

Date: Friday, 17 March 2017

Democratic and Members' Services

Quentin Baker
LGSS Director: Law, Procurement

10:00hr

and Governance

Shire Hall
Castle Hill
Cambridge
CB3 0AP

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

AGENDA

- | | | |
|---|---|----------------|
| 1 | <u>Apologies for Absence</u> | |
| 2 | <u>Minutes of the Meeting on 27 January 2017 and Action Log</u> | 3 - 10 |
| 3 | <u>National Funding Formula - Update</u> | 11 - 34 |
| 4 | <u>Future Budget Considerations</u> | 35 - 44 |
| 5 | <u>Apprenticeship Levy</u>

To receive a presentation by Alison Bretherton, LGSS Workforce Planning and Strategy (<i>to follow</i>). | |
| 6 | <u>Composition of Cambridgeshire Schools Forum - Update</u> | 45 - 46 |
| 7 | <u>Agenda Plan</u> | 47 - 48 |

8 Date of Next Meeting

To note that Schools Forum will meet next on Friday 7 July 2017 at 10.00am in the Kreis Viersen Room, Shire Hall, Cambridge CB3 0AP.

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

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

Clerk Name: Richenda Greenhill

Clerk Telephone: 01223 699171

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

The Council does not guarantee the provision of **car parking** on the Shire Hall site and you will need to use nearby public car parks <http://tinyurl.com/ccf-carpark> or public transport.

CAMBRIDGESHIRE SCHOOLS FORUM: MINUTES

Date: Friday 27 January 2017

Time: 10.00am – 11.55am

Place: Kreis Viersen Room, Shire Hall, Cambridge

Present:

Forum Members:

P Hodgson (Chairman), Dr A Rodger (Vice Chairman), S Blyth, L Calow, M Carter (substituting for A Hutchinson), S Connell, T Davies, A Goulding, Dr I McEwan (substituting for M Woods), A Matthews, D Parfitt, A Reeder, S Tinsley and R Waldau

Observers

J Cornwell	UNISON
(substituting for R Turner)	
G Fewtrell	Teachers' Union
Councillor P Downes	Cambridgeshire County Council
Councillor J Whitehead	Cambridgeshire County Council

Officers

K Grimwade, J Lee, M Moore, S Surtees, M Teasdale, M Wade and R Greenhill (Clerk)

Apologies:

Forum Members: K Coates, J Digby, A Hutchinson (substituted by M Carter), J North, Dr K Taylor and M Woods (substituted by Dr I McEwan)

Observers:

Councillor D Harty	Cambridgeshire County Council
R Turner	UNISON
(substituted by J Cornwell)	

168. MEMBERSHIP

The Chairman welcomed Andrew Goulding, Principal of Hinchingsbrook School, as a member of the Forum. Mr Goulding had succeeded Kate Evans, Principal of Bottisham Village College, as a secondary academy representative.

169. APOLOGIES FOR ABSENCE

Apologies and substitutions were noted as recorded above.

170. MINUTES OF THE MEETING ON 14 DECEMBER 2016 AND ACTION LOG:

The minutes of the meeting held on 14 December 2016 were approved as a correct record, subject to a correction to the list of attendees to record D Parfitt as having been present rather than A Bishop. The corrected minutes were signed by the Chairman.

The following updates to the Action Log were noted:

1. Minute 163: Social, Emotional and Mental Health (SEMH) Pilot Scheme Evaluation

Members reported that mixed messages had been received on whether the pilot schemes would be extended for a further three months at a cost of £90k. The Director of Strategy and Commissioning said that she would ask the Head of Special Educational Needs and Disabilities (SEND) Specialist Services to clarify the position.

(Action: Head of SEND Specialist Services)

170. SCHOOLS BUDGETS 2017-18: UPDATE

The Forum received a report from the Strategic Finance Manager (Children and Schools) providing an update on schools budget setting for 2017-18. The Department for Education (DfE) had published the Dedicated Schools Grant (DSG) Funding Settlement for 2017-18 on 20 December 2016. The figures were broadly as expected and included an uplift of £1.58m relating to the High Needs Block. This was the first financial recognition by central government of the pressures facing Cambridgeshire in relation to high needs due to increases in population and as such was particularly welcome. This meant that the final amount which needed to be transferred from the Schools Block to meet the pressures on the High Needs Block would be £0.67m rather than the £2.25m which was reluctantly approved by the Forum in December 2016 (£2.25m less the central government uplift of £1.58m = £0.67m). This figure had been approved by the Children and Young People Committee on 17 January 2017 and it was intended to circulate draft illustrative budgets for 2017-18 to all schools that afternoon.

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

- The figures in Appendix A, Number 1 were amended as follows: Primary values amended from £2,711 to £2,714; Key Stage 3 values amended from £3,823 to £3,827; and Key Stage 4 values amended from £4,971 to £4,975;
- Officers were still seeking more information on the implementation of the apprenticeship levy from the DfE. This would be circulated to members when available, but the potential impact on multi-academy trusts and some larger stand-alone schools was noted;
(Action: Strategic Finance Manager)
- The number of schools triggering the minimum funding guarantee in 2017-18 would increase from 26 to 57;
- It was hoped to publish illustrative budgets for special schools in February 2017;
- The number of applications for free school meals (FSM) obtained through the January census was not yet available, but would be made available once known.
(Action: Strategic Policy and Early Years Operations Manager) It was noted that entitlement to FSMs nationally was reducing due to changes in the eligibility criteria.

It was resolved to note the update.

171. PUBLIC FINANCE INITIATIVE (PFI) RE-FINANCING: THOMAS CLARKSON ACADEMY

The Forum received a report from the Director of Learning which explained the re-financing of the Thomas Clarkson Academy public finance initiative (PFI) and informed members of the General Purposes Committee's decision on the allocation of the one-off residual gain.

In 2015 the loan which funded the Thomas Clarkson Academy was re-negotiated and this had resulted in a one-off gain of £1.94m. The allocation of this gain was a County Council decision and the General Purposes Committee (GPC) had decided that £1.44m should be used to cover the affordability gap that had sat with the Local Authority since the outset of the contract and £314k should be given to Thomas Clarkson Academy in recognition of the additional costs arising from the inflexible nature of the PFI contract. Despite pressures on the County Council budget, GPC had decided that the remaining £190k should be allocated to support the work of the Cambridgeshire School Improvement Board which would benefit schools and young people across Cambridgeshire. In her capacity as a member of the GPC, Councillor Whitehead said that the Committee had wanted to ensure that the gain should be used to benefit those children in most need of support and to help close the achievement gap.

It was resolved to note the approach taken by the General Purposes Committee.

172. EARLY YEARS NATIONAL FUNDING UPDATE

The Forum received a report from the Learning and Schools Funding Accountant and the Strategic Policy and Early Years Operations Manager which provided an update on the Department for Education's (DfE) response to the consultation on the Early Years National Funding Formula which was published on 1 December 2016. Unlike the proposed National Funding Formula for schools, local authorities remained responsible for determining and administering their own Early Years Single Funding Formula. Local providers had been consulted on the proposed formula for 2017-18. The final decision rested with the County Council's Children and Young People Committee and would be considered at the Committee's meeting in March for implementation from April 2017 onward.

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

- The nursery setting nominated by a parent would retain the funding relating to their child if they subsequently chose to change setting. The information sent to parents would make clear that funding would not move with their child;
- The Inclusion Fund for 2017-18 would be approximately £1m compared to current expenditure of around £700k. The expectation was that this would be paid as a top-up on a banded system, but the details had not yet been finalised;
- Officers confirmed that the proposed Nursery School Supplement would maintain current levels of funding to maintained nursery schools;
- Work on the extended entitlement to free early learning and childcare for three and four year olds was continuing within the County Council and was focused on the four key areas of sufficiency of places, systems, communication to parents and providers and capital funding;

- 122 responses to the consultation exercise had been received out of a total of 540 providers which the Director of Strategy and Commissioning advised represented quite a good response rate.

It was resolved to:

1. Note the contents of the report;
2. Approve the planned centrally retained sums for 2017-18 set out in section 5 of the report.

173. NATIONAL FUNDING FORMULA UPDATE

The Chairman said that a working party had been convened since the Forum's last meeting to consider a draft response to the National Funding Formula Consultation Stage 2. The working party had agreed that it would be helpful to meet with as many of Cambridgeshire's Members of Parliament as possible to discuss members' concerns about the impact which the proposed National Funding Formula would have on Cambridgeshire's schools. Two meetings had been arranged in February with Lucy Frazer MP and Daniel Zeichner MP and the Chairman had invited all of Cambridgeshire's remaining four MPs to attend one of these meetings. All members of the Forum were invited to attend one or both of the meetings and the Chairman invited the Heads of the Cambridgeshire Primary and Secondary Headteachers' Groups to share details of the proposed meetings with their colleagues and inform the Clerk if any of them wished to attend. The date proposed by Lucy Frazer MP fell during the February half-term, but it was hoped that a good turnout would still be achieved.

The Forum received a report from the Strategic Finance Manager (Children and Schools) which reported that the illustrative data received from the Department for Education (DfE) on the National Funding Formula (NFF) suggested that Cambridgeshire's schools would benefit by a net £4.4m (1.4%) in 2018/19, rising to £6.3m (2%) in 2019/20 compared to 2016/17 baseline figures. However, there would be a significant redistribution of funding between schools within the county which would result in gains and losses dependent on individual circumstances. This could potentially be mitigated in 2018-19 by local formula decisions, but the impact from 2019-20 onward would be dependent on the extent to which the 'hard' national formula was implemented. The current DfE proposals lacked evidence to support the funding rates and weightings to be applied within the NFF. It was therefore not clear exactly what the proposed sums were supposed to finance and whether they would cover the actual basic cost of operating a school. There was also a lack of detail in relation to provision for new schools and growth funding, both of which were significant considerations within Cambridgeshire. The Head of Integrated Finance Services said that similar issues were being reported across Cambridgeshire, Northamptonshire and Milton Keynes.

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

- The deadline for responses to the DfE's consultation was 22 March 2017. Separate responses would be sent by Cambridgeshire County Council and Cambridgeshire Schools Forum;
- The Director of Learning, Head of Integrated Services and Strategic Finance Manager had all attended governor briefing sessions on the Stage 2 consultation during the past week. Particular concern had been expressed by the governors

of small rural primary schools who were already struggling to balance their budgets;

- It appeared that smaller schools with relatively low levels of deprivation and reasonable levels of prior attainment would be most adversely affected by the proposed formula;
- It appeared that around 66% of Cambridgeshire's schools would make an overall gain in funding on the basis of the proposed formula;
- Concern was expressed about the impact on teacher and teaching assistant workload if reductions in schools' budgets resulted in staff reductions;
- The need to ensure and be able to demonstrate to central government that the reserves being held by schools represented realistic sums which demonstrated prudent financial management;
- Councillor Downes said that the issue of the funding formula had deflected attention from the question of the adequacy of the settlement as a whole. Whilst a funding formula would increase the transparency with which funds were allocated he had seen no evidence of any modelling by central government to demonstrate what the resulting levels of funding would finance or whether they would be sufficient to maintain existing levels of provision in schools. It would be valuable if the Cambridgeshire Primary and Secondary Heads Groups were able to do some modelling based on the proposed funding levels to demonstrate whether schools would actually be able to meet their existing costs from the funding levels proposed;
- The importance of retaining the capacity of the Local Authority and the Schools Forum to fine tune the national funding formula at local level in order to best meet local need;
- Concern was expressed by some members that the proposed funding formula was weighted too heavily in relation to deprivation. Levels of deprivation could change significantly from year to year which made forecasting future levels difficult;
- Officers confirmed that they were exploring with the DfE which figures would be used as a baseline for future funding calculations;
- The need to be clear that schools could not keep absorbing additional pressures from within static or reducing resources without this having real consequences on the education provided to their students. Modelling the actual cost of running schools would provide hard evidence of this;
- Councillor Whitehead noted that the Local Authority would remain under a duty to provide a school place for every child in the county, but under the proposed hard funding formula would have no powers to intervene to provide financial support to a school in danger of closing;
- Future funding for new schools remained unclear;
- Members emphasised the importance of all schools, whether academies or maintained schools, working together in the best interests of the children and young people of Cambridgeshire and education within the county as a whole.

Members offered the following comments on the draft Schools Forum response to the National Funding Formula Consultation Stage 2:

- The best and strongest arguments should be included in the opening paragraph;
- The language used should be strengthened to make clear the extent of the Forum's reservations;
- Evidence of the impact on schools in real terms should be included, based on the information being gathered by the Cambridgeshire Primary and Secondary Heads Groups;

- A reference to deprivation should be added.

High Needs Funding Reform Consultation Stage 2

Members noted that it was proposed that 50% of the High Needs funding block would be based on historical spend which might prove beneficial to Cambridgeshire given that the county was already topping up its High Needs expenditure to meet existing need. Although the proposed National Funding Formula would determine the total sum allocated there would still be some local budget flexibility in relation to High Needs because top-up funding and banding systems would continue to be developed and managed locally. This meant that there would continue to be significant variations nationally in the support provided to children and young people with the highest levels of additional needs.

The Strategic Finance Manager (Children and Schools) invited Members to send any additional comments on the draft responses to him direct. The drafts would also be shared with all schools and their comments invited.

It was resolved to note and comment on the content of the national funding proposals.

174. REVISIONS TO THE SCHEME FOR FINANCING SCHOOLS AND FINANCE REGULATIONS

The Forum received a report from the Head of Integrated Finance Services which set out a number of revisions to the Scheme for Financing Schools and Schools Financial Regulations.

A preferred bidder had been identified to supply a Budgetary Control Report (BCR) toolkit and Schools Budgeting Toolkit (SBT). The detail would be communicated to schools shortly, but it was hoped that the new system would be in place before the end of summer term 2017.

The report also contained a proposal to change the proportion of monthly funding instalments from 12% of the schools budget in April and 8% for all other months to 1/12th of the schools budget per month.

Maintained Schools representatives resolved to:

- Note and approve the revisions to the Scheme for Financing Schools and to note the revisions to the Schools Financial Regulations.

175. FORWARD AGENDA PLAN

It was resolved to note the Forward Agenda Plan.

176. DATE OF NEXT MEETING

The Schools Forum will meet next on Friday 17 March 2017 at 10.00am in the Kreis Viersen Room, Shire Hall, Cambridge CB3 0AP.

Chairman

CAMBRIDGESHIRE SCHOOLS FORUM

Minutes-Action Log



**Cambridgeshire
County Council**

Introduction:

This log captures the actions arising from Cambridgeshire Schools Forum meetings.

This is the updated action log as at 6 March 2017:

Minutes of 24 June 2016					
141.	Composition of Cambridgeshire Schools Forum: Update	Richenda Greenhill	<ul style="list-style-type: none"> To review the composition of Cambridgeshire Schools Forum following the expected announcement on future arrangements for Schools Forums as part of the National Funding Formula. 	An announcement by the DfE on future arrangements is awaited. An update on the current position will be provided at the meeting on 17 March 2017.	On-going

Minutes of 14 December 2016					
163.	Social, Emotional and Mental Health (SEMH) Pilot Scheme Evaluation	Helen Phelan	<ul style="list-style-type: none"> To consult further outside of the meeting on whether additional funding of £90k should be identified from within existing resources to fund a three month 	27.01.17: Forum Members reported mixed messages about whether the pilot schemes were to be extended for a further 3 months at a cost of	Completed

			extension of the pilot projects.	£90k. Helen Phelan requested to clarify the position. 06.03.17: Funding for a 3 month extension to the pilot schemes has been funded from within Helen Phelan's budget.	
--	--	--	----------------------------------	--	--

Minutes of 27 January 2017					
170.	Schools Budgets 2017-19: Update	Martin Wade	<ul style="list-style-type: none"> To circulate more information on the implementation of the apprenticeship levy when this is received from the DfE. 	<p>Further details still awaited from the DfE, SFA and HMRC.</p> <p>06.03.17: A presentation will be given to the Forum on this issue on 17 March 2017.</p>	Completed
		Sam Surtees	<ul style="list-style-type: none"> To provide an update on the number of applications for Free School Meals once the information from the January census is available. 	06.03.17: This information is not yet available.	On-going

NATIONAL FUNDING FORMULA: UPDATE

To: Cambridgeshire Schools Forum
Date: 17th March 2017
From: Jon Lee – Head of Integrated Finance Services

1.0 INTRODUCTION

- 1.1 Schools Forum previously received a report on the Department for Education (DfE) consultations for the Schools National Funding Formula and High Needs Funding reform at the January 2017 meeting. This report provides a short update on the work that has been undertaken in respect of the consultation response.
- 1.2 Schools Forum are asked to endorse and make any further comments for consideration on the proposed Cambridgeshire Schools Forum response before the response is submitted on the 22nd March 2017. It should be noted that the local authority will be responding separately to the proposals and individual schools should be encouraged to respond by Schools Forum representatives.
- 1.3 Appendices A and B provide the proposed response from the Cambridgeshire Schools Forum which also reflects feedback received at the January meeting and subsequent additions and changes to the responses (highlighted in the draft response documents).

2.0 NATIONAL FUNDING FORMULA PROPOSALS

- 2.1 As previously reported whilst Cambridgeshire as a whole does receive an increase in funding of £6.3m (2%) in 2019/20 when compared to current 2016/17 baseline figures there is a redistribution of funding between schools in Cambridgeshire. This redistribution therefore makes it incredibly difficult to support the DfE proposals given the historic levels of underfunding that Cambridgeshire schools have endured. The table below provides the summary position for Cambridgeshire by phase.

DFE Illustrative Data	Schools Gaining	Value of Funding Gain £m	Schools Losing	Value of Funding (Loss) £m	Net Funding Gain / (Loss) £m
PRIMARY SCHOOLS	124	3.725	69	(0.599)	3.126
SECONDARY SCHOOLS	25	3.277	6	(0.136)	3.141
TOTAL	149	7.002	75	(0.735)	6.267

- 2.3 As previously reported the potential redistributions between schools are due to proposed formula factors within the National Formula Factor which uses lower lump sums and basic per pupil values than Cambridgeshire's current local 2016-17 formula, but higher allocations for prior-attainment, deprivation and English as an Additional Language (EAL). The proposed national formula also includes a sparsity factor, but only 20 schools (17 primary and 3 secondary) appear to qualify under the nationally set criteria.
- 2.4 The proposed formula for High Needs Funding is different in that the DfE proposals do not set out a national funding formula for how High Needs settings will be funded; rather, the proposals relate to the way in which the High Needs Block allocation that comes to Cambridgeshire would be calculated. The proposals as consulted on provide no additional funding for Cambridgeshire's High Needs Block. There is the promise in the consultation that no local authority would lose

funding from the proposal and Cambridgeshire would actually receive £3.4m of protection to bring the allocation up to the 0% funding floor, that is a position of no funding loss. This is a significant issue for Cambridgeshire given the demand pressures that exist in respect of High Needs pupils both in number and complexity.

3.0 CONSULTATIONS RESPONSES

3.1 The table below sets out the work that has been undertaken to inform the Cambridgeshire Schools Forum consultation responses:

11 January 2017 - Schools Forum Working Group Meeting	Discussions around the details of the DfE proposals and formulation of initial themes and areas for further consideration.
Schools Forum Representative from the Primary and Secondary sector.	Work undertaken by Primary and Secondary sectors with a view to establish the core staffing costs of running a Primary and Secondary school respectively. This was based on the concern that too much emphasis in the DfE proposals is being given to additional factors leaving many schools in the situation of not having sufficient funding to operate.
19, 24 and 26 January – Governor Briefings	Presentation on the National Funding Formula proposals to Governors to raise awareness and highlight the key issues.
27 January – Schools Forum Meeting	Feedback from the Working Group discussions and further debate regarding the proposals.
17 February – MP Briefing	Schools and Schools Forum representatives supported by Officers met with Lucy Frazer MP to outline the impact for Cambridgeshire schools.
24 February – Special Heads Meeting	Meeting with Special School Head to discuss the impact of High Needs proposals. Special School Heads to provide feedback by 15 March to help inform the final submission.
24 February – MP Briefing	Schools and Schools Forum representatives supported by Officers met with Heidi Allen MP and Daniel Zeichner MP to outline the impact for Cambridgeshire schools.
6 March – DfE Meeting (F40)	F40 officer meeting with DfE Funding Policy Unit to discuss proposals.
13, 15 and 16 March – CPH Breakfast Briefings	Presentation on the National Funding Formula proposals to Primary Heads to raise awareness and highlight the key issues.
17 March – Schools Forum Meeting	Finalise consultation response

- 3.2 The draft consultation responses from the work undertaken are provided in Appendices A and B, with a summary of the key points set out below:
- a) Although we welcome the overall uplift in funding for Cambridgeshire and some Cambridgeshire schools, the potential reductions in funding for smaller schools (primary and secondary) is concerning.
 - b) The fact that the level of funding for Education is insufficient nationally which is resulting in the redistribution of funding rather than funding Education at a proper and sufficient level.
 - c) There is a lack of evidence to show that the basic level of funding the proposed formula allocates (excluding additional needs factors) would be sufficient to operate schools of varying sizes.
 - d) Linked to (c) the level of funding being targeted to additional factors is greater than the current Cambridgeshire funding formula exacerbating the inability to meet the standard running costs of a school. This should also be seen in the context of other funding streams available to support pupils from deprived backgrounds such as the pupil premium grant.
 - e) The continued use of national averages in the funding formula which compound the levels of underfunding, unfairness and previous local decisions.
 - f) The funding floor proposed locks in the historical unfairness in previous funding levels for years to come.
 - g) The proposed level of the lump sums (£110,000 to primary and secondary schools) is too rigid and does not reflect the varying costs to schools of different sizes.
 - h) The proposed sparsity factor is too rigid and does not necessarily reflect the need for small necessary schools within a community.
 - i) Growth funding still requires further consideration, with a consistent approach for funding growth and new schools across the country.
 - j) Given the existing pressures on the High Needs Block further analysis is being undertaken to try and understand why the current Cambridgeshire cohort does not appear to correlate to the proposed national proxy indicators.
- 3.2 The next steps will be to submit the consultation responses for the Schools Forum. There is then the need to begin to plan for the 2018/19 schools budgets and the 'soft' formula and what that means for Cambridgeshire schools. There is a decision to be made as to whether the funding formula for 2018/19 begins to or moves as fully to the national funding formula as possible, if at all. This will be dependent on the outcome from the Stage 2 consultation and how the DfE position the final formula. This will be kept under review, however discussions will need to begin in good time to ensure the approach adopted can be fully understood and the implications assessed.
- 4.0 ACTIONS**
- 4.1 ***Members of Schools Forum are asked to note the work that has been undertaken since the January 2017 meeting and to make any final comments for consideration on the proposed Schools Forum response to the consultations.***

Further Information

Full details of the consultation materials can be accessed at the links below:

Schools National Funding Formula Stage 2

<https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/>

High Needs Funding Reform Stage 2

<https://consult.education.gov.uk/funding-policy-unit/high-needs-funding-reform-2/>

Appendix A**Schools National Funding Formula Consultation Stage 2 - Closing Date 22nd March 2017**

[Additions to the responses are highlighted throughout]

Overall Approach

1. In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance? (Pages 7-15)

Yes

No

Please explain your reasoning and any further evidence we should take into account:

Cambridgeshire Schools Forum still strongly believes the national funding formula proposals are unfair and the DfE have not struck the right balance between fairness and stability. The main reasons why we consider the proposals to be unfair are set out below and expanded on elsewhere in our consultation response:

- a) The level of funding for Education nationally is insufficient which is resulting in the redistribution of funding rather than funding Education at a proper and sufficient level.
- b) There is a lack of evidence to show that the basic level of funding the proposed formula allocates (excluding additional needs factors) would be sufficient to operate schools of varying sizes.
- c) Linked to (b) the level of funding being targeted to additional factors is greater than the current Cambridgeshire funding formula exacerbating the inability to meet the standard running costs of a school. This should also be seen in the context of other funding streams available to support pupils from deprived backgrounds such as the pupil premium grant potentially creating double funding within the system.
- d) The continued use of national averages in the funding formula compound the levels of underfunding, unfairness and previous local decisions, which is the very thing the national formula proposes to do.
- e) The funding floor proposed further locks in the historical unfairness in previous funding levels for years to come and is in no way fair.
- f) The proposed level of the lump sum at £110k is too rigid and does not reflect the varying costs to schools of different sizes.
- g) The proposed sparsity factor is too rigid and does not necessarily reflect the need for small necessary schools within a community.
- h) A level of local flexibility in the allocation of funding should be maintained to provide Schools Forum the ability to support those schools that are affected by locally unique circumstances.

One of the key principles set out in Stage 1 of the consultation was that pupils of similar characteristics should attract similar levels of funding wherever they are in the country

(allowing for the area cost adjustment.) However the proposed 3% funding floor “locks” in some of the historical differences for those schools which have been overfunded for several decades. Equally the cost of this protection limits the redistributive impact and will result in the continuation of different funding levels for pupils across the country.

If the funding formula to be implemented is deemed fair it should be applied to all schools on a consistent basis, accepting that it may result in some schools seeing reduced funding over a period of several years.

Where schools have been underfunded for a number of years we strongly propose that any increases in funding are accelerated and applied in full from 2018-19.

As with the first stage of the consultation there is still a basic weakness in that there is no commitment to a definition of what the government is actually funding. The emphasis is on redistributing money more fairly, which is fine and long overdue, but without some clarity on what level of service the money can purchase, there is a danger that the new system does not take us much further forward.

It is disappointing to see the continued use of averages, which reflect what LA's can currently afford to do, rather than a needs based model which can evidence that the proposed funding levels are sufficient to cover the required costs of operating schools of different sizes and levels of needs wherever they are in the country.

The DfE should undertake analysis to ascertain the true cost of operating a school to ensure the proposed funding rates are sufficient.

2. Do you support our proposal to set the primary to secondary ratio in line with the current national average? (Pages 16-17)

We have decided that the secondary phase should be funded, overall, at a higher level than primary, after consulting on this in stage one. We are now consulting on how great the difference should be between the phases.

The current national average is 1:1.29, which means that secondary pupils are funded 29% higher overall than primary pupils.

Yes

No – the ratio should be closer (i.e. primary and secondary phases should be funded at more similar levels)

No – the ratio should be wider (i.e. the secondary phase should be funded more than 29% higher than the primary phase)

Please explain your reasoning and any further evidence we should take into account:

Difficult to answer any of the Yes/No options above. Cambridgeshire Schools Forum are of the view that the primary to secondary ratio is not a meaningful measure as it does not take into consideration numerous variables such as number and size of schools.

We do recognise a need for a differential in funding between primary and secondary funding. However, the amounts and relative weightings need to be evidence based with reference to actual costs and factors such as:

- Teaching group sizes.
- Teacher contact time, including an allowance for planning, performance and assessment (PPA).

- Teaching assistant time.
- Absence e.g. sickness, maternity etc.
- Leadership costs.
- Non class staff costs.
- Resources.
- Exam fees (Key Stage 4 only).

Consideration should also be given to differential primary rates to reflect differences for reception, KS1 and KS2 pupils. These differentials would recognise class size legislation and increasing exam costs in primary schools.

3. Do you support our proposal to maximise pupil-led funding? (Pages 17-18)

We are proposing to maximise the amount of funding allocated to factors that relate directly to pupils and their characteristics, compared to the factors that relate to schools' characteristics. We propose to do this by reducing the lump sum compared to the current national average (see question 7 on the lump sum value).

Yes

No - you should further increase pupil-led funding and further reduce school-led funding

No - you should keep the balance between pupil-led and school-led funding in line with the current national average

No - you should increase school-led funding compared to the current national average

Please explain your reasoning and any further evidence we should take into account:

In principle, yes. However the balance between the factors must result in adequate funding for all schools regardless of size and location. The interaction with the lump sum and sparsity factor is therefore key to ensure that any necessary and vital small schools remain sustainable as a result of the revised funding formula. If this is not sufficiently considered the formula could result in small schools closing and local authorities incurring additional costs to transport pupils. Further still there is the impact on the individual children (and potentially some very young children) that would potentially need to travel significant distances to access school places.

Pupil-Led Factors

We ask respondents to bear in mind with each question on this page that we are redistributing funding. Any money that we put into one factor will have to come from another factor. We have indicated what we think are the right proportions for each factor.

4. Within the total pupil-led funding, do you support our proposal to increase the proportion allocated to the additional needs factors? (Pages 20-21)

Of the total schools block funding, 76% is currently allocated to basic per-pupil funding (AWPU) and 13% is allocated to the additional needs factors (deprivation, low prior attainment and English as an additional language).

The formula will recognise educational disadvantage in its widest sense, including those who are not eligible for the pupil premium but whose families may be only just about managing. It increases the total spent on additional needs factors compared to the funding explicitly directed through these factors in the current system.

We are therefore proposing to increase the proportion of the total schools block funding allocated to additional needs factors to 18%, with 73% allocated to basic per-pupil funding.

Yes

No – allocate a greater proportion to additional needs

No – allocate a lower proportion to additional needs

Please explain your reasoning and any further evidence we should take into account:

It is vital that the basic level of funding allocated to all schools is adequate for the school to staff and operate at appropriate levels. Where schools attract relatively low levels of additional needs funding there needs to be confidence that basic funding is sufficient to cover costs. The additional needs funding should be as the name suggests, additional.

The Cambridgeshire Schools Forum consider there to be significant amount of funding through other grants and funding streams which are not taken into account at all. These include the Pupil Premium Grant and other targeted funding as well as the new Opportunity Funds that are being created for certain parts of the country. A more holistic review of the funding available may lead to a different approach with the balance between basic funding and additional need funding being more sustainable taking in to account the comments we have made about being able to meet the basic running costs of a school.

In addition such a large weighting towards additional needs factors is likely to create difficulties for schools in being able to plan their finances with any certainty into the medium term because of the volatility and changes in the data sets. This could lead to a short term approach to financial management which is more reactive and arguably detrimental and inefficient compared to a medium term financial plan / strategy based on a more certain level of funding.

5. Do you agree with the proposed weightings for each of the additional needs factors?

Deprivation - pupil based at 5.5% (Pages 21-25)

Allocate a higher proportion

The proportion is about right

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

See answer to Q4 above. Cambridgeshire Schools Forum is concerned about the potential double funding of deprivation through pupil premium as explained in question 4. Clarity is required between the differences as to what the deprivation funding in the main funding formula and pupil premium are supposed to support.

DRAFT

Deprivation - area based at 3.9% (Pages 21-25)

Allocate a higher proportion

The proportion is about right

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

See answer to Q4 above. Cambridgeshire Schools Forum is concerned about the potential double funding of deprivation through pupil premium **as explained in question 4**. Clarity is required between the differences as to what the deprivation funding in the main funding formula and pupil premium are supposed to support.

Low prior attainment at 7.5% (Pages 25-27)

Allocate a higher proportion

The proportion is about right

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

See answer to Q4 above. Concerns have previously been raised about the reliability and consistency of data being used to determine funding allocations under the current system in this area. National changes in assessments have resulted in data volatility which undermines confidence when using to allocate funding.

English as an additional language at 1.2% (Pages 27-28)

Allocate a higher proportion

The proportion is about right

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

See answer to Q4 above. This is less about the proportion and more about who is deemed eligible and for how long. Certain groups may require varying levels of support and due to the 3-year limit some secondary schools will never receive support for EAL pupils.

The weightings are a proportion of the total schools budget.

6. Do you have any suggestions about potential indicators and data sources we could use to allocate mobility funding in 2019-20 and beyond? (Pages 28-29)

We have decided to include a mobility factor in the national funding formula, following the first stage of consultation. This will be based on historic spend for 2018-19, while we develop a more sophisticated indicator. We would welcome any comments on potential indicators and data sources that could be a better way of allocating mobility funding in future.

Not currently a factor within the Cambridgeshire formula due to concerns over quality of national datasets. As such, despite only accounting for 0.1% of the overall pupil-led factors we are concerned over the proposed approach to use historic spend. However we do recognise that for some schools this is an issue that results in significant additional costs. Where this is linked to specific circumstances, such military families there might be an opportunity to link to the Service Children Pupil Premium and increase the allocation via this funding route.

School-Led Factors

We ask respondents to bear in mind with each question on this page that we are redistributing funding. Any money that we put into one factor will have to come from another factor. We have indicated what we think are the right amounts for each factor.

7. Do you agree with the proposed lump sum amount of £110,000 for all schools? (Pages 29-31)

This factor is intended to contribute to the costs that do not vary with pupil numbers, and to give schools (especially small schools) certainty that they will receive a certain amount each year in addition to their pupil-led funding.

Primary

Allocate a higher amount

This is about the right amount

Allocate a lower amount

Secondary

Allocate a higher amount

This is about the right amount

Allocate a lower amount

Please explain your reasoning and any further evidence we should take into account:

Cambridgeshire Schools Forum would challenge the use of the same funding rates across both the primary and secondary sectors. A more sensitive approach could be to link the level of the lump sum to the size of school rather than / or as well as sector. **This could be through a tapered or banded approach to ensure small essential schools remain viable.**

The lump sum is vital to support the operation of all schools, especially small schools. As such our view is that the lump sum needs to be considered alongside the basic per pupil funding amount and sparsity funding to ensure that a necessary small school receives a

sufficient funding allocation to be able to operate. This is where local knowledge and negotiation are essential and the Schools Forum can provide this.

8. Do you agree with the proposed amounts for sparsity funding of up to £25,000 for primary schools and up to £65,000 for secondary, middle and all-through schools? (Pages 31-33)

We have decided to include a sparsity factor to target extra funding for schools that are small and remote. We are proposing that this would be tapered so that smaller schools receive more funding, up to a maximum of £25,000 for primary schools and £65,000 for secondary schools.

Primary

Allocate a higher amount

This is about the right amount

Allocate a lower amount

Secondary

Allocate a higher amount

This is about the right amount

Allocate a lower amount

Please explain your reasoning and any further evidence we should take into account:

Although we strongly support the use of such a factor we do not feel the current DfE proposal adequately reflects the need for small schools in some areas.

Consideration needs to be given to the interaction between the lump sum and support to small schools which may not be reflected in sparsity alone. Equally the use of the distance criteria as the crow-flies is still too rigid and does not allow for local variables.

Importantly, schools also act as a social community hub in an area and are not just stand-alone institutions. Small schools (whether primary or secondary) need to be supported not only to maintain standards but also to preserve, in an efficient manner, their benefit to the community around them.

If the sparsity factor is not adequate, there will be a movement to the closure of small schools with social consequences for communities and financial consequences for the transportation of pupils.

We would strongly support local flexibility to be given around the usage of school-led funding factors (lump sum, sparsity etc), with agreement from Schools Forum, to mitigate some of the local circumstances a one-size fits all national formula cannot address.

9. Do you agree that lagged pupil growth data would provide an effective basis for the growth factor in the longer term? (Pages 34-37)

The growth factor will be based on local authorities' historic spend in 2018-19. For the longer term we intend to develop a more sophisticated measure and in the consultation we suggest the option of using lagged pupil growth data. We will consult on our proposals at a later stage, but would welcome any initial comments on this suggestion now.

The use of lagged pupil growth data appears to be a reasonable interim approach to funding growth. However we would support a fundamental review of how growth in existing schools and new schools are funded. As we move towards a national funding formula there needs to be a consistent approach and guidance to funding growth and new schools. This will undoubtedly require local knowledge and input, but if there were national funding rates based on set criteria it would remove some of the additional issues in meeting sufficiency requirements.

Funding Floor

10. Do you agree with the principle of a funding floor? (Pages 37-39)

To ensure stability we propose to put in place a floor that would protect schools from large overall reductions as a result of this formula. This would be in addition to the minimum funding guarantee (see question 13).

Yes

No

Please explain your reasoning and any further evidence we should take into account:

As set out in response to Q1 the proposed 3% funding floor “locks” in historical differences for those schools which have been overfunded for several decades **and therefore cannot be agreed within a fair formula**. Equally the cost of this protection limits the redistributive impact and will result in the continuation of different funding levels for pupils across the country. MFG should be sufficient protection at -1.5% per pupil level.

If a floor is to be implemented there needs to be the ability to apply disapplication's to the calculation should school circumstances change, so not to further lock in historical funding which is no longer appropriate.

11. Do you support our proposal to set the funding floor at minus 3%? (Pages 37-39)

This will mean that no school will lose more than 3% of their current per-pupil funding as a result of this formula.

Yes

No – the floor should be lower (i.e. allow losses of more than 3% per pupil)

No – the floor should be higher (i.e. restrict losses to less than 3% per pupil)

Please explain your reasoning and any further evidence we should take into account:

See above.

12. Do you agree that for new or growing schools (i.e. schools that are still filling up and do not have pupils in all year groups yet) the funding floor should be applied to the per-pupil funding they would have received if they were at full capacity? (Page 43)

Yes

No

We believe that, to treat growing schools fairly, the funding floor should take account of the fact that these schools have not yet filled all their year groups.

Please explain your reasoning and any further evidence we should take into account:

Agree that new/growing schools may require additional protection, but need to ensure their funding is not artificially inflated and that there is the ability to apply disapplication's to the MFG should school circumstances change.

Transition**13. Do you support our proposal to continue the minimum funding guarantee at minus 1.5%?**

The minimum funding guarantee protects schools against reductions of more than a certain percentage per pupil each year. We are proposing to continue the minimum funding guarantee at minus 1.5% per pupil per year.

Yes

No – the minimum funding guarantee should be lower (i.e. allow losses of more than 1.5% per pupil in any year)

No – the minimum funding guarantee should be higher (i.e. restrict losses to less than 1.5% per pupil in any year)

Please explain your reasoning and any further evidence we should take into account:

Cambridgeshire Schools Forum are of the view that the continuing -1.5% per pupil MFG provides sufficient protection to schools on an ongoing basis.

Further Considerations**14. Are there further considerations we should be taking into account about the proposed schools national funding formula?**

The guidance does not provide details on the future role of Schools Forum. We would therefore request clarity as to what the role of Forum will be beyond 2018-19.

We would also ask whether consideration has been given to aligning the funding years for maintained schools and academies, whether that be to a fiscal or academic year, a consistent approach would be welcomed.

The proposals are dismissive of the removal of the Education Services Grant funding stream, which will impact on academies, which could create issues where such schools are also losers under the formula proposals.

Central School Services Block (Pages 66-72)**15. Do you agree that we should allocate 10% of funding through a deprivation factor in the central school services block?****Yes**

No - a higher proportion should be allocated to the deprivation factor

No - a lower proportion should be allocated to the deprivation factor

No - there should not be a deprivation factor

Please explain your reasoning and any further evidence we should take into account:

The principle to allocate a proportion of the central school services block through a deprivation factor to reflect particular central services, such as education welfare services appears reasonable.

16. Do you support our proposal to limit reductions on local authorities' central school services block funding to 2.5% per pupil in 2018-19 and in 2019-20?**Yes**

No - allow losses of more than 2.5% per pupil per year

No - limit reductions to less than 2.5% per pupil per year

Please explain your reasoning and any further evidence we should take into account:

Based on the illustrative data Cambridgeshire is not an LA which is likely to see reductions in the school services block funding. However the proposals appear to give reasonable levels of protection which should allow LA's to realign services in a timely manner.

17. Are there further considerations we should be taking into account about the proposed central school services block formula?

Paragraph 5.22 refers to the ability of the LA to recycle money that is no longer needed for historic commitments into schools, high needs or early years in 2018-19. Clarity is required as to how this will be taken into consideration against a move towards a hard national funding formula for schools i.e. 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 from 2019-20?

The consultation states that the department will “set out our long-term intention for funding released from historic commitments at a later point.” - we would request this guidance as early as possible as it is likely to influence Schools Forum decisions on where best to recycle this funding as and when it becomes available.

Finally we would also urge the DfE to consider the continuation of certain pooled arrangements from within the central schools service block where they are the benefit of all schools (maintained and academies) across the LA. In much the same way as the national copyright licences there are opportunities to broker similar arrangements for all schools which removes a considerable amount of administration costs.

Equalities Analysis

18. Is there any evidence relating to the 8 protected characteristics identified in the Equality Act 2010 that is not included in the equalities impact assessment and that we should take into account?

--

Appendix B**High Needs Funding Reform Consultation Stage 2 - Closing Date 22nd March 2017**

[Additions to the responses are highlighted throughout]

Overall Approach

1. In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance?

Yes

No

Please explain your reasoning and any further evidence we should take into account:

The formula will continue to result in insufficient funds to meet national best practice requirements and will not address the fundamental problems in the current system. Why has the consultation not referenced parental confidence or personal budgets as referenced in national legislation?

Members of Cambridgeshire Schools Forum are extremely concerned that the proposed High Needs Formula would result in less funding than is currently spent on High Needs Pupils. Without the proposed floor this would result in a reduction in funding to some of the most vulnerable young people being supported within schools and other providers.

Any new High Needs funding system that is introduced must be able to support the needs of the young people it is supposed to.

Unlike the main school national funding formula where the intention is to fund similar pupils in different LA's on a consistent basis the approach to High needs funding is still likely to result in significant differences in funding for individual pupils. This is because top-up funding and banding systems will continue to be developed and managed locally by LA's and as such there is unlikely to be a consistent national approach. The development of a common system is essential for a fair system or risks significant challenge from parents.

There still appears to be a lack of evidence as to how the proposed funding aligns with DfE legislation on High Needs pupils, e.g. medical needs and that consideration has been given to tribunal outcomes and case law. The legislation also talks about "parental confidence" and personal budgets, but there doesn't appear to be reference to these areas in the consultation.

Formula Factors

We are proposing a formula comprising a number of formula factors with different values and weightings.

We ask respondents to bear in mind with each question on this page that we are redistributing funding. Any money that we put into one factor will have to come from another factor. We have indicated what we think is the right proportion or amount for each factor.

2. Do you agree with the following proposals?

Historic spend factor - To allocate to each local authority a sum equal to 50% of its planned spending baseline (Pages 29-30)

Allocate a higher proportion

The proportion is about right

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

Data lag means gaps between funding and present need will be problematic. We do not agree that any formula should maintain current spending levels: new investment is required. We can't confirm or dispute the 50% suggestion to historical funding as there is no evidence either for or against it supplied.

We have concerns that if the baseline is from 2016/17 it will not reflect local decisions and increases in the costs for 2017/18 and as such will be out of date by the time the formula is implemented.

Basic entitlement - To allocate to each local authority £4,000 per pupil (Pages 30-31)

Allocate a higher amount

The amount is about right

Allocate a lower amount

Please explain your reasoning and any further evidence we should take into account:

Basic entitlement is a reasonable platform but data lag is problematic and needs addressing

There appears to be a reasonable logic for this being £4,000 – but we need to have confidence that pupil numbers being included are correct and reflect the latest position.

3. We propose to use the following weightings for each of the formula factors listed below, adding up to 100%. Do you agree?

Population – 50% (Page 33)

Allocate a higher proportion

The proportion is about right

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

This is the clearest most identifiable indicator and so should be weighted more significantly.

Historically, at a local level, we have found using proxy indicators to identify High Needs pupils problematic so it is vitally important the correct indicators and weightings are applied.

We have found that overall population/pupil numbers has the strongest correlation with overall need and as such would advocate a high proportion of funding to be allocated on this basis.

Free School Meals (FSM) Eligibility – 10% (Pages 33-34)

Allocate a higher proportion

The proportion is about right

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

Inconsistencies in take up and data lags make this indicator less reliable and so it should be weighted less significantly. Why not use annually reviewed HMRC children in poverty indicator?

Concerns over the potential turbulence in deprivation of data. We note that the children in poverty 0-15 indicator is reviewed annually by HMRC and could be used as a possible measure. Since the introduction of Universal Infant Free School Meals it has become much harder for schools to ensure eligible parents sign up for FSM and therefore count towards the FSM data set. The use of FSM could therefore be understating the need that actually exists.

Income Deprivation Affecting Children Index (IDACI) - 10%

Allocate a higher proportion

The proportion is about right

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

As above

Key Stage 2 Low Attainment – 7.5% (Page 34)

Allocate a higher proportion

The proportion is about right

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

Low attainment has a number of varied possible causes. It is not a reliable national indicator of individual need and does not capture earlier developmental issues that respond to early intervention.

Low attainment at KS2 – what about early developmental issues? There is no national data set for low incidence needs.

Key Stage 4 Low Attainment – 7.5% (Page 34)

Allocate a higher proportion

The proportion is about right

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

Low attainment has a number of varied possible causes. It is not a reliable national indicator of individual need.

As above.

Children in Bad Health – 7.5% (Page 34)

Allocate a higher proportion

The proportion is about right

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

The data and index is too old.

“Children not in good health” – ‘DFE Research report: Research on funding for pupils with special education needs’ July 2015 page 47 states Children wellbeing index’ was published in 2009 and not updated since and census data is every 10 years. Therefore considerable lag of information for schools and Local Authorities.

Disability Living Allowance – 7.5% (Page 34)

Allocate a higher proportion

The proportion is about right

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

The DLA is self-referred so not a sufficient measure and a measure of children who become disabled before the age of 15 years old.

Funding Floor

4. Do you agree with the principle of protecting local authorities from reductions in funding as a result of this formula? This is referred to as a funding floor in the consultation document. (Pages 35-37)

Yes
No

Please explain your reasoning and any further evidence we should take into account:

We can not meet basic requirements with less funding. The significant demands in volume and complexity of high needs children place significant financial pressures on schools and the local authority collectively in Cambridgeshire. The use of the funding floor in the High Needs formula is supported.

5. Do you support our proposal to set the funding floor such that no local authority will see a reduction in funding, compared to their spending baseline? (Pages 35-37)

Yes
No

Please explain your reasoning and any further evidence we should take into account:

We agree if you also calculate baselines with current local movement of funding included. Not to do so will result in unrealistic and inaccurate protected baselines.

However there is a concern that the baseline may not reflect the latest position due to local decisions taken to move funding for 2017/18 budget. We request confirmation as to whether the baselines are to be recalculated.

Further still whilst the baseline may be protected as stated previously increases in the number of high need pupils and their complexity means that the baseline funding is being diluted resulting in financial pressure for high needs settings and local authorities.

Local Budget Flexibility

6. Do you agree with our proposals to allow limited flexibility between schools and high needs budgets in 2018-19? (Pages 41-44)

Yes

No

Please explain your reasoning and any further evidence we should take into account:

Under current conditions we can't meet basic requirements without such flexibility.

Flexibility between funding blocks is key to managing the system overall. However the Schools Block is to be ring-fenced which is where any movements between blocks would normally have taken place. This flexibility is removed and in reality transfers are likely to only be made between the Central Schools Services Block and the High Needs Block. The Central Schools Services Block is off insufficient size to offer any real solution to help support the High Needs, which would be at the detriment to mainstream schools through the further removal of central support services to schools.

7. Do you have any suggestions about the level of flexibility we should allow between schools and high needs budgets in 2019-20 and beyond?

We are developing our proposals on the level of flexibility to allow in the longer term. We will consult fully on our proposals at a later stage, but would welcome any initial comments now.

See response to question 6 – there is limited flexibility that the proposals can offer because of the size of the Central Schools Services Block and the retained elements of the Early Years Block in the context of the High Needs pressures. This does not seem to be a viable solution and in effect any funding pressures can only viably be met from within the High Needs Block through reduced levels of top up funding.

Further Considerations

8. Are there further considerations we should be taking into account about the proposed high needs national funding formula?

How will the DfE fund new schools or provisions that are required to meet surges in the high needs population?

Further guidance is required on how the funding system will allow for new schools/provision – how will this be funded?

Equalities Analysis

9. Is there any evidence relating to the 8 protected characteristics identified in the Equality Act 2010 that is not included in the equalities impact assessment and that we should take into account?

What measures will the DfE take to ensure that all families, regardless of adult literacy levels, adult learning difficulties and/ or EAL can have equal and easy access to applications for support from processes such as DLA/ FSM applications if you move to make these part of a national formula?

DRAFT

FUTURE BUDGET CONSIDERATIONS

To: Cambridgeshire Schools Forum
Date: 17th March 2017
From: Martin Wade – Strategic Finance Manager
 Keith Grimwade - Service Director: Learning
 Helen Phelan - Head of SEND Services 0 – 25

1.0 INTRODUCTION

- 1.1 As a result of the national funding proposals there are a number of areas of current expenditure and/or functions and services which will require review and consideration to the future approach for resourcing.
- 1.2 The main areas requiring review, which will be covered in more detail below, are:
- Centrally Retained Funding (including Historic Commitments)
 - De-delegations
 - Education Functions
 - High Needs Block

2.0 CENTRALLY RETAINED FUNDING

- 2.1 As part of the national funding formula proposals the 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).
- 2.2 The total amount of funding that will be distributed through this block for ongoing responsibilities will be calculated by adding the funding available for ESG retained duties and the centrally held DSG spent on ongoing responsibilities. These will include the growth fund, admissions funding and the servicing of Schools Forum.
- 2.3 Further to the areas of central expenditure above there are also the following centrally retained budgets requiring approval:

Service/Function	2017/18 Amount	Comments
Growth Fund	£2.5m	Can be increased with Forum approval.
Admissions	£0.405m	Can be increased with Forum approval. (change in guidance for 2017/18)
Servicing of Schools Forum	£0.003m	No increase in expenditure allowed – unless disapplication approved by SoS

- 2.4 Centrally retained DSG is also currently used to fund a number of historic commitments. These allowable commitments are listed in full at **Appendix A**, and include combined budgets contributing to wider children's services, staff redundancy costs relating to decisions taken before 2013, and the back pay associated with equal pay legislation.

- 2.5 The table below lists those historic commitments that apply to Cambridgeshire and the amounts previously approved by Schools Forum for 2017/18:

Section 251 Budget Line	2017/18 Budget	Description
1.4.1 Contribution to combined budgets*	£4.31m	£3.53m – contribution to Children’s Services £0.73m – Early Intervention Family Worker (previously Parental Support Advisors), £0.05m – Residual CPH Funds and EPM Contract
1.4.4 Termination of employment costs	Nil	
1.4.6 Capital expenditure from revenue (CERA)*	£1.46m	£1.46m – Cambridgeshire Public Services Network (CPSN) Broadband Contract
1.4.7 Prudential borrowing costs	Nil	
1.4.9 Equal pay - back pay	Nil	
1.4.12 Exceptions agreed by Secretary of State	£0.4m	National Copyright Licence arrangements

***Please note:** Contribution to Combined Budgets was reduced by over £0.3m in 2016/17. (Previously £4.67m). CERA was reduced by £0.08m in 2017/18 (Previously £1.54m).

- 2.6 The expectation is that these 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 EFA will monitor historic spend year-on-year and will challenge LA’s where spend is not reducing as expected.
- 2.7 The consultation document refers to the ability of the LA to recycle money that is no longer needed for historic commitments into schools, high needs or early years in 2018-19. Clarity is required as to how this will be taken into consideration against 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 from 2019-20?
- 2.8 **Appendix B** shows the notional usage of the current historic commitments for continuation into 2017/18. As part of the Business Planning process for 2018/19 options for reducing these historic commitments will need to be considered, and subject to clarification of how recycling into other funding blocks will work, appropriate treatment agreed.

Please note: With approximately £20m of savings already identified within Children’s Families and Adults in 2017/18 as part of the £99.2m of savings required across the Council between 2017 and 2022 any reduction in these historic commitments will result in further savings or a reduction in service.

3.0 **DE-DELEGATIONS**

- 3.1 Currently there are a number of areas where it is possible for maintained primary and secondary schools to agree de-delegations to pass funding back to the LA. Under these arrangements maintained primary representatives currently pool funding for the following services:
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. School Leaders & Governors Online Information Service
 7. Trade Union Facilities Time

- 3.2 The current methodology to be applied for 2017/18 and estimated de-delegation totals are set out below:

	2017/18 De-delegation Basis	Est. 2017/18 De-delegation Amount.
Contingency	£2.10 per pupil	£73,414
CREDS	£12 per pupil and £142.50 per EAL	£664,914
Free School Meals	£4.65 per FSM child	£15,485
Insurance	£18.20 per pupil	£700,925
Maternity	£5.00 per pupil	£174,794
Trade Union Facilities Time	£1.10 per pupil	£38,455
Estimated Total		£1,667,986

- 3.3 It is not yet clear if these, or similar arrangements, will be permitted once the national funding formula is implemented. As a result alternative buy-in arrangements may need to be considered which could impact on the viability of the pooled arrangements or service.

4.0 EDUCATION FUNCTIONS

- 4.1 Although the government dropped the Academies Bill in the autumn, the direction of travel - a school-led system, that is increasingly academised, with an ongoing but changed role for local authorities – is clear from last year's White Paper and other DfE proposals. As previously presented to Schools Forum the removal of the ESG, introduction of alternative funding streams and options for additional contributions from maintained schools has had a significant impact on the level of resource available to deliver education services within the Local Authority (LA). Therefore, in the light of these changes, the LA is reviewing all Education Services and has organised this work into five interrelated strands:

- 4.2
- **Core Services.** What is emerging from the White Paper is a set of core services for the LA focused on admissions (an enhanced role), place planning, home-school transport, and a 'champion' role for children and families; especially for vulnerable groups including 'identifying, assessing and making provision for children with special educational needs and disability and looked after children'. CFA is organising with this in mind, for example strategic roles for Inclusion, Behaviour and Attendance and Alternative Provision have moved into Learning as part of the Children's Change programme.
 - With regards to school improvement, the LA continues to have a function for maintained schools, funded by the DfE. With regards to academies we are required to raise any concerns with the Regional Schools Commissioner in a timely manner, so being well-informed about academies is important, although the LA has no power of intervention. We are developing a protocol for monitoring the performance of MATs / academies.
 - The Children's Change programme gives the Learning Directorate the strategic responsibility for SEN educational outcomes. The resource for this responsibility is currently being scoped.
 - The LA is committed to supporting the development of the school-led system and will continue to facilitate / work with the Cambridgeshire School Improvement Board, the School to School Support Strategy Group, TSAs and system leaders.
- 4.3
- **Traded services.** All services are being reviewed. The LA can no longer afford to subsidise traded services, so some may not be offered in the future but others could be

developed or expanded if there is sufficient demand. Schools will be very much part of this discussion – if schools do not want (or are not able) to buy a service then the LA will not (would not be able to) offer it.

- 4.4
- **MATs.** Since the dropping of the Academies Bill, creative solutions to LAs being involved with MATs has fallen down the DfE's agenda, although discussions are ongoing. The LA is willing to consider a wide range of partnership arrangements with academies / MATs. The governing bodies of a number of schools in the county are planning Federations, rather than MATs, to achieve scale economies and more effective collaborative working.
- 4.5
- **Recruitment and retention.** The LA will continue to facilitate the 'crowd funded' / traded offer for schools, working with the cross phase Headteacher group. The LA is also using its influence where possible, for example schools workforce being part of any Council / public sector recruitment and retention discussions. There is lots of information at http://www.cambridgeshire.gov.uk/learntogether/homepage/139/teacher_recruitment
- 4.6
- **Joint working with Peterborough and other LAs.** The LA already works jointly with Peterborough on a number of functions and to a lesser extent with some other LAs. We are exploring opportunities for developing this further where it might make our work more effective and efficient.
- 4.7
- Other points**
- Given that a dual system of maintained schools and academies will continue for some time into the future, we are developing with the RSC's office a protocol for joint working, e.g. joint letters and events are being planned.
 - Schools will be involved in developing any and all of the above proposals. The LA anticipates being in a position to start detailed discussions towards the end of the first half of the summer term.

5.0 **HIGH NEEDS BLOCK**

- 5.1 As previously reported to Schools Forum the proposed funding reforms for High Needs, which allocates funding to Local Authorities (LA's) based on a combination of historical spend and proxy indicators for Special Educational Needs (SEN), would result in **no** additional funding for the High Needs Block. In fact, when compared to the 2016/17 baseline, the illustrative data shows that Cambridgeshire would receive £3.4m of protection to bring the allocation up to the 0% funding floor.
- 5.2 Equally as there is no move towards a national top-up / banding approach the proposals would not necessarily result in additional funding for individual schools and providers.
- 5.3 The increasing number of special school places and complexity of need of pupils across all providers has resulted in a growing pressure across the High Needs Block. Equally, the spend on a number of other areas such as SEN Units, SEN Placements and Out of Schools Tuition have historically overspent. In previous years this pressure has been met by use of DSG carry-forward. However, the carry-forward has now reduced to levels where this is no longer sustainable. As a result of the increasing need and lack of any immediate uplift in funding as a result of the national funding reforms there is a need to review how the current resources are allocated to ensure it is being used in the most appropriate and efficient way to best meet the needs of the young people it is required to support.
- 5.4 To support this work nationally the DfE have created a £23m High Needs Strategic planning funding, of which the Cambridgeshire share is £267,429. This fund, although non-ringfenced, is to support LA's to carry out a strategic review of their high needs provision. The DfE state that they *"...anticipate that local authorities will use the funding provided to increase their capacity so that their review and planning of special provision is high-quality and collaborative, where appropriate undertaken jointly with neighbouring authorities. Where such review and planning work has already been undertaken along the lines envisaged, this fund can be used to help implement the outcomes of the reviews. Local authorities should publish the outcomes of these reviews in the form of strategic plans to demonstrate transparency and accountability."*

5.5 Key areas for review include:

- Funding Allocations - A detailed review of how the High Needs Block is used to support those children and young people with ongoing complex needs, and how the funding can be used differently.
- Social Emotional and mental Health (SEMH) Provision - Ensuring there is a coherent graduated response for children and young people experiencing difficulties resulting from their psychological and emotional wellbeing. This review will include support for pupils in school; those at risk of exclusion; and those needing to access short or longer term provision within the county.
- Integrated 0 – 25 years SEND Service – Identified need for a more targeted approach for children and young people with complex needs and bringing together services across CFA to provide a more co-ordinated and cost effective response for some of our most vulnerable children and young people. The consultation on the new 0 – 25 years SEND Service will be launched in April 2017.

5.6 Following the £2.25m uplift (£1.58m from the DfE, £0.67m transfer from the Schools Block) the table below provides a summary of the main services/functions to be funded from the High Needs Block in 2017/18:

Service Area	2017/18 High Needs Block Budget £m
Special Schools (Place & Top-Up Funding - Maintained & Academies)	£21.227
Special Schools Outreach	£0.271
Special Schools Equipment	£0.202
Special Schools Extended Provision	£0.142
High Needs Qtm (Top-Up in Maintained & Academies, Post-16 Colleges, Early Years etc)	£15.130
SEN Units (Place & Top-Up Funding - Maintained & Academies)	£3.069
EOTAS Devolution	£5.567
Other Cambridgeshire Alternative Education Service	£0.296
Pilgrim PRU	£0.574
SEN Placements	£8.913
Welfare Benefits	£0.015
Schools Partnership Service (ESLAC)	£0.099
Localities	£0.546
Youth Support Services	£0.126
SEND Specialist Services (HI, VI, Specialist Teachers, Specialist Practitioners)	£4.886
Children's Centre Strategy & Support	£0.090
Early Years Specialist Support (LOVASS, Therapy, Inclusion & Access)	£1.078
Commissioning & START	£0.631
Out of School - Education & Settings	£1.299
Strategy & Partnerships	£0.065
Total	£64.226

***Please note:** These figures will be finalised on completion of the 2017/18 Section 251 Budget Statement.

6.0 NEXT STEPS

6.1 Current timescales for review/implementation:

April 2017	SEND Integrated Service 0 – 25 years consultation to be launched
May-July 2017	Review of High Needs Block Spend to be undertaken
June-November 2017	Review of Contribution to Combined Budgets and De-Delegations (as part of Business Planning process)
June 2017	SEND Integrated Service 0 – 25 years to be implemented
June 2017	LA Education Services proposals to be published
Summer 2017	DfE to publish Stage 2 consultation results
July 2017	SEMH Review report and recommendations to be published

Updates on the above will be presented to future Schools Forum meetings.

6.2 ***Members of Schools Forum are asked to note the approach set out above.***

Appendix A: Shape and content of the central school services block (as per DfE guidance)

The table below shows the responsibilities that will be funded from the central school services block.

