

Date: Friday, 27 January 2017

10:00hr

Democratic and Members' Services

Quentin Baker
LGSS Director: Law, Procurement

and Governance

Shire Hall
Castle Hill
Cambridge
CB3 0AP

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

AGENDA

- 1 **Apologies for absence**
- 2 **Minutes of the Meeting on 14 December 2016** **3 - 36**
- 3 **Schools Budgets 2017-18 - Update** **37 - 46**
- 4 **Public Finance Initiative (PFI) Re-financing - Thomas Clarkson Academy** **47 - 48**
- 5 **Early Years National Funding Update** **49 - 58**
- 6 **National Funding Formula Update** **59 - 80**
To follow: A draft Schools Funding Consultation response and a draft High Needs Consultation response will follow week commencing 23 January 2017.
- 7 **Revisions to the Scheme for Financing Schools and Finance Regulations** **81 - 82**

9 **Date of Next Meeting**

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

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CAMBRIDGESHIRE SCHOOLS FORUM: MINUTES

Date: Wednesday 14 December 2016

Time: 10.00am – 12.30pm

Place: Kreis Viersen Room, Shire Hall, Cambridge

Present: P Hodgson (Chairman), Dr A Rodger (Vice Chairman), A Bishop (substituting for D Parfitt), L Calow, K Coates, S Connell, J Digby, T Davies, A Matthews, B Smethurst, Dr K Taylor, S Tinsley and R Waldau.

Observers

G Fewtrell

Councillor P Downes

Teachers' Union

Cambridgeshire County Council

Officers

J Davies, K Grimwade, M Moore, Dr H Phelan, M Wade and R Greenhill (Clerk)

Apologies: Forum Members: S Blyth, K Evans, A Hutchinson, N Jones, J North and D Parfitt
Observers: Councillors D Harty and J Whitehead
Officers: M Teasdale

ACTION

157. APOLOGIES FOR ABSENCE AND ORDER OF BUSINESS

The Clerk reported apologies for absence and substitutions as recorded above.

The Chairman informed the Forum of his intention to vary the order of business from the published agenda to take Item 6, a presentation on the High Needs Block, as the fourth item on the agenda so that it could inform discussion of subsequent items.

158. MINUTES OF THE MEETING ON 14 OCTOBER 2016

The minutes of the meeting on 14 October 2016 were confirmed by those present to be a correct record and signed by the Chairman.

The following outcomes of actions arising from previous meetings were noted:

(a) Minute 141: Composition of Cambridgeshire Schools Forum – Update

Deferred due to pressure of business on the December agenda.

(b) Minute 142: Child and Adolescent Mental Health (CAMH): Update

Information covered under Minute 163 below, Social, Emotional and Mental Health (SEMH) Pilot Scheme Evaluation.

**Democratic
Services
Officer**

(c) Minute 148: Special Educational Needs and Disabilities (SEND) Peer Review

The Peer Review's final report would be shared with the offices of local Members of Parliament with an offer to discuss the findings further if they wished.

(d) Minute 148: Special Educational Needs and Disabilities (SEND) Peer Review

A copy of the paper submitted to the Children and Young People Policy and Service Committee in January to be copied to members of the Forum for information.

**Democratic
Services
Officer**

(e) Minute 149: Dedicated Schools Grant (DSG) Financial Position 2016-17

The Vice Chairman met with officers on 8 December 2016 to discuss the position.

(f) Minute 150: National Funding Formula and Schools Budget Setting 2017-18 Update

The level of per capita expenditure on the Admissions Service for maintained schools in Cambridgeshire was relatively low compared to the county's geographical and statistical neighbours. A disapplication from the Secretary of State was required to increase the amount.

(g) Minute 150: National Funding Formula and Schools Budget Setting 2017-18 Update

Section 106 money did not include children who crossed county borders to attend school.

(h) Minute 150: National Funding Formula and Schools Budget Setting 2017-18 Update

Copies of the Vice Chairman's correspondence with the Prime Minister and officials about the particular pressures faced by Cambridgeshire's schools were circulated to members by email on 5 December 2016.

159. NATIONAL FUNDING FORMULA AND SCHOOLS BUDGET SETTING 2017-18: UPDATE

The Strategic Finance Manager (Children and Schools) introduced a report which provided an update on local schools budget setting issues. It was noted that an announcement on the National Funding Formula Consultation was expected later that day from the Department for Education (DfE). The response to the consultation would be discussed at the Forum's meeting in January and a working group would be established in advance.

