

Date: Friday, 03 November 2017

Democratic and Members' Services

Quentin Baker

LGSS Director: Law, Procurement

and Governance

Shire Hall

Castle Hill

Cambridge

CB3 0AP

10:00hr

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

AGENDA

1 Apologies for absence and declarations of interest

*Guidance on declaring interests is available at
<http://tinyurl.com/ccs-conduct-code>*

2 Minutes of the Meeting on 7 July 2017 and Action Log 3 - 10

3 Dedicated Schools Grant Financial Position 2017-18 11 - 16

4 Cambridgeshire 2018-19 Funding Formula 17 - 42

Appendix 3: Draft Consultation Document to follow.

5 Central School Services Block, Retained Funding and De-Delegations 43 - 52

6 Growth Fund and Falling Rolls Criteria 2018-19 53 - 58

7 Agenda Plan 59 - 62

8 **Date of Next Meeting**

The Schools Forum will meet next on Wednesday 13 December 2017 in the Kreis Viersen Room, Shire Hall, Cambridge.

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CAMBRIDGESHIRE SCHOOLS FORUM: MINUTES

Date: Friday 7 July 2017

Time: 10.00am – 11.45am

Place: Kreis Viersen Room, Shire Hall, Cambridge

Present:

Members

P Hodgson (Chairman), Dr A Rodger (Vice Chairman), L Calow, S Connell, T Davies, J Digby, D Parfitt, A Reeder and S Tinsley.

Observers

Nick Hills	Church of England Diocese of Ely Board of Education (substituting for A Read)
G Fewtrell	Teachers' Union
Councillor P Downes	Cambridgeshire County Council (CCC)
Councillor S Bywater	Cambridgeshire County Council (CCC)

Officers

K Grimwade – Director for Learning (CCC), J Lee – Head of Integrated Finance Services (LGSS), M Teasdale – Director of Strategy and Commissioning, M Wade – Strategic Finance Manager (CCC) and D Snowdon (Clerk - CCC)

Apologies:

Forum Members: K Coates, A Goulding, J North, Dr K Taylor

Observers: S Conant

Officers: Dr H Phelan, Head of Special Educational Needs and Disability (SEND) Services

1. ELECTION OF THE CHAIRMAN/CHAIRWOMAN AND VICE CHAIRMAN/WOMAN

It was proposed by Dr Alan Roger, seconded by Stuart Tinsley proposed that Philip Hodgson be elected as Chairman of the Schools Forum for 2017/18. On being put to the vote the Forum resolved unanimously to appoint Philip Hodgson as Chairman.

The newly appointed Chairman, Philip Hodgson proposed, seconded by Lucie Calow that Dr Alan Roger be elected as Vice Chairman of the Schools Forum 2017/18. On being put to the vote it was resolved unanimously to appoint Dr Alan Roger as Vice-Chairman.

2. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies were noted as recorded above. The Chairman drew members' attention to declarations of interest within the Forum's constitution. There were no declarations of interest.

3. MINUTES OF THE MEETING ON 17 MARCH 2017 AND ACTION LOG

The minutes of the meeting held on 17 March 2017 were approved as a correct record and signed by the Chairman.

The Action Log was noted.

4. MAINTAINED SCHOOLS AND DSG FINANCIAL HEALTH

The Forum received a report that provided analysis of the 2016/17 final closing balance position of maintained schools and the overall Dedicated Schools Grant (DSG) as at 31st March 2017. Officers drew attention to the high proportion of schools that were showing balances which was deemed to be healthy. Where balances were assessed to be excessive then the Council would investigate further with the individual schools to determine the reason for the accrual.

Officers also highlighted that all centrally retained DSG balances had been applied during 2016/17 and a small deficit carried forward into 2017/18.

Members of the Forum noted that a report updating members on pressures within High Needs Block would be presented later in the year.

During the course of discussion members:

- Questioned whether there was an indication of what the budget deficit position would likely be in the future. Members were informed that Maintained Schools would likely move into deficit if they did not make changes to their budget plans. Officers explained that work was being undertaken to fully understand the varying budgetary positions of schools.
- Confirmed that approximately three schools had deficit licenses.
- Questioned whether Academy Schools were experiencing the same levels of deficit that maintained schools were. The Forum noted that the balance sheets of Academy Schools were distorted due to the capital assets that sat within them. No Academy Trust could enter deficit without licence and many possessed dwindling reserves. Staffing costs were being investigated and assessed in order to meet budgetary concerns.
- Noted that all financial information for Academy Trusts such as annual accounts was available on the internet for public inspection. The Forum was reminded that Academy Trusts were responsible for the upkeep and maintenance of school buildings that maintained schools were not.
- Expressed concern regarding the level of school that were entering deficit.

It was resolved to:

Note to the contents of the report and the proposed approach to managing the brought forward deficit on DSG budgets.

5. CAMBRIDGESHIRE 2018/19 FUNDING FORMULA

The Forum received a report that provided an update regarding the Cambridgeshire 2018/19 Funding Formula and sought the views of the Forum on the next steps for preparing for 2018/19. Attention was drawn to paragraphs 2.2 and 2.3 of the officer report along with the Governments' plans to stop free lunches for all infants being dropped; the money saved would have been incorporated in the new funding formula.

During discussion members:

- Highlighted the table at paragraph 3.2 of the officer report, noting the difficulties smaller primary schools faced. Expressed frustration with Department for Education (DfE) spokesmen that insisted the government was protecting schools funding in real terms. A member of the Academy Secondary Heads highlighted a pre-general election publicity campaign that sought to address misinformation regarding schools funding. Work was ongoing to draw it to the attention of government ministers.
- Requested that the current funding formula was not changed as doing so could adversely affect protection for schools once the new funding formula was released. Need to create stability (Tony Davies) emphasise.
- Emphasised the need to stability to be created within the funding formula.
- Agreed for a letter to be sent to local MPs that highlighted concern regarding the funding formula. **ACTION**

It was resolved:

- a) To continue largely as is with the existing formula.
- b) When the Department for Education publishes their response an additional Schools Forum meeting be called in order to assess the position for Cambridgeshire schools and the local formula for 2018/19 ahead of the October 2017 meeting.

6. HIGH NEEDS BLOCK

The Forum received a report that set out the current position regarding High Needs Block. Officers highlighted that there would be no additional funding for the High Needs Block and when compared to the 2016/17 baseline, the illustrative data showed that Cambridgeshire would receive over £3.4m of protection for the allocation to be brought up to the 0% funding floor.

The Forum's attention was drawn to the funding commitments set out in paragraph 2.3 of the officer report and the forecast overspend in SEN Placements.

During the course of discussion members:

- Emphasised the continuing difficulties regarding funding for under 2 year old children. Deborah Parfitt ongoing issues no funding for under 2 year olds. Work was taking place officers informed members that sought to address how funding flowed between sectors which would assist.
- Noted the wider impact upon reception pupils due to children having not been tested prior to starting school and the response to the Tier 2 consultation.
- Expressed concern regarding the changes made to health care services that would have a severely detrimental effect on the budgetary position of SEN schools.
- Clarified the overall budgetary position of the High Needs Block, questioning whether there was a point at which the position would become unsustainable. It was confirmed that it was necessary for the budget to stand by itself and therefore as a result could fall over.
- Expressed concern at the level of funding for under 2 year olds as it was counter-productive when prevention was such a high priority for agencies.
- Noted that the 3 new special schools planned for Cambridgeshire would address some of the demographic pressures facing the county, but would not attract additional government funding.
- Noted that the NHS had not commissioned additional staff to cover the additional schools therefore resources would be stretched further and would negatively impact existing SEN schools.
- Expressed concern regarding funding and requested that officials within the Department for Education be briefed on the issues faced by SEN schools and that the issues and concerns be addressed in the letter to be sent to local MPs regarding the funding formula. **ACTION**

It was resolved to:

Note the approach set out in the report.

7. CENTRAL SCHOOL SERVICES BLOCK EDUCATION SERVICES GRANT

The Forum received a report from the Strategic Finance Business Partner that provided further information in respect of the proposed mechanism for the central services block, alongside current functions and services funded by both this block and the Education Services Grant (ESG) replacement methodology.

During discussion of the report:

- Attention was drawn to the historical commitments and the recycling of money as the requirement of their funding ceased. The savings requirements made of the Council were emphasised to the forum and the importance of the wider context when allocating funding.

- Noted the review of traded services due to take place in the autumn and increased efficiency through greater partnership working with Peterborough City Council. A post for Senior Admissions Manager would cover both Cambridgeshire and Peterborough to produce a more effective service.
- Thanked officers for Appendix A of the report which was helpful and requested that in future statutory requirements within Appendix A be highlighted. **ACTION**
- Noted that the historical commitments could not be increased and the Department for Education expected them to reduce in time but it was not possible to provide assurance regarding timescales.
- Welcomed the outcome of the SEN Ofsted review and questioned whether value for money was being achieved regarding occupational therapy over and above what the NHS provided. It was explained that there was a statutory duty to provide some occupational health services and further details could be provided outside of the meeting.
- Requested that details of services which would be impacted by any reduction in centrally retained funding be reported back to the next meeting of the Forum to support the decision making process for 2018/19 budgets. **ACTION**

It was resolved to:

Note the approach set out in the report.

8. CAMBRIDGESHIRE PUBLIC SERVICES NETWORK (CPSN)

The Forum received a report that requested that the CPSN that had been in place since 2004 for all bar 2 schools be extended until 31 December 2019. This would allow time for the complex procurement project to take place and for Health partners to be ready to join the partnership.

A member of the Forum noted the approach set out in the report and highlighted that Academy Schools would have to join the partnership in the same way as Health partners. Officers confirmed that discussions were taking place with Academy Schools regarding the CPSN.

It was resolved to:

To agree to the continuation of funding for CPSN through to the end of the contract extension, 31 December 2019 at a cost of £1.459m.

9. AGENDA PLAN

The Schools Forum received the forward agenda plan.

It was resolved to:

Note the Schools Forum Forward Agenda Plan.

10. DATE OF NEXT MEETING

The Forum will meet next on Friday 6 October at 10.00am in the Kreis Viersen Room, Shire Hall, Cambridge CB3 0AP. – To be amended to reflect expected DfE announcements.

Chairman

**CAMBRIDGESHIRE
SCHOOLS FORUM**

Minutes - Action Log



Cambridgeshire
County Council

Introduction:

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

This is the updated action log as at 26 September 2017:

Minutes of 7 July 2017					
5. & 6.	Cambridgeshire 2018/19 Funding Formula/ High Needs Block	Martin Wade	<ul style="list-style-type: none"> To provide a draft letter to local MPs for the Chairman's signature that highlighted concern regarding the Funding Formula and High Needs Block. 		
7.	Central School Services Block Education Services Grant	Martin Wade	<ul style="list-style-type: none"> To include details of statutory requirements relating to notional usage of historic commitments in the report to the next meeting of the Forum. 	26.10.17: Covered at Item 5 on the agenda for 3 November 2017.	Completed
			<ul style="list-style-type: none"> To provide details of services which would be impacted by any reduction in centrally retained funding to the next meeting to support the decision making process for 2018/19 budgets. 	26.10.17: Covered at Item 5 on the agenda for 3 November 2017.	Completed

DEDICATED SCHOOLS GRANT FINANCIAL POSITION 2017-18

To: Cambridgeshire Schools Forum
 Date: 3rd November 2017
 From: Martin Wade - Strategic Finance Business Partner

1.0 INTRODUCTION

- 1.1 This report provides a summary of the overall 2017-18 Dedicated Schools Grant (DSG) financial position to the end of September 2017.

2.0 UPDATED 2017-18 Dedicated Schools Grant (DSG)

- 2.1 Following revised announcements to reflect in-year funding changes and recoupment for academies and High Needs Places the table below shows the revised level of DSG to be received in 2017-18:

	Revised 2017-18 DSG as at Oct 2017
Schools Block DSG	£337,587,337
3&4 YO Early Years Block DSG Universal	£24,254,776
3&4 YO Early Years Block DSG Extended Entitlement	£4,707,583
Indicative Early Years Pupil Premium	£247,907
2YO Early Years Block DSG	£3,775,477
Disability Access Fund	£110,100
Maintained Nursery School Supplementary Funding	£1,301,115
Total Estimated Early Years Block	£34,396,958
16/17 HNB Baseline	£62,755,620
Population based uplift	£1,096,072
Population growth based uplift	£486,896
Total High Needs Block	£64,338,588
Total Estimated DSG Pre-Recoupment	£436,322,883
less High Needs Place Funding	-£9,739,819
less Academy Recoupment Estimate	-£191,889,425
less Copyright Licence Adjustment	-£481,023
16/17 High Needs Adjustment	£283,000
16/17 EY DSG Adjustment	-£778,000
Estimated DSG to be received by LA*	£233,717,616

*subject to further academy conversions

- 2.2 As previously reported to Schools Forum a deficit of £113k was carried forward on the overall DSG at the end of 2016/17. Following confirmation of final prior-year adjustments by the Education and Skills Funding Agency (ESFA) this figures has now increased to £134k.
- 2.3 Based on the DSG conditions of grant there are three options when there is a DSG deficit:
- The local authority may decide to fund all the overspend from its general resources in the year in question.
 - The local authority may decide to fund part of the overspend from its general resources in the year in question and carry forward part to the schools budget in the

next year or the year after that.

- c) The local authority may decide not to fund any of the overspend from its general resources in the year in question and to carry forward all the overspend to the schools budget in the next year or the year after that.

A local authority needs to obtain the consent of the Schools Forum, or failing that the Secretary of State, to fund this deficit from the schools budget.

- 2.4 It is still the intention that any pressures on DSG funded services, including the brought forward deficit will be managed from within the available DSG for 2017/18. However, given the current in-year position highlighted below it is likely consent will be sought from Schools Forum at the January meeting to carry forward the deficit to the following year as set out in the options within the DSG conditions of grant.

3.0 2017-18 IN-YEAR BUDGETARY CONTROL POSITION

- 3.1 At the end of September 2017, there is a forecast in-year pressure of **£661k** against available DSG allocations (including the £134k deficit brought forward from 2016/17.) The full DSG Budgetary Control Report (BCR) can be viewed in section 3.2 below, with detailed narrative available in 3.3, but the main pressures/underspends can be summarised as:

- There is a forecast pressure of £350k against the budget allocations to Special Schools. This is primarily as a result of an overall increase in commissioned places and actual pupils.
- There is a forecast pressure against the High Needs top-up budget of £200k mainly due to the increase in Post-16 pupils.
- It is estimated that the Special Educational Needs (SEN) Placements budget will have a pressure of £500k.
- It is estimated that the Out of School Tuition Budgets will have a pressure of £100k
- These pressures are offset in part by a forecast underspend of £543k on Financing DSG due to a combination of rates and recoupment adjustments, vacancy savings and one-off balances to be applied in-year. This line also includes the £134k deficit brought forward from 2016/17.

- 3.2 Dedicated Schools Grant Budgetary Control Report to the end of September 2017:

Note		Budget for 2017/18	Outturn Forecast as at end of Sept 17	
		£000's	£000's	%
	Director of Commissioning			
	Strategic Management - Commissioning	74	0	0.0%
	<u>Commissioning Enhanced Services</u>			
1	SEN Placements	8,973	500	5.6%
2	Commissioning Services	1,693	100	5.9%
	Early Years Specialist Support	965	44	4.6%
	Director of Commissioning Total	11,705	644	5.5%
	Director of Children & Safeguarding			
	Children's Centres Strategy	90	0	0.0%
	Support to Parents	741	0	0.0%

3	<u>SEND Specialist Services (0 - 25 years)</u>			
	SEND Specialist Services	5,405	48	0.9%
	High Needs Top Up Funding	13,573	200	1.5%
	<u>District Delivery Service</u>			
	Early Help District Delivery Service - North	209	-15	-7.2%
	Early Help District Delivery Service - South	202	-15	-7.4%
	Director of Children & Safeguarding Total	20,219	218	1.1%
	Director of Education			
	Early Years Service	218	0	0.0%
	Schools Partnership Service	107	0	0.0%
	Redundancy & Teachers Pensions	13	0	0.0%
	<u>0-19 Place Planning & Organisation Service</u>			
	0-19 Organisation & Planning (includes Growth Fund)	3,114	0	0.0%
	Director of Education Total	3,452	0	0.0%
	Executive Director			
	Central Financing	9	-9	-100.0%
	Executive Director Total	9	-9	-100.0%
	Total	35,384	854	2.4%
	Grant Funding			
	Financing DSG	0	-543	0.0%
	Grant Funding Total	0	-543	0.0%
	Contribution to Combined Budgets	3,579	0	0.0%
	<u>Schools</u>			
4	Primary Schools	134,122	0	0.0%
	Secondary Schools	1,245	0	0.0%
	EOTAS Devolution	4,867	0	0.0%
	Special Schools	14,645	350	2.4%
	Special Schools Outreach	271	0	0.0%
	Nursery Schools, Classes and PVI Providers	34,296	0	0.0%
	High Needs Units	2,168	0	0.0%
	PRUs	870	0	0.0%
	Schools Financing (including recoupment adjustments)	370	0	0.0%
	Broadband & Copyright	1,860	0	0.0%
	Pools and Contingencies	39	0	0.0%
	Schools Total	194,754	350	0.2%
	Overall Total	233,718	661	0.3%

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

Service	Current Budget for 2017/18	Forecast Variance Outturn	
	£'000	£'000	%
1) Special Educational Needs (SEN) Placements	8,973	500	6%
<p>The SEN Placements budget is reporting a £500k pressure. This is an increase of £400k from last month due to 14 additional young people who are accessing 52 week education placements since the beginning of this academic year. A small number of these young people are in very high cost placements due to the complexity of their need.</p> <p>Overall there are rising numbers of children and young people who are Looked After children (LAC), have an Education, Health and Care Plan (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. Four additional such cases recently placed further pressure on this budget.</p>			
2) Commissioning Services – Out of School Tuition	1,349	100	7.4%
<p>The Out of School Tuition budget is forecasting a pressure of £100k due to an increasing number of children with a Statement of Special Educational Needs / Education, Health and Care Plans (EHCP) out of school in receipt of alternative (tuition) packages. 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. There are delays in securing permanent school places which results in alternative education packages lasting longer.</p>			
3) High needs top-up	13,573	200	1.5%
<p>Please note the £13,573k High needs top-up budget is net of £1,557k adjustments for academy and Post-16 college recoupment. The overall gross budget is £15,130k and is currently forecast to overspend by £200,000. The main reason for this is the continuing increase in the number of Post-16 pupils.</p> <p>Placements for the 2018/19 academic year are currently being finalised and as a result it is likely the overall cost for the remainder of the financial year will increase as more young people remain in education.</p>			
4) Special Schools Quantum	14,645	350	2.4%
<p>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.</p> <p>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 Littleport which opened in September these numbers will only increase further.</p>			

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.

4.0 MITIGATIONS AND FUTURE OPTIONS

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

Actions being taken:

- Special Educational Needs and Disability (SEND) Sufficiency plan to be implemented. This sets out what is needed, how and when;
 - 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. 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;
 - Deliver SEND Commissioning Strategy and action plan to maintain children with SEND in mainstream education;
 - Work on coordination of reviews for ISEPs to look at returning in to county.
 - Review of Health contributions to ensure appropriate levels are being recovered.
- 4.2 Alongside this work the County Councils Transformation team are undertaking some targeted work to look specifically at SEN Placements and Out of School Tuition with the aim of reducing the costs on these activities for 2018/19 onwards.
- 4.3 Work is also underway to review the top-up funding methodology for all providers and implement a tiered funding model in 2018. A paper will be presented to Schools Forum in December providing further information on the proposed approach.
- 4.4 An updated report on the 2017/18 DSG financial position will be presented to Schools Forum on the 19th January.
- 4.5 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% of their schools block funding into another block, i.e. the High Needs Block, with the approval of their schools forum. This will be covered in more detail in a separate report, but will require consideration as part of the overall funding settlement.

5.0 RECOMMENDATION

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

CAMBRIDGESHIRE 2018/19 FUNDING FORMULA

To: Cambridgeshire Schools Forum
Date: 3 November 2017
From: Jon Lee – Head of Integrated Finance Services
Keith Grimwade - Service Director: Learning

1.0 INTRODUCTION

1.1 Since the Schools Forum last met the Department for Education (DfE) have published a number of documents relating to schools funding for both 2018-19 and also in respect of the National Funding Formula (NFF) for both schools and high needs. The main documents that have been published include:

- **Schools revenue funding 2018 to 2019: Operational Guide** – this document provides guidance to support local authorities and schools forums in planning for the 2018-19 financial year;
- **Schools Block and High Needs NFF Technical Note** – providing the details on the DfE calculations; and
- The **response to the NFF** which includes numerous sources of information such as:
 - Analysis of and response to the schools NFF consultation;
 - The NFF for schools and high needs: Policy Document;
 - Indicative allocations at local authority level;
 - The indicative impact on schools of the NFF;
 - Provisional High Needs allocations at local authority level; and
 - The impact of the new Central Services Schools Block.

1.2 In addition the DfE have only recently released the Authority Pro-forma Tool (APT) which:

- a) Is the tool for the authority to model the impact of the formula locally; and
- b) Has to be submitted with final budget figures to the Education and Skills Funding Agency (ESFA) by 19 January 2018.

1.3 This purpose of this report is to provide Schools Forum with an overview of the school funding arrangements for 2018-19 and to discuss the consultation requirements. In addition the f40 group have issued a survey to its member authorities about the ongoing role of f40 following the NFF. This report invites the Schools Forum for their views in respect of the f40 survey.

2.0 THE NFF FOR HIGH NEEDS

2.1 As previously reported in July 2017 the intention of the High Needs NFF and the Schools NFF do differ. The High Needs NFF has set a formula which generates the High Needs funding allocations to local authorities on a standard formula. The High Needs funding allocation is made to local authorities based on this formula and the authority will still continue to operate its own local offer; that is, the local High Needs arrangements within the local authority area.

2.2 The NFF used to calculate the High Needs funding allocations for 2018-19 is provided below. The inclusion of the funding floor factor in the formula means that no authority will see a reduction in their High Needs allocation and the increased funding announced by the DfE will provide an uplift of 0.5% in 2018-19 compared to the 2017-18 baseline and an increase of 1% in 2019-20. Appendix 1 provides additional information on the 2018-19 High Needs funding arrangements.

	Basic Entitlement (ACA weighted)
+	Historic Spend
+	Proxy Factors (ACA weighted) covering: <ul style="list-style-type: none"> • Population • Disability Living Allowance • Children in bad health • KS2 low attainment • KS4 low attainment • Free school meals • IDACI
+	Funding Floor Factor
+	Hospital Education Factor
+	Import / Export Adjustment (for pupils moving across LA boundaries)
=	High Needs NFF Allocation at LA level

- 2.3 The indicative High Needs allocations for Cambridgeshire are set out below. These will be updated in the final High Needs announcement to take account of movements in pupil numbers from the census and ILR data collection. The allocations also include an adjustment that has been made by the DfE to reflect a change in the funding of special units and resourced provision in mainstream schools for 2018-19. This adjustment is cost neutral and moves £90m nationally from the High Needs Block to the Schools Block in order to fund the first £4,000 for pupils in these settings through the schools funding formula with place funding being adjusted to £6,000 for special units and resourced provision.

Cambridgeshire High Needs Allocations				
2017-18 Baseline	2018-19		2019-20	
£64,768k	£65,610k	£842k (1.3%) increase	£65,915k	£1,147k (1.8%) increase

- 2.4 The separate report at Item 3 on the 'Dedicated Schools Grant (DSG) Financial Position 2017-18' refers to an in year pressure of £661k for 2017-18. A number of factors related to High Needs are driving these pressures and include:

- A forecast pressure of £350k against the budget allocations to Special Schools. This is primarily as a result of an overall increase in commissioned places and actual pupils.
- There is a forecast pressure against the High Needs top-up budget of £200k mainly due to the increase in Post-16 pupils.
- It is estimated that the Special Educational Needs (SEN) Placements budget will have a pressure of £500k.

Whilst these pressures are being offset in 2017-18 by favourable variances in other aspects of the

DSG they will represent base budget pressures in the High Needs Block from 2018-19 onwards. In addition it is likely that there will continue to be additional pressures that arise in 2018-19 through the ongoing increase in the number of pupils with high needs.

- 2.5 The authority is planning to implement a revision to its funding formula for the Behaviour, Attendance and Improvement Partnerships (BAIPs). The refreshed formula will create a redistribution in the funded allocated to the BAIPs and the secondary schools in each area. In order to support schools with the transition to the new formula the authority is looking to protect those schools losing funding in 2018-19. This would require additional funding of £350k that can only be funded from a transfer from the Schools Block to the High Needs Block and would be funded only by secondary schools as they would be in receipt of the BAIP funding.

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

- 3.1 Appendix 2 contains a briefing note that has been circulated to all schools on the Schools NFF announcements providing a summary of the NFF arrangements as published. The key points to note in respect of the NFF for schools and the arrangements for 2018-19 are discussed in this section.
- 3.2 The NFF is a standard formula that the DfE have now concluded on and which is being used to calculate funding at an individual school level. The individual school allocations are then used to generate the local authority allocation in aggregate for 2018-19 and 2019-20. It is important for the Schools Forum and schools to note that the funding impact published by the DfE is only indicative because the allocations will be updated in December to take account of the latest pupil numbers and data sets from the October 2017 census.
- 3.3 The NFF is being implemented as a soft formula in 2018-19 and 2019-20. This means that there continues to be local discretion as to how a local authority structures its local funding formula during this period. From 2020-21 the DfE have indicated that the NFF will be a hard formula from then onwards with the calculated allocations at a school level being applied directly to all schools, meaning there would be no local discretion with the formula.
- 3.4 The NFF has created a fourth DSG Block – the Central Services Schools Block. Contained within this block are historic commitments (based on 2017-18 spend) relating to services provided by the authority and funding for ongoing responsibilities of the authority to meet statutory requirements (calculated on a per pupil basis and an element for deprivation). The diagram below shows the DSG revised model and the indicative allocations for Cambridgeshire under each block.

Cambridgeshire 2018-19 Indicative DSG Allocation			
Schools Block	Central Services Schools Block	High Needs Block	Early Years Block
£337.1m	£8.0m	£65.6m	£34.4m

Transfers from the Schools Block

- 3.5 Under the NFF the Schools Block is ring-fenced although in 2018-19 the authority is allowed to transfer up to 0.5% 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, all schools will need to be consulted on the transfer as per the Operational Guidance and the decision remains with the Schools Forum to agree a transfer of 0.5%.
- 3.6 Given the High Needs pressures outlined above and in reports on other agenda items of this Schools Forum meeting it is proposed that the authority consults with schools on a transfer of up to £1.7m from the Schools Block to the High Needs Block. The outcome of this consultation with schools would be brought to the December Schools Forum meeting to inform the decision as to whether the Schools Forum agree to the transfer between blocks.

Growth Funding

- 3.7 Growth funding is included in the Schools Block funding of the DSG. There are two elements to the growth funding which the DfE refer to as implicit and explicit growth. Implicit growth is essentially the growth funding that is factored into individual school's formula allocations through mechanisms such as weighted pupil numbers to reflect growing schools. Explicit growth refers to the Growth Fund which is being funded at historical levels using 2017-18 as the baseline - for Cambridgeshire this equates to a figure of £2.5m. As growth funding is contained within the Schools Block there is no transfer between blocks but any increase required to the Growth Fund to meet commitments would require Schools Forum approval.

- 3.8 As reported in the 'Growth Fund and Falling Rolls Criteria 2018/19' report on this agenda the Growth Fund is planned to be maintained at the 2017-18 value of £2.5m.

The NFF Factors

- 3.9 Appendix 2 also contains the NFF factors and the unit rates the DfE has set for each factor. These are set against the existing Cambridgeshire formula factors as well as Northamptonshire and Milton Keynes for information. The final NFF factors are the same as the proposed factors that the DfE consulted on previously with one exception being the introduction of a Minimum per Pupil Funding factor the intention of which is to enable the authority to implement locally a transitional minimum per pupil funding amount.
- 3.10 The existing factors used in the Cambridgeshire formula are the same as the NFF with the following exceptions:
- a) The removal of the **Looked After Children (LAC) factor** in the NFF. The DfE have transferred the value of the LAC formula factor in 2017-18 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 have 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.
 - b) The **Minimum per Pupil Funding factor**, which is a new factor in the NFF is not currently used in Cambridgeshire as it has not existed previously. The use of this factor would be subject to the overall affordability of the schools funding formula after taking account of any transfers between blocks and minimum funding guarantee costs. It is therefore not proposed that this factor is used in 2018-19.
 - c) Cambridgeshire uses the **Deprivation factor** because this is a mandatory factor. However the NFF uses current Free School Meals (FSM), Ever6 FSM and IDACI (Income Deprivation Affecting Children Index) to allocate funding under this factor whereas the Cambridgeshire formula uses current FSM and IDACI. This will represent a change to the Cambridgeshire formula.
 - d) The **Sparsity factor** which has not been used in the Cambridgeshire formula previously as the criteria for eligibility of this factor has not been considered appropriate due to size of school and distance thresholds. The NFF includes this factor, which will be a change to the Cambridgeshire formula.
 - e) It is also well publicised that the DfE have stated minimum levels of funding per pupil in the final NFF arrangements. Schools Forum should note that the minimum levels of per pupil funding are based on a schools total budget and not just the basic entitlement or the pupil led factors.

- 3.11 Whilst there are limited differences in the actual formula factors between the NFF and the

Cambridgeshire funding formula, there are more differences when the unit rates of each factor are compared. Most notably:

- The change in the lump sum from the 2017-18 Cambridgeshire value of £150k to the NFF value of £110k;
- The change in the basic entitlement (AWPU) for Secondary Key Stage 4 pupils which are £4,971 per pupil and £4,386 per pupil for the 2017-18 Cambridgeshire and NFF rates respectively - £585 less per pupil in the NFF;
- Less funding is being targeted in the NFF through IDACI within the deprivation factor than compared to the 2017-18 Cambridgeshire values, although this is offset by the introduction of the Ever6 FSM measure not currently used in the Cambridgeshire formula; and
- Prior Attainment being more highly funded under the NFF for both primary and secondary pupil.

The following table provides the detailed breakdown of the 2017-18 Cambridgeshire formula factors used and the unit values compared to the NFF factors and values (note negative figures in brackets represent a reduction in the unit rate of the factor).

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	No	600	440	(160)
	FSM current – Secondary	No	600	440	(160)
	Ever6 FSM – Primary	Yes	-	540	540
	Ever6 FSM – Secondary	Yes	-	785	540
	IDACI Band F: Primary	No	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

- 3.12 Although there are changes under the NFF which will create changes to individual school budgets based on a school's pupil characteristics, the minimum funding guarantee (MFG) is continuing under the arrangements for 2018-19 and 2019-20. Therefore any redistribution within the formula will be limited to a reduction of minus 1.5% per pupil as in previous years. However there is the ability to include a higher level of protection by setting an MFG value of between 0% and minus 1.5%. It is proposed that the MFG for 2018/19 continue to be set at minus 1.5% in the Cambridgeshire formula.
- 3.13 Schools Forum are also asked to note that the baseline funding for 2017-18 for each school, against which schools are being protected and the MFG calculation is made, does include the difference in the lump sum at the 2017-18 level compared to the 2018-19 lump sum value. In other words to calculate the MFG baseline, the 2018-19 lump sum is removed rather than the 2017-18 lump sum. This means that the difference for Cambridgeshire schools of £40k remains in the total school funding for the purposes of the MFG calculation. This provides further protection for smaller schools that may otherwise have been significantly affected by the reduction in the lump sum.

Consultation Arrangements

- 3.14 As the DfE have stated in their Operational Guidance "a local authority must engage in open and transparent consultation with all maintained schools and academies in the area, as well as with its schools forum, about any proposed changes to the local funding formula including the method, principles and rules adopted". A draft consultation document is therefore being drafted (to follow as Appendix 3) which is planned to be released to all schools following the Schools Forum meeting.
- 3.15 Based on the information contained in this report the authority is planning to consult with schools on two proposals as follows:
- 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.

Additional questions will be asked under each of these proposals in the draft consultation document to be circulated separately as Appendix 3.

- 3.16 Schools Forum are asked to discuss the proposals set out in the draft Consultation document to be circulated as Appendix 3.

4.0 SURVEY BY f40 GROUP

- 4.1 The f40 Group have released a survey to local authority members to complete a questionnaire about the outcomes of the government's National Fair Funding (NFF) consultation and subsequent decisions, and to indicate whether f40 should continue to campaign for a fairer funding deal and, if so, how. The authority will be responding to this survey by the 8th November.

5.0 ACTIONS AND RECOMMENDATIONS

5.1 Schools Forum are asked to:

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

Schools Forum are also asked for any comments and considerations on the Draft Consultation document to be issued to schools.

Appendix 1

High Needs 2018 – 2019

High Needs NFF 2018-19

- **DfE announcements on this area have been made and the following slides cover what has been identified as key areas by Officers.**
- **The 2018-19 HN block baseline for 2018-19 is the amount budgeted to spend on high needs in 2017-18 adjusted for the reduction of SEN unit place funding from £10k to £6k from April 2018 (£4k's totalling – Cambridgeshire £0.48m, Northants £1.42m, and Milton Keynes £0.51m) to the schools block as this will be funded through the schools formula to pupils in Units)**

High Needs NFF 2018-19

- **The NFF includes population and other proxy factors that use resident population in the calculation rather than where the pupil attends school or college.**
- **LAs face higher costs if they attract more HN pupils and face lower HN costs if they ‘export’ HN pupils to other LAs.**
- **The indicative adjustment is dependent on whether each authority is an importer or exporter of HN pupils the adjustment is Cambridgeshire -£306k, Northants -£558k, Milton Keynes +6k.**

High Needs NFF 2018-19

- **The following slides show the indicative impact compared in some instances to the March 2017 consultation information.**
- **The figures include any Area Cost Adjustment – +2% Cambridgeshire (nil Northants and + 4% Milton Keynes)**
- **The Government state that the high needs NFF proxy indicators consulted on previously received (in overall terms) good support so they have left the percentages as consulted on.**

High Needs NFF Composition

Basic Entitlement	• Basic unit of funding for pupils and students in specialist SEN institutions including independent schools (ACA weighted)
Historic Spend Factor	• 50% of current spend
Proxy Indicators	• All ACA weighted (hybrid methodology) – see next slide
Funding Floor Factor	• No LA to lose any funding
Hospital Education Factor	• Funds Hospital and Outreach Provision at historic levels (note plus 0.5% in 2018-19 indicative allocations)
Import/Export adjustments	• Cross-border movement of pupils

High Needs Block (Proxy Factors) – after 50% on historic spend

Population Factor (50%)

- Population (based on 2-18 year olds)

Health and Disability Factors (15%)

- Disability living allowance (pre 16 only)
- Children in bad health

Low Attainment Factors (15%)

- KS2 low attainment (average of last 5 years)
- KS4 low attainment (average of last 5 years)

Deprivation Factors (20%)

- Free School Meals
- IDACI

High Needs NFF – Cambridgeshire

+1.8%

- When fully implemented in 2019-20 +£1.1m to £65.9m

+1.3% in
18-19

- Year 1 of transition – 2018-19 +£0.8m from £64.8m to £65.6m
- 2019-20 £65.9m + £0.3m (full implementation)

High Needs NFF - Northants

+7.2%

- When fully implemented +£4.9m to £72.5m (£5.4m/+8.6%)

+3.5% in
18-19


- Year 1 of transition – 2018-19 +£2.4m from £67.6m to £70m (3.5%)
- 2019-20 £71.9m + £1.9m

High Needs NFF – Milton Keynes



+2.3%

- When fully implemented in 2019-20 +£0.9m to £39.4m



+1.8% in
18-19

- Year 1 of transition – 2018-19 +£0.7m from £38.5m to £39.2m
- 2019-20 £39.4m + £0.2m cumulative (full implementation)

Schools block

- **The operational guidance states that LAs will be able to transfer (following consultation with schools and Forum agreement) up to 0.5% of the schools block funding to cover additional high needs pressures.**
- **0.5% of the schools block is for Cambridgeshire is £1.7m.**

The National Funding Formula for Schools and High Needs

Briefing Note – September 2017

LGSS Integrated Schools Finance

Introduction

Following the Schools National Funding Formula (NFF) consultation at the start of 2017 the Department for Education has now published the outcome to the consultation and the resulting NFF for schools and high needs. This follows the Operational Guidance on schools revenue funding for 2018-19 that the Education Skills and Funding Agency (ESFA) released earlier in August 2017. This briefing note highlights the key issues for consideration by the LGSS authorities, their respective Schools Forums and the impact on our schools.

Indicative allocations have been published as part of the NFF response. It is emphasised that these are indicative numbers and will be updated in December following the updates to datasets and pupil numbers resulting from the October 2017 census. Further still the NFF for schools is being introduced as a 'soft' formula, this is vital to understand. This means that the NFF will be used to calculate notional school budgets, which will be aggregated up to provide the overall Schools Block DSG allocation at local authority level. For 2018/19 and 2019/20 local authorities in consultation with schools and the Schools Forum will determine the schools funding formula that will apply locally.

It is important to note that the actual budget experiences of schools will be dependent on their individual circumstances (pupil numbers and characteristics as at the October 2017 census), and how the formula is applied at LA level following consultation where necessary. It is therefore unlikely schools will see the same levels of increases as shown in the published illustrative data.

The tables at the end of this briefing note provide:

- Table 1 – the indicative local authority allocations by Block for the Schools Block, Central Services Schools Block and the High Needs Block;
- Table 2 – the list of funding factors for 2018-19, the values attached to them in the NFF and the rates that each LGSS authority currently use in 2017/18; and
- Table 3 – the school level impact in respect of gainers for each authority.

The NFF for Schools is positive in terms of the LGSS authorities being expected to see increases in their DSG allocations against the 2017/18 baseline position. For 2018/19 these gains will be in the region of £5.0m (2.8%) for MKC, £7.9m (2.4%) for CCC and £10.0m (2.3%) for NCC. It should be noted that these allocations will change for the reasons set out above. Schools should also note that there are varying gains resulting from the NFF as demonstrated in Table 3. Consequently some schools may not see significant increases in funding in 2018/19 compared to their 2017/18 baseline despite the increase in pupil led funding of 0.5%.

The Central Services Schools Block shows modest increases for NCC and CCC whilst there is a small reduction for MKC in 2018/19, which will need to be managed.

For the public sector

The High Needs allocations present gains to all LGSS authorities of £0.7m (1.8%) for MKC, £0.8m (1.3%) for CCC and £2.4m (3.5%) for NCC. These increases are welcome although High Needs is expected to continue to be an area of significant financial pressure for all LGSS authorities and is also a national issue.

The NFF for Schools Headlines

The DfE NFF Policy Document, as expected, is consistent with the Operational Guidance for 2018/19 previously issued. This document sets out the guidance for LAs and Schools Forums to plan the schools funding locally for 2018-19. The full document can be found at the following link and the briefing previously circulated is also attached:

<https://www.gov.uk/guidance/pre-16-schools-funding-guidance-for-2018-to-2019>

The changes to the funding system can be summarised as follows:

- a) The **creation of a fourth Funding Block** - the Central Schools Service Block comprising funding for historic commitments (based on each LAs 2017-18 budgets for the relevant areas) and ongoing responsibilities to meet statutory requirements (with 90% allocated through a per pupil factor and 10% through a deprivation factor);
- b) A **soft schools formula** in 2018/19 and 2019/20 as explained above;
- c) The funding for the four blocks will be determined by **separate formulae**;
- d) Funding allocated through **pupil led factors in the NFF will be 90.7%**, a slight increase from the national total for 2017/18 of 89.6%;
- e) Schools Block to provide for **minimum 0.5% per pupil increase in 2018-19** – each school will have a notional allocation which will be aggregated to determine the Schools Block for the authority;
- f) Per pupil funding of **£4,800 for secondary school pupils** as a minimum will be included in the national formula with an equivalent figure of **£3,500 for primary school pupils**;
- g) A **new optional formula factor enabling a transition** to the above £4,800 per pupil is provided for 2018-19;
- h) A **gains cap of 3% per pupil** will be applied in 2018/19 and 2019/20;
- i) **Flexibility to the MFG** is being allowed for 2018-19 so that the MFG (the per pupil funding protection) can be set between 0% and minus 1.5% per pupil. If the MFG was set at 0% i.e. no reductions to per pupil funding year on year, this would create a cost to the DSG which would probably need to be funded from limiting gains through applying a funding cap to those schools gaining;
- j) The **Schools Block will be ring-fenced**, however some limited flexibility has been recognised through the ability to transfer 0.5% of the Schools Block to other Blocks, this requires consultation with schools and then Schools Forum approval. Given the High Needs pressures LAs and High Needs settings are experiencing this does not resolve the High Needs funding issues – for every £100m of Schools Block DSG this would equate to a transfer out of £0.5m;
- k) The **High Needs Block will be increased by a minimum of 0.5%** against baseline in 2018-19 through the High Needs formula; and
- l) Grants outside of the DSG (main pupil premium and UIFSM funding) are not affected by the changes. The exception to this is the **pupil premium plus grant** which is being increased by a transfer from the looked after children (LAC) factors used in DSG Schools Block in 2017/18. The 2018/19 pupil premium plus rate will be £2,300.

For the public sector

The DfE have stated that there are certain categories of schools that will see the greatest gains under the formula. Analysis is being undertaken to determine whether these statements by the DfE are reflected in the gains for schools in the LGSS authorities.

Schools Likely to Gain the Most		Schools with Lower Gains	
✓	The lowest funded schools	✗	Inner London and other urban area schools that have benefited from historical funding
✓	Schools with a high number of pupils with low prior attainment	✗	London schools due to the move from the historical General Labour Market area cost adjustment (ACA) to the hybrid ACA approach
✓	Schools with high levels of deprivation that have not seen targeted deprivation funding historically		
✓	Rural schools		

Growth Fund

The growth fund for 2018/19 will be set based 2017/18 funding levels at a local authority level. Given the growth in LGSS LAs there should be consideration as to the sufficiency of the Growth Funds for 2018-19 although the treatment by the DfE in future years is not clear. The DfE are continuing to work on alternative options for 2019/20. Schools Forums need to approve the value of the pupil growth fund as well as the criteria for allocation.

The NFF for High Needs (HN) Headlines

Current High Needs allocations from the DfE are based on historical spending decisions and are not linked to levels of need at all. The HN NFF seeks to address this through the NFF that is being implemented. However it remains the case that 50% of the HN NFF will continue to be allocated on historical funding levels. There are 2 key headlines:

- 1) Under funded authorities will see gains of up to 3% in 2018/19 and 2019/20; and
- 2) Authorities will be protected from losing funding and will see 0.5% minimum increases per head in 2018/19 and a cumulative 1% in 2019/20 compared to planned spending levels in 2017/18.

£124m of extra funding is being provided in the 2018/19 allocations. There will also be a transfer of £91m from the HN Block to the Schools Block to provide core per pupil funding in mainstream school special units and resourced provision through the Schools Block. This is linked to the reduction in unit place funding from £10k to £6k from April 2018.

Movements in high needs pupil numbers during the autumn term will be assessed as part of the final local authority allocations for December 2017. Receiving final allocations in December will be 3 months earlier than the current announcements which will support improved planning for the HN budget.

The HN NFF will be comprised of the following:

For the public sector

	Basic Entitlement (ACA weighted)
+	Historic Spend
+	Proxy Factors (ACA weighted) covering: <ul style="list-style-type: none">• Population• Disability Living Allowance• Children in bad health• KS2 low attainment• KS4 low attainment• Free school meals• IDACI
+	Funding Floor Factor
+	Hospital Education Factor
+	Import / Export Adjustment (for pupils moving across LA boundaries)
=	High Needs NFF Allocation at LA level

It should be noted that the HN NFF is calculated at local authority level not individual setting level. The local HN offer continues to be for local authorities to determine.

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For the public sector

Table 1 – the indicative local authority allocations by Block for the Schools Block, Central Services Schools Block and the High Needs Block.

2018/19 Indicative Allocations								2019/20 Illustrative Allocations				
	2017/18 Baseline	Primary Numbers	Secondary Numbers	Actual Funding Growth, Premises, Mobility	CSSB Funding for Historical Commitments	Provisional NFF Allocation 2018/19	Increase Compared Baseline £ %	Actual Funding Growth, Premises, Mobility	CSSB Funding for Historical Commitments	Provisional NFF Allocation 2019/20	Increase Compared Baseline £ %	
Schools Block												
Milton Keynes	£176,635,853	26,065	14,793	£8,395,873		£181,651,230	£5,015,377 2.8%	£8,395,873		£186,135,638	£9,499,785 5.4%	
Cambridgeshire	£329,208,904	49,793	28,538	£9,903,512		£337,107,599	£7,898,695 2.4%	£9,911,141		£342,773,291	£13,564,387 4.1%	
Northamptonshire	£437,559,063	65,027	38,135	£9,575,389		£447,554,752	£9,995,690 2.3%	£9,661,376		£454,095,516	£16,536,454 3.8%	
England Total	£32,608,871,017	4,450,147	2,726,127	£907,773,659		£33,217,230,347	£608,359,330 1.9%	£913,803,232		£33,637,990,602	£1,029,119,585 3.2%	
CSSB Block												
Milton Keynes	£1,492,000				£0	£1,454,700	(37,300) -2.5%		£0	£1,429,187	(62,813) -4.2%	
Cambridgeshire	£7,949,096				£5,770,000	£8,004,183	£55,087 0.7%		£5,770,000	£8,051,867	£102,771 1.3%	
Northamptonshire	£10,856,585				£7,777,317	£10,934,429	£77,844 0.7%		£7,777,317	£11,001,811	£145,226 1.3%	
England Total	£465,274,343				£224,412,763	£465,507,343	£233,000 0.1%		£224,412,763	£465,507,343	£233,000 0.1%	
High Needs Block												
Milton Keynes	£38,524,172					£39,219,955	£695,783 1.8%			£39,397,965	£873,793 2.3%	
Cambridgeshire	£64,768,219					£65,610,433	£842,214 1.3%			£65,915,596	£1,147,376 1.8%	
Northamptonshire	£67,635,879					£70,003,709	£2,367,830 3.5%			£71,901,074	£4,265,195 6.3%	
England Total	£5,844,252,863					£5,967,936,075	£123,683,213 2.1%			£6,033,641,890	£189,389,028 3.2%	
Combined Totals												
Milton Keynes	£216,652,025					£222,325,885	£5,673,860 2.6%			£226,962,791	£10,310,765 4.8%	
Cambridgeshire	£401,926,220					£410,722,215	£8,795,996 2.2%			£416,740,754	£14,814,535 3.7%	
Northamptonshire	£516,051,526					£528,492,889	£12,441,363 2.4%			£536,998,401	£20,946,874 4.1%	
England Total	£38,918,398,222					£39,650,673,765	£732,275,543 1.9%			£40,137,139,836	£1,218,741,613 3.1%	

For the public sector

Table 2 – the list of funding factors for 2018-19, the values attached to them in the NFF and the rates that each LGSS authority currently use in 207/18.

FUNDING FACTORS		FINAL NFF RATES			LGSS AUTHORITY 2017/18 RATES								
		UNIT VALUES	TOTAL FUNDING	% OF CORE TOTAL	NORTHAMPTONSHIRE			CAMBRIDGESHIRE			MILTON KEYNES		
					UNIT VALUES	TOTAL FUNDING	% OF CORE TOTAL	UNIT VALUES	TOTAL FUNDING	% OF CORE TOTAL	UNIT VALUES	TOTAL FUNDING	% OF CORE TOTAL
		£	£M		£	£M		£	£M		£	£M	
BASIC PER PUPIL FUNDING			24,183	72.9%		329.0	76.1%		258.7	79.3%		133.5	78.7%
	AWPU: Primary	2,747	12,595	38.0%	2,689	175.1	40.5%	2,711	136.2	41.7%	2,758	73.7	43.4%
	AWPU: Secondary KS3	3,863	6,668	20.1%	3,835	90.4	20.9%	3,823	122.5	37.6%	3,992	59.8	35.3%
	AWPU: Secondary KS4	4,386	4,734	14.3%	4,332	63.2	14.6%	4,971			3,992		
	Minimum per pupil funding	n/a	185	0.6%	-	-	-	-	-	-	-	-	-
ADDITIONAL NEEDS FUNDING			5,906	17.8%		59.1	13.3%		24.6	7.5%		18.7	11.1%
Deprivation			3,022	9.1%		50.7	11.7%		11.4	3.5%		10.0	5.9%
	Current FSM top up (pupils currently claiming FSM at the last census): Primary	440	291	0.9%	-	-	-	600	3.1	0.9%	-	-	-
	Current FSM top up (pupils currently claiming FSM at the last census): Secondary	440	173	0.5%	-	-	-	600	1.6	0.5%	-	-	-
	FSM 6 (any pupil that has ever claimed FSM in the past 6 years): Primary	540	626	1.9%	2,027	26	6.0%	-	-	-	793	2.5	2.2%
	FSM 6 (any pupil that has ever claimed FSM in the past 6 years): Secondary	785	641	1.9%	2,867	25	5.7%	-	-	-	766	1.3	
	IDACI band F: Primary	200	94	3.9%	-	-	-	220	6.7	2.0%	128	0.4	3.7%
	IDACI band F: Secondary	290	80		-	-		220			221	0.4	
	IDACI band E: Primary	240	101		-	-		500			192	0.4	
	IDACI band E: Secondary	390	95		-	-		500			332	0.4	
	IDACI band D: Primary	360	131		-	-		500			256	0.5	
	IDACI band D: Secondary	515	108		-	-		500			443	0.4	
	IDACI band C: Primary	390	123		-	-		750			384	0.5	
	IDACI band C: Secondary	560	102		-	-		750			664	0.5	
	IDACI band B: Primary	420	165		-	-		750			511	1.2	
	IDACI band B: Secondary	600	135		-	-		750			886	1.1	
	IDACI band A: Primary	575	88		-	-		750			511	0.2	
	IDACI band A: Secondary	810	69		-	-		750			886	0.2	
Low Prior Attainment			2,458	7.4%		6.8	1.2%		9.0	2.8%		6.2	3.7%
	Low prior attainment: Primary	1,050	1,531		290	3.5	0.6%	750	6.2	1.9%	751	3.1	1.9%
	Low prior attainment: Secondary	1,550	928		356	3.3	0.6%	420	2.8	0.9%	952	3.1	1.9%
English as an Additional Language			404	1.2%		1.6	0.4%		4.2	1.3%		2.5	1.5%
	EAL: Primary	515	299		183	1.2	0.3%	750	3.7	1.1%	652	2.3	1.4%
	EAL: Secondary	1,385	106		352	0.4	0.1%	750	0.5	0.2%	661	0.2	0.1%
Mobility			22	0.1%	-	-	-	-	-	-		0.1	0.1%

For the public sector

FUNDING FACTORS		FINAL NFF RATES		
		UNIT VALUES	TOTAL FUNDING	% OF CORE TOTAL
		£	£M	
SCHOOL LED FUNDING			3,077	9.3%
Lump Sum			2,267	6.8%
	Lump Sum Primary	110,000	1,892	5.7%
	Lump Sum Secondary	110,000	375	1.1%
Sparsity			26	0.1%
	Sparsity Primary	25,000	21	0.1%
	Sparsity Secondary	65,000	5	0.0%
Premises			610	1.8%
Explicit Growth			174	0.5%
Area Cost Adjustment (already included in each subtotal above)			824	-
CORE TOTAL (EXCLUDING FUNDING FLOOR)			33,166	
Funding Floor			624	
TOTAL (INCLUDING FUNDING FLOOR)			33,790	

LGSS AUTHORITY 2017/18 RATES								
NORTHAMPTONSHIRE			CAMBRIDGESHIRE			MILTON KEYNES		
UNIT VALUES	TOTAL FUNDING	% OF CORE TOTAL	UNIT VALUES	TOTAL FUNDING	% OF CORE TOTAL	UNIT VALUES	TOTAL FUNDING	% OF CORE TOTAL
£	£M		£	£M		£	£M	
	37.6	8.7%		36.3	11.1%		14.0	8.2%
125,000	32.3	7.5%	150,000	31.3	9.6%	133,000	11.9	7.0%
125,000	5.3	1.2%	150,000	5.0	1.5%	175,000	2.1	1.2%
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
	425.7			319.6			166.2	
-	-	-	-	-	-	-	-	-
	425.7			319.6			166.2	

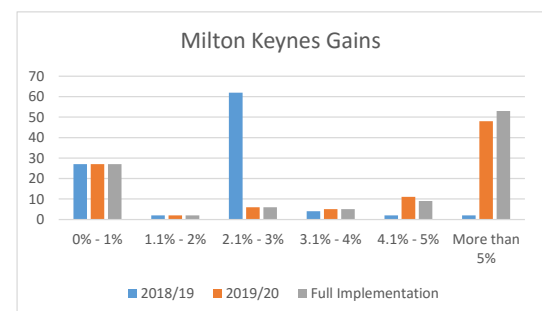
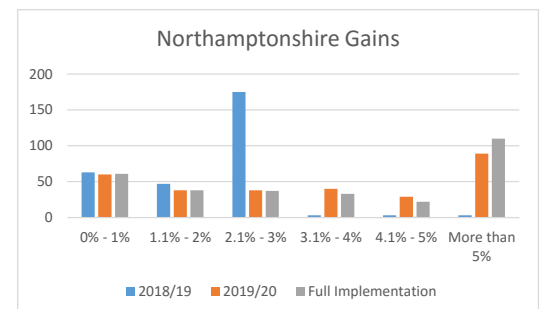
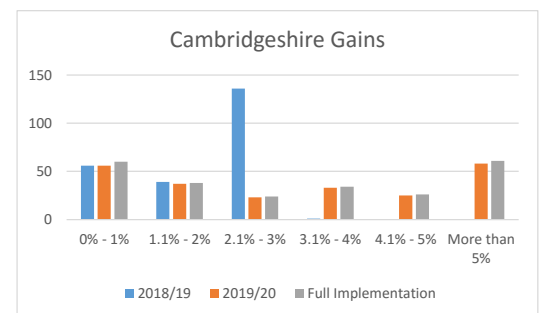
Notes

- 1 Note - premises factor funding is included at historic values e.g. rates, split sites
- 2 Note - Cambridgeshire used the LAC factor in 2017/18 which is being removed from the NFF

For the public sector

Table 3 – the school level impact in respect of gainers for each authority.

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
Northamptonshire			
Total Number of Schools	294	294	301
Gains between:			
0% - 1%	63	60	61
1.1% - 2%	47	38	38
2.1% - 3%	175	38	37
3.1% - 4%	3	40	33
4.1% - 5%	3	29	22
More than 5%	3	89	110
	294	294	301
Milton Keynes			
Total Number of Schools	99	99	102
Gains between:			
0% - 1%	27	27	27
1.1% - 2%	2	2	2
2.1% - 3%	62	6	6
3.1% - 4%	4	5	5
4.1% - 5%	2	11	9
More than 5%	2	48	53
	99	99	102



CENTRAL SCHOOL SERVICES BLOCK, RETAINED FUNDING AND DE-DELEGATIONS

To: Cambridgeshire Schools Forum
Date: 3rd November 2017
From: Martin Wade – Strategic Finance Business Partner
 Keith Grimwade - Service Director: Learning

1.0 INTRODUCTION

- 1.1 As previously reported to Schools Forum, in the latest national funding formula proposals the Department for Education (DfE) have confirmed the creation of a central school services block which will include funding for responsibilities previously included within the Education Services Grant (ESG) and responsibilities previously funded through centrally retained Dedicated Schools Grant (DSG).
- 1.2 Alongside the central school services block local authorities (LAs) will be able to request an additional contribution from maintained schools to support the removal of the general duties funding.
- 1.3 Finally the ability to de-delegate from maintained primary schools will continue into 2018/19.
- 1.4 The report below will therefore provide further information in respect of the:
- Mechanism for the central school services block, and contribution to combined budgets.
 - Ongoing functions previously funded by the ESG.
 - Proposed de-delegations for maintained primary schools.

2.0 CENTRAL SCHOOL SERVICES BLOCK

- 2.1 Based on the latest published illustrative figures for the Central School Services Block (CSSB) Cambridgeshire will receive approximately £8,004k in 2018/19 against a 2017/18 baseline of £7,949k. Please note: The final figure to be received will be adjusted based on the October 2017 census.

Illustrative CSSB Funding for 2018/19:

	2018/19 Illustrative	Description
NFF Historic Commitments Funding	£5,770k	As per DfE illustrative figures
NFF Ongoing Commitments Funding	£2,454k	As per DfE illustrative figures (pupil-led)
NFF Central School Services Block Funding	£8,309k	As per DfE illustrative figures
Cap on Gains in Year 1	-£306k	As per DfE illustrative figures
Revised NFF Central School Services Block Funding for 2018-19	£8,004k	As per DfE illustrative figures

2.2 Revised 2017/18 CSSB baseline:

Section 251 Budget Line	2017/18 Baseline	Description
1.4.1 Contribution to combined budgets*	£4,312k	£3,527k – contribution to Children’s Services £733k – Early Intervention Family Worker (previously Parental Support Advisors), £52k – Residual CPH Funds and Other Contracts
1.4.6 Capital expenditure from revenue (CERA)*	£1,458k	Cambridgeshire Public Services Network (CPSN) Broadband Contract
Total Spend on Historic Commitments	£5,770k	
1.4.2 School Admissions	£396k	Can be increased with Forum approval. (change in guidance for 2017/18)
1.4.3 Servicing of Schools Forum	£3k	No increase in expenditure allowed – unless disapplication approved by the Secretary of State
1.4.12 Exceptions agreed by Secretary of State	£400k	National Copyright Licence arrangements – set by DfE
2017-18 ESG Retained Duties Funding	£1,279k	Based on £15 per pupil
Other Adjustments	£100k	One-off rates adjustments
Total Ongoing Functions Baseline	£2,179k	
Total Central School Services Block Baseline	£7,949k	As per DfE figures

*Please note: Contribution to Combined Budgets was reduced by over £350k in 2016/17. (Previously £4,670k). CERA was reduced by £80k in 2017/18 to £1,458k.

- 2.3 As previously reported the expectation is that the £5.770m for historic commitments will unwind over time, for example because a contract has reached its end point. The DfE would therefore expect local authorities to reflect this in Section 251 returns and the Education and Skills Funding Agency (ESFA) will monitor historic spend year-on-year and will challenge LA’s where spend is not reducing as expected.
- 2.4 However, it is still not clear how funding recycled into other funding blocks would be treated with a move towards a hard national funding formula for schools. For example, if funding is moved into the Schools Block in 2018-19 is there a danger it will be “lost” when the hard funding rates are introduced in future years?
- 2.5 Currently £733k of the contribution to combined budgets supports the Early Intervention Family Workers as approved by Schools Forum. £52k supports residual Primary funding arrangements and other contractual arrangements and the remaining £3,527k notionally supports a number of services within the wider People and Communities (P&C) – formerly Children’s Families and Adults (CFA) Directorate.
- 2.6 In the context of the wider Business Planning process for the County Council, total savings

of £37.2m are required in 2018/19, and a total of £85m across the next 5 years. Despite over £25m of savings and £6m of additional income already having been identified for next year there is still a gap of over £5.5m to be funded. The latest position and draft business planning proposals were presented to the Children and Young People (CYP) Committee on 10 October 2017 and the full report can be viewed at:

<https://cmis.cambridgeshire.gov.uk/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/631/Committee/4/SelectedTab/Documents/Default.aspx> (Agenda item 7)

- 2.7 The current funding model assumes that the Early Intervention Support Workers - £733k will be approved on an ongoing basis, but the £3,579k is at risk and therefore if Schools Forum were **not** to approve the continued usage further savings would need to be found to offset the overall pressure.
- 2.8 Forum have previously requested a list of functions/services which would be impacted if the contribution to combined budgets was not approved in totality or reduced from current levels. However, other than for the Early Intervention Support Workers, due to the way in which the Business Planning process is undertaken and the contribution to combined budgets notionally allocated there is not a direct relationship between a reduction in funding and a potential reduction in service. For example, if the funding is reduced it would not automatically result in a reduction in service for specific areas.
- 2.9 As the scope for traditional efficiencies diminishes the approach to Business Planning has focussed on a range of more fundamental changes to the way the organisation works across a number of key themes:
- Income and Commercialisation
 - Strategic Partnerships
 - Demand Management
 - Commissioning
 - Modernisation
- 2.10 This has resulted in the majority of current proposals for delivery being transformational in nature and any further savings required are likely to focus on areas such as:
- 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 (ESLAC)
 - Youth Service
 - Preparing for Adulthood Additional Needs Team
 - Occupational Therapists

Equally there are a number of Outcome Focussed Reviews (OFRs) being undertaken on a number of other key services such as traded services to schools.

- 2.11 **Members of Schools Forum are asked to comment on the section above and approve the continuation of the £733k for Early Intervention Support Workers and £3,579k for other Historic Commitments to Contribution to Combined Budgets into 2018/19.**

3.0 EDUCATION SERVICES GRANT FUNCTIONS

3.1 As previously reported the Education Services Grant (ESG) has now ceased and the duties it supported funded by alternative mechanisms:

- The retained duties rate to fund services provided to all schools, including academies - £15 per pupil agreed at the December 2016 Schools Forum meeting. Now included in the Central School Services Block (CSSB) Ongoing Commitments funding as set out in 2.1 above.
- The general duties rate for services authorities provide to maintained schools but which academies must provide themselves - £10 per maintained pupil at the December 2016 Schools Forum meeting.

3.2 Appendix A shows the full list of central services that may be funded with agreement of Schools Forum. At the previous meeting of Schools Forum a list of these functions/services totalling approximately £2.7m was presented, and as part of the overall review of Education functions within the LA work is ongoing to develop these proposals further.

3.3 Following the cessation of the one-off transitional funding the overall reduction in ESG equivalent funding has been factored into the overall funding model. The LA has managed the £3.5m-£4m reduction over the past 3 years, including £1m from 2017/18 as part of the overall business planning process and therefore does not propose increasing the retained duties funding for 2018/19.

3.4 For 2018/19 it is proposed to:

- Continue to apply the £1,279k (or equivalent once the final figure has been adjusted for pupil numbers) now in the CSSB to support retained duties.
- Continue to retain £10 per pupil from maintained schools for services specifically provided to maintained schools.

<u>Retained Duties Estimates</u>	2018/19 £000
Estimated Retained Duties (£15 per pupil) - Applies to all Schools*	£1,279
Estimated Education Functions - £10 per pupil - Maintained Only*	£285
Estimated Total Retained Funding	£1,564

*Final amounts will be dependent on October 2017 pupil numbers and academy conversions.

3.5 **Members of Schools Forum are asked to approve the following ongoing 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.**

4.0 DE-DELEGATIONS

4.1 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

4.1 The current basis, total de-delegation for 2016/17 and proposals for 2017/18 are set out below:

	Agreed 2017/18 Basis	Est. 2017/18 Amt. £'000	Proposed 2018/19 Basis	Est. 2018/19 Amt.
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	£18.20 per pupil	
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		

4.2 Final de-delegation amounts for 2018/19 will be updated on receipt of revised data from the 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.

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

4.4 **CREDS** – Plans are currently being developed for a fully traded service for all schools. If implemented this will result in no requirement for future de-delegation arrangements. However, if a fully traded model is introduced it is likely to mean that some maintained schools will have to pay more if they continue with their current level of provision, and equally there may be some services that CREDS will no longer be able to provide due to reduced economies of scale. Further discussions will be held with the Cambridgeshire Primary Heads group (CPH), and more detailed proposals presented at the December meeting of Schools Forum.

4.5 **Free School Meals Eligibility** – No proposed change to de-delegation rate for 2018/19.

4.6 **Insurance** – Awaiting final details of cost for 2018/19. Final per pupil amount will be updated to reflect any changes in overall cost.

- 4.7 **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). The pay-out amounts would remain the same.
- 4.8 **Trade Union Facilities Time** – This de-delegation provides approximately half of the funding used to provide payments for the 6 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 (i.e. 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.
- 4.9 **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**
- 5.0 **NEXT STEPS**
- 5.1 ***Members of Schools Forum are asked to note the approach set out above.***

Appendix A - Central services that may be funded with agreement of schools forums

Statutory and regulatory duties

Responsibilities held for all schools	Responsibilities held for maintained schools only
<p>Director of children's services and personal staff for director (Sch 2, 15a)</p> <p>Planning for the education service as a whole (Sch 2, 15b)</p> <p>Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 2, 22)</p> <p>Authorisation and monitoring of expenditure not met from schools' budget shares (Sch 2, 15c)</p> <p>Formulation and review of local authority schools funding formula (Sch 2, 15d)</p> <p>Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 except duties specifically related to maintained schools (Sch 2, 15e)</p> <p>Consultation costs relating to non-staffing issues (Sch 2, 19)</p> <p>Plans involving collaboration with other LA services or public or voluntary bodies (Sch 2, 15f)</p> <p>Standing Advisory Committees for Religious Education (SACREs) (Sch 2, 17)</p> <p>Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21)</p>	<p>Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 2, 56)</p> <p>Budgeting and accounting functions relating to maintained schools (Sch 2, 73)</p> <p>Functions relating to the financing of maintained schools (Sch 2, 58)</p> <p>Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2, 57)</p> <p>Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 58)</p> <p>Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 for maintained schools (Sch 2, 59)</p> <p>Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 60)</p> <p>Investigations of employees or potential employees, with or without remuneration to work at or for schools under the direct management of the headteacher or governing body (Sch 2, 61)</p> <p>Functions related to local government pensions and administration of teachers' pensions in relation to staff working at maintained schools under the direct management of the headteacher or governing body (Sch 2, 62)</p> <p>Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 75)</p> <p>HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition or organisation of staff (Sch 2, 63); determination of conditions of service for non-teaching staff (Sch 2, 64); appointment or</p>

Responsibilities held for all schools	Responsibilities held for maintained schools only
	<p>dismissal of employee functions (Sch 2, 65)</p> <p>Consultation costs relating to staffing (Sch 2, 66)</p> <p>Compliance with duties under Health and Safety at Work Act (Sch 2, 67)</p> <p>Provision of information to or at the request of the Crown relating to schools (Sch 2, 68)</p> <p>School companies (Sch 2, 69)</p> <p>Functions under the Equality Act 2010 (Sch 2, 70)</p> <p>Establish and maintaining computer systems, including data storage (Sch 2, 71)</p> <p>Appointment of governors and payment of governor expenses (Sch 2, 72)</p>

Table 8a: Central services responsibilities held by local authorities (statutory and regulatory duties)

Education welfare

Responsibilities held for all schools	Responsibilities held for maintained schools only
<p>Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20)</p> <p>School attendance (Sch 2, 16)</p> <p>Responsibilities regarding the employment of children (Sch 2, 18)</p>	<p>Inspection of attendance registers (Sch 2, 78)</p>

Table 8b: Central services responsibilities held by local authorities (education welfare)

Asset management

Responsibilities held for all schools	Responsibilities held for maintained schools only
<p>Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions (Sch 2, 14a)</p> <p>General landlord duties for all buildings owned by the local authority, including those leased to academies (Sch 2, 14b)</p>	<p>General landlord duties for all maintained schools (Sch 2, 76a & b (section 542(2)) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have:</p> <ul style="list-style-type: none"> appropriate facilities for pupils and staff (including medical and accommodation) the ability to sustain appropriate loads

Responsibilities held for all schools	Responsibilities held for maintained schools only
	<ul style="list-style-type: none"> • reasonable weather resistance • safe escape routes • appropriate acoustic levels • lighting, heating and ventilation which meets the required standards • adequate water supplies and drainage • playing fields of the appropriate standards <p>General health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc. Act 1974)</p> <p>Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012)</p>

Table 8c: Central services responsibilities held by local authorities (asset management)

Central support services

Responsibilities held for all schools	Responsibilities held for maintained schools only
No functions	<p>Clothing grants (Sch 2, 52)</p> <p>Provision of tuition in music, or on other music-related activities (Sch 2, 53)</p> <p>Visual, creative and performing arts (Sch 2, 54)</p> <p>Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 55)</p>

GROWTH FUND AND FALLING ROLLS CRITERIA 2018/19

To: Cambridgeshire Schools Forum
Date: 3rd November 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 is still need to agree the total growth fund allocation.

1.2 The growth fund can only be used to :

- support growth in pre-16 pupil numbers to provide extra places in order to meet basic need within the authority's area of responsibility.
- support additional classes needed to meet 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. As the Growth Fund is a top slice on the Schools Block it is available for pupils aged 5-16 only. It cannot be used to support growth in under-5 or post-16 pupil numbers.

1.3 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 Local Authority's (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 made 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 is not proposed to increase the level of the growth fund above 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 show that the surplus places will be needed in the near future. However as there is a mandatory requirement that *“Support is available only for schools judged Good or Outstanding at their last Ofsted inspection”*, Forum have previously taken the view that it was not appropriate to apply such a factor.

3.0 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 requiring the running of additional classes or significant restructure they **may be** able to access additional funding.
 - Where the predicted catchment numbers for a **Secondary** School for the following September show an increase (excluding Post-16) requiring the running of additional classes or 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 catchment area 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.)

3.2 Funding Rates

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.

3.3 Other Factors and Considerations

- A class is defined as “additional” if it requires a change in the school’s current or historical class organisation or number of classes. In Primary schools this may result in mixed year teaching where numbers dictate and this is seen as the most prudent option for the organisation of the school as whole.
- Schools that have historically operated mixed-age classes or have a PAN in a multiple of less than 20 would be normally expected to operate some mixed-age classes. (The growth fund cannot be used to reduce class sizes.)
- Should additional pupils be admitted following successful appeals the expectation is that the school would be able to accommodate these without the need to re-organise or employ an additional teacher.
- The requirement for additional classes or forms of entry will be reviewed on a case-by-case basis. Funding will be allocated based on the requirement for additional support / classes / forms of entry.
- 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% (of ISB for Secondary). These instances will be reviewed on a case-by-case basis.
- Given that the funding formula now allocates an equal lump sum to all schools regardless of size no further additional funding will be provided to support any changes in leadership structure.
- Where schools are in areas of high growth, support may be provided to allow schools to maintain class structures where there is uncertainty over timescales for the completion and occupation of new housing developments. As these arise, they will be addressed on an individual basis and will be funded using estimates of the number of places required to meet demand from the catchment area.
- Where the LA supports a school’s decision to extend its age range, additional support will be made available subject to meeting the criteria 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 **Academies**

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

- Where an academy is expanding due to parental preference rather than basic need the Education and Skills Funding Agency (ESFA) may agree additional funding in exceptional circumstances.
- Any growth funding 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.
- Where growth occurs in academies that are funded by ESFA on estimates, ESFA will use the pupil number adjustment process to ensure the academy is only funded for the growth once.

3.4 **New Schools**

- Where a new school is opening, LAs are required to estimate the pupil numbers expected to join the school in September to generate funding through the Authority Proforma Tool (APT). LAs should also estimate pupil numbers for all schools and academies, including free schools, where they have opened in the previous seven years and are still adding year groups. These estimates should be adjusted each year to take account of the actual pupil numbers in the previous funding period. For academies an allocation of funding is recouped from each LA and following formula replication by the 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, to which no changes are proposed for 2018/19.
- 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 ESFA will continue to pay start-up and diseconomies costs for free schools.

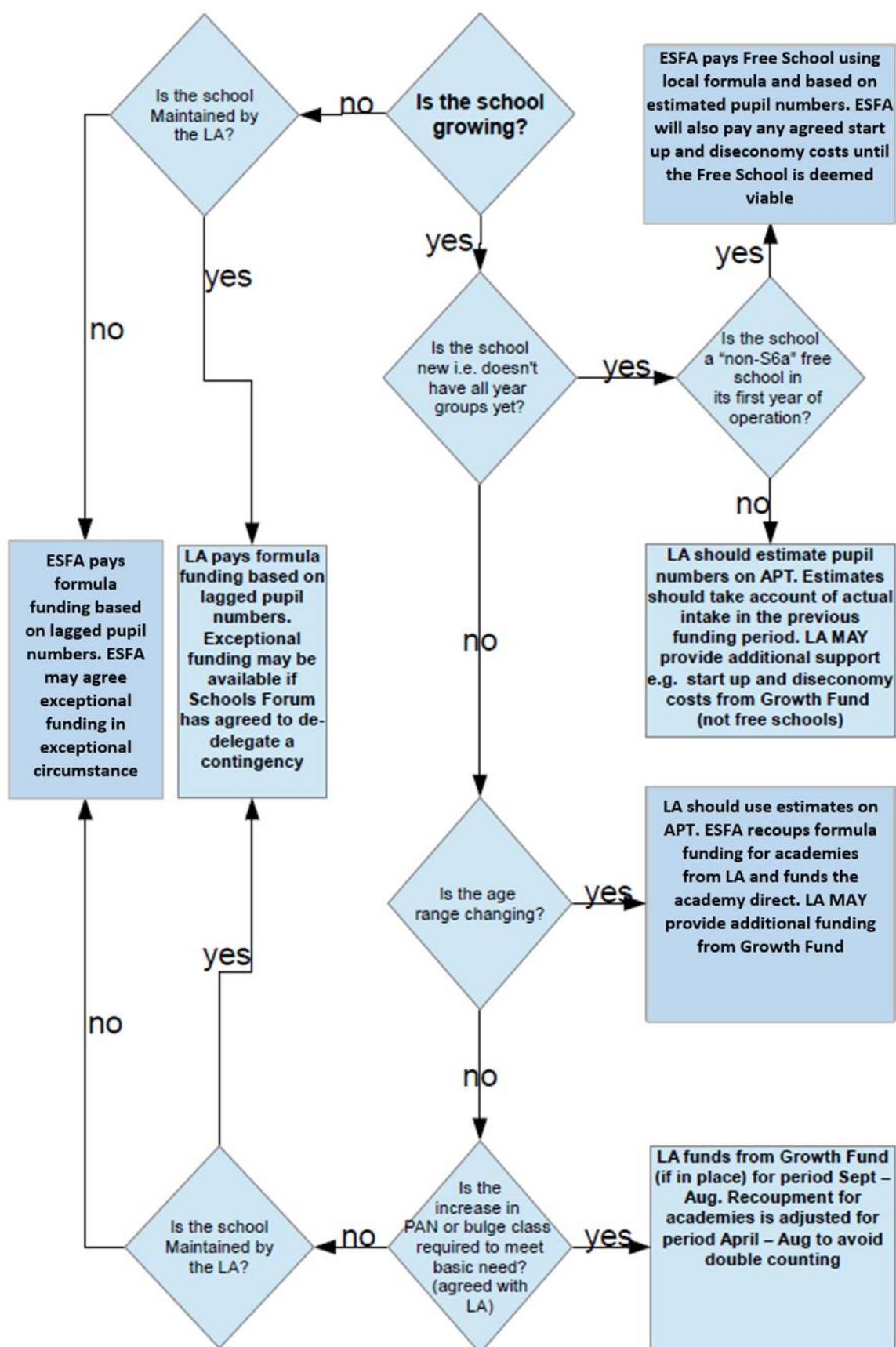
4.0 **AMENDMENTS TO FUNDING CRITERIA**

- 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.***

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



CAMBRIDGESHIRE SCHOOLS FORUM – FORWARD AGENDA PLAN

DATE/TIME/ VENUE	AGENDA ITEMS	AUTHOR	DEADLINE FOR REPORTS TO DEMOCRATIC SERVICES
Friday 3 November 2017, 10.00am Kreis Viersen Room, Shire Hall, Cambridge	Apologies for absence and declarations of interest	<i>verbal</i>	Tuesday 24 October 2017
	Minutes of the Meeting on 7 July 2017 and Action Log	Richenda Greenhill	
	Dedicated Schools Grant Financial Position 2017-18	Martin Wade	
	National Funding Formula Update and Consultation	Jon Lee	
	Central School Services Block, Retained Funding and De-Delegations	Martin Wade	
	Growth and Falling Rolls 2018/19	Martin Wade	
	Agenda Plan	Richenda Greenhill	
	Date of Next Meeting	<i>verbal</i>	

Wednesday 13 December 2017, 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 6 October 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 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, Cambridge10.00am 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, Cambridge10.00am 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 26.10.17