Allocation route	Previously funded from centrally retained DSG	Previously funded from ESG
Central school services block per pupil rate	School admissions Servicing of schools forums Fees to independent schools for pupils without SEN	Education welfare services Asset management Statutory and regulatory duties
Central school services block historic commitments funding	<p>Contribution to combined budgets: costs of providing combined education and children's services</p> <p>Termination of employment costs: premature retirement or dismissal costs for maintained school staff</p> <p>Equal pay – back pay: costs of meeting equal pay commitments in schools</p> <p>Capital expenditure from revenue (CERA): where the authority uses revenue funding to meet capital costs</p> <p>Prudential borrowing costs: for repayment of some authority loans</p> <p>Exceptions agreed by the Secretary of State: centrally retained schools budget expenditure that has been approved by application to the Secretary of State</p>	

Appendix B - Historic DSG Commitments - Continuation in 2017-18

Service/Functions/Contracts	Amount £m	Description/Narrative
Early Intervention Family Workers	£0.733	Support towards Early Intervention Family Workers: Early Intervention Family Workers operate in close partnership with schools and deliver interventions to stop emerging needs escalating and requiring more intensive involvement. EIFWs deliver a mix of targeted casework and limited support including group work, delivering of parenting programmes and parent initiated support accessed at school drop-ins and surgeries. Support provided directly to schools Includes meetings with school staff without a family present, e.g. at pastoral meetings, supporting Family CAF completion and are readily accessible to both schools and parent identified issues. Resource has been allocated through formula by locality/school cluster in full consultation with Cambridgeshire Schools' Forum.
Children's Centres	£1.176	25% notional contribution towards Children's Centres & 18% notional contribution towards other Locality functions: Support for families to provide services that support local families, children and young people. Offering support and advice to parents/carers on issues such as children's challenging behaviour, establishing routines, raising self-esteem, increasing confidence and improving family relationships. Support and advice may be offered through individual targeted support including
Localities Support - EC&F	£0.297	- advice and support to families who need additional help with parenting
Localities Support - SC&C	£0.295	- providing young people with information and advice on education, employment, training and personal development opportunities
Localities Support - Hunts	£0.198	- work with students who have behavioural problems by supporting schools - help to ensure children attend school regularly and punctually, supporting young people's inclusion in education - specialist support for young people needing help in the transition to adulthood
Schools Intervention Service - Safeguarding	£0.161	Notional support to Safeguarding Service: Protection and safeguarding of children and young people by training and supporting staff in schools, colleges and early years settings. Work to raise awareness of safeguarding issues and ensure that schools and settings are able to fulfil their responsibilities under current legislation and government guidance.
Schools Partnership Service - SEN	£0.120	Notional support to SPS SEN Service: Service works with pupils and students, staff and schools to improve educational outcomes for those with SEND, to offer support from the Learning Directorate for schools in developing their strategic approach to identifying, supporting and making provision for pupils with SEN. In particular they work to ensure SENCOs have the most up to date information on National, regional and local initiatives.

Service/Functions/Contracts	Amount £m	Description/Narrative
ESLAC	£0.482	Notional support to ESLAC: Service ensures that Looked After Children have the opportunity to fulfill their educational potential. The service supports and challenges professionals involved with Cambridgeshire Looked After Children in order to ensure they receive an education that best meets their needs and allows them to achieve their potential. Also leads on the Personal Education Planning process for all Cambridgeshire Looked After Children and ensures that the Pupil Premium Plus is used effectively to improve educational outcomes
Youth Service	£0.250	Notional support towards Youth Service: Youth Support Services provide specialist and targeted services to young people in order to enable them to make an effective transition to adulthood, delivering duties in relation to NEET and attendance and work with schools and other partners to jointly plan provision. Supporting the activity in relation to NEET is the main focus for Central Youth Support Services in relation to raising the participation age (RPA). This includes co-ordination of the Post 16 On-Line Application process and the Cambridgeshire website for young people, Youthoria.
Preparing for Adulthood Additional Needs Team	£0.355	Notional support towards PAAN Team: Service provides specialist information, advice and support around Education, Employment and Training (EET) can be provided to young people aged 14 to 25 from Cambridgeshire with additional needs, who attend or have attended specialist provision both within and outside the county. The team will also offer increased support to those young people from specialist provision who are either Not in Education, Employment or Training (NEET), or who are at risk of becoming NEET.
Occupational Therapists	£0.245	Work with schools to make education more accessible. Contract to provide Occupational Therapy via SLA - ongoing arrangements with Cambridgeshire Community Services NHS Trust to employ permanent.
Contribution to Combined Budgets Total:	£4.312	

Service/Functions/Contracts	Amount £m	Description/Narrative
Broadband Contract	£1.459	CPSN is a communications network and partnership, bringing together schools, councils, emergency services and charitable bodies from across and beyond Cambridgeshire. It provides secure broadband and associated services to schools. The founding principle is one of lower costs via 'aggregation', recognising that multiple organisations purchase very similar services, and can achieve significant savings by doing so together. The CPSN partnership leverages a dedicated telecommunications framework contract and the combined buying power of the Cambridgeshire school collective, and the wider Cambridgeshire public sector, has delivered significant economies of scale, attracting aggressive pricing that could not be achieved separately. The current contract arrangements as approved by Schools Forum end in June 2018.
Capital expenditure from revenue (CERA) Total:	£1.459	

COMPOSITION OF CAMBRIDGESHIRE SCHOOLS FORUM: UPDATE

To: Cambridgeshire Schools Forum
Date: 17 March 2017
From: Richenda Greenhill, Clerk to Cambridgeshire Schools Forum

1.0 INTRODUCTION

- 1.1 The composition of Schools Forums is currently governed by the Schools Forum (England) Regulations 2012 and the Schools Forum Operational and Good Practice Guide March 2015. However, it is anticipated that revised guidance on the role and composition of Schools Forums will be issued in the near future as part of central government's wider review of schools' funding arrangements.
- 1.2 The current composition of Cambridgeshire Schools Forum is compliant with the requirements to include representatives of maintained schools and academies including governor representatives, special school, nursery school and pupil referral unit representatives and non-schools members. However, it is recognised that the existing arrangements for the appointment of academies' representatives does not meet the requirement that these members are elected by academy proprietors.
- 1.3 The current appointment arrangements were shared with the Regional Schools Commissioner (RSC) in June 2016 and his assistance sought in identifying the proprietors of academies in the county and obtaining their co-ordinated agreement to which constituent groups' academies representatives should be drawn from and who should elect the academies representatives. The RSC indicated that he was happy to assist, but further substantive work was postponed when it was understood that revised guidance on the nature and role of Schools Forums would be issued in the near future.
- 1.4 Schools Forum is asked to note the position.

2.0 BACKGROUND

- 2.1 The existing Schools Forum Regulations provide a framework for the appointment of members, but allow a considerable degree of discretion in order to accommodate local priorities and practice.
- 2.2 The current composition of the Cambridgeshire Schools Forum is as follows:

Schools' Members:

6 Primary Headteachers
1 Maintained Secondary Headteacher
1 Academy Primary School Headteacher
4 Academy Secondary Representatives
1 Nursery School Representative
1 Special School Headteacher
1 Pupil Referral Unit Representative
4 Governor Representatives
1 Academy Special School Representative
1 Academy Alternative Provision Representative

Non-School Members:

- 1 Early Years Reference Group Representative
- 1 Post 16 Further Education Representative

23 voting members

Observers (non-voting):

- 1 Representative from the Diocesan Board of Education
- 1 Representative from the Roman Catholic Diocese of East Anglia
- 1 Representative from the union membership of the teachers' JCNG group
- 1 Representative from the union membership of the non-teaching JCNG group
- 3 Elected Members appointed by the Children and Young People Policy and Service Committee

7 non-voting members

- 2.3 Cambridgeshire County Council remains committed to complying with the Regulations and good practice guidance relating to all aspects of the operation of the Schools Forum, and the delay in revising the arrangements for appointing academies' representatives is regrettable. However, in view of the expectation that revised guidance will now be issued in the very near future it is proposed that further detailed work on the composition of the Cambridgeshire Schools Forum should await that advice.

3.0 ACTION

- 3.1 Schools Forum is asked to note the position.

CAMBRIDGESHIRE SCHOOLS FORUM – FORWARD AGENDA PLAN

DATE/TIME/ VENUE	AGENDA ITEMS	AUTHOR	DEADLINE FOR REPORTS TO DEMOCRATIC SERVICES
Friday 17 March 2017, 10.00am Kreis Viersen room	Minutes of the Meeting on 27 January 2017 and Actions Arising	Richenda Greenhill	10.30am, Tuesday 7 March 2017
	National Funding Formula Update	Jon Lee	
	Future Budget Considerations	Martin Wade	
	Apprenticeship Levy	Alison Bretherton	
	Composition of Cambridgeshire Schools Forum: Update	Richenda Greenhill	
	Forward Plan	Richenda Greenhill	
	Date of Next Meeting		
Friday 7 July 2017, 10.00am Kreis Viersen Room	Appointment of the Chairman/ Chairwoman and Vice-Chairman/ Chairwoman	Richenda Greenhill	10.30am, Tuesday 27 July 2017
	Minutes of the Meeting on 17 March 2017 and Actions Arising	Richenda Greenhill	
	Dedicated Schools Grant Expenditure: Update	Martin Wade	
	Forward Plan	Richenda Greenhill	
	Date of Next Meeting		

? September 2017 tba			
	Minutes of the Meeting on 7 July 2017 and Actions Arising	Richenda Greenhill	
	Dedicated Schools Grant Expenditure: Mid-Year Update	Martin Wade	
	Forward Plan	Richenda Greenhill	

- Meeting dates for 2017/18 to be arranged.

Updated 08.03.17