The following points were raised in discussion:

- As previously reported, the increase in Schools Block per Pupil allocation was a technical adjustment and did not represent new money;
- Pupil numbers overall within Cambridgeshire continued to grow, although this masked some quite significant variations in individual schools within both the primary and secondary sectors;
- Approval was sought to increase the Growth Fund by £0.5m in 2017-18 to £2.5m to meet additional demand and the costs associated with the opening of two new primary schools, one secondary school and one special school in this period;
- Growth funding was based on assessed need and often delivered at a flat rate rather than on a per pupil basis so there would be very few cases of it funding unfilled places;
- No changes were proposed to the local funding formula;
- No announcements had been made yet in relation to pupils with English as an Additional Language (EAL);
- Final decisions on Schools Budget Setting would be taken by the Children and Young People Policy and Service Committee (CYP) on 17 January 2017 and would be reported back when the Forum met next on 27 January 2017;
- A reduction of £1.8m in the Education Services Grant (ESG) had already been factored into the overall levels of funding available as part of the Local Authority's (LA) business planning process;
- Maintained schools' members accepted officers' advice that a decision not to approve the retention of £10 per pupil to reflect the removal of ESG general duties would mean that the Local Authority would be unable to deliver the relevant functions to maintained schools in 2017-18. They acknowledged that officers had only recently received the information from the DfE on which this figure was based, but expressed strong concern that they were required to take this decision on behalf of all maintained schools without prior notice or time to consult with colleagues;
- The LA was reviewing the services provided from within the retained duties rate element of the ESG as it already spent more delivering these services than was covered by the sum retained;
- The Vice Chairman emphasised that, against the background of wider financial pressures on both local and central government, budget would be cut and that it was imperative that the funds which were available were used as efficiently and effectively as possible. The Director of Learning reported that a review of the LA's role in education was in taking place which would include exploring and seeking to clarify the relationship and boundaries between schools and the LA. The Schools Forum would be consulted as part of this review and a report would be submitted to CYP in March 2017;
- The DfE was drawing up a list of approved functions which could be managed through centrally retained funding. Tree

maintenance was the only item which had been removed from the 2017-18 proposals;

- An additional member of staff had been taken on and staff overtime approved to address the backlog which had developed in school admissions. These costs had been accommodated by the Local Authority and a number of issues of process were also being addressed in order to further improve efficiency. However, any proposal to increase the centrally retained budget relating to the Admissions Service would require disapplication by the Secretary of State. Given the increasing number of applications being processed and the expectation of hard boundaries being put in place between funding blocks from April 2017 it would be important to consider how this would be managed going forward. **The Forum would welcome officers' advice on this;**
- Tony Davies reported that a survey of Cambridgeshire Primary Heads had resulted in a vote in favour of continuing to include the Cambridgeshire Race Equality Advisory Service (CREDS) within the proposed de-delegations for the next financial year, but to note that the position might change beyond that point;
- The DfE had published a response to its consultation on Early Years funding. This recognised the increased costs incurred by maintained nurseries and contained a commitment to supplementary funding for the next three years. At local level a consultation on the Early Years Single Funding Formula (EYSFF) would be published before the end of term and a report would be submitted to the Forum's meeting in January 2017;
- A working party on Fair Funding would be held on Wednesday 11 January. **Representation would be agreed with officers outside of the meeting.**

**Service Director,
Strategy and
Commissioning**

**Strategic
Finance
Manager**

It was resolved:

1. By majority, to approve the increase of the Growth Fund from £2m to £2.5m;
2. To approve the retention of £15 per pupil to reflect the transfer of the Education Services Grant (ESG) retained duties funding and functions delivered by the Local Authority for all schools;
3. By Maintained Schools' Members of the Schools Forum, to approve with reluctance the retention of £10 per pupil to reflect the removal of ESG general duties funding and functions delivered by the Local Authority for maintained schools;
4. To approve the continued Central Expenditure as set out in paragraphs 6.5 and 6.6 of the report;
5. By Maintained Schools' Members of the Schools Forum, to agree to the continuation of the de-delegations in respect of:
 - Contingency
 - The Cambridgeshire Race Equality Advisory Service (CREDS)
 - Free School Meals (FSM) Eligibility
 - Insurance

- Maternity
- Trade Union Facilities Time.

160. HIGH NEEDS BLOