Guaranteed Number as per 18/19 APT - April to Aug (5/12ths)	Guaranteed Number as per 18/19 APT - Sept to Mar (7/12ths)	Total Guaranteed Number as per 18/19 APT	Comments
The Shade Primary School	Sep-13	180.00	213.00	199.25	TBC
Chesterton Primary	Sep-13	150.00	180.00	167.50	TBC
Isle of Ely Primary	Sep-14	240.00	300.00	275.00	TBC
University of Cambridge Primary	Sep-15	300.00	390.00	352.50	TBC
Trumpington Community College	Sep-15	270.00	360.00	322.50	TBC
Godmanchester Bridge Academy	Sep-16	60.00	90.00	77.50	TBC
Ermine Street Primary	Sep-16	90.00	120.00	107.50	TBC
Pathfinder Primary	Sep-17	60.00	90.00	77.50	TBC
Trumpington Park Primary	Sep-17	90.00	150.00	125.00	TBC
Littleport Secondary	Sep-17	120.00	240.00	190.00	TBC
Wintringham Park	Sep-18	0	60	35	New school on temporary accommodation due to open Sept 18
Hardwick Primary School	n/a	620.00	680.00	655.00	School is split site. Cambourne campus does not yet have all cohorts. Disapplication request required.

CAMBRIDGESHIRE SCHOOLS FORUM – FORWARD AGENDA PLAN

Meeting date:	Details:	Lead officer:	Reports to Democratic Services by:
Wednesday 13 December 2017, 10.00am Kreis Viersen Room, Shire Hall, Cambridge 10.00am Kreis Viersen Room, Shire Hall, Cambridge	Apologies for absence and declarations of interest	<i>verbal</i>	Friday 1 December 2017
	Minutes of the Meeting on 3 November 2017	Richenda Greenhill	
	Action Log	Richenda Greenhill	
	Budgets 2018/19	Jon Lee/ Bob Seaman	
	De-delegations	Martin Wade	
	Early Years Central Spend, Early Years Special Educational Needs and Disability (SEND)	Helen Phelan/ Sam Surtees	
	High Needs Pressures and Actions and Tiered Funding Model for Mainstream Schools	Helen Phelan	
	Growth Funding	Hazel Belchamber	
	New School Funding – 2018/19 funding criteria for approval	Martin Wade	
	Agenda Plan	Richenda Greenhill	

	Date of Next Meeting	<i>Verbal</i>	
Friday 19 January 2018, 10.00am Kreis Viersen Room, Shire Hall, Cambridge	Apologies for absence and declarations of interest	<i>verbal</i>	Tuesday 9 January 2018
	Minutes of the Meeting on 13 December 2017 and Action Log	Richenda Greenhill	
	Dedicated Schools Grant Expenditure: Mid-Year Update	Martin Wade	
	Agenda Plan	Richenda Greenhill	
	Date of Next Meeting	<i>Verbal</i>	
Friday 9 March 2018, 10.00am Kreis Viersen Room, Shire Hall, Cambridge	Apologies for absence and declarations of interest	<i>verbal</i>	Tuesday 27 February 2018
	Minutes of the Meeting on 19 January 2018 and Action Log	Richenda Greenhill	
	Dedicated Schools Grant Expenditure: Mid-Year Update	Martin Wade	
	Agenda Plan	Richenda Greenhill	
	Date of Next Meeting	<i>Verbal</i>	

Friday 6 July 2017, 10.00am Kreis Viersen Room, Shire Hall, Cambridge 10.00am Kreis Viersen Room, Shire Hall, Cambridge	Apologies for absence and declarations of interest	<i>verbal</i>	Tuesday 26 June 2018
	Minutes of the Meeting on 9 March 2018 and Action Log	Richenda Greenhill	
	Dedicated Schools Grant Expenditure: Mid-Year Update	Martin Wade	
	Agenda Plan	Richenda Greenhill	
	Date of Next Meeting	<i>Verbal</i>	

Updated 30.11.17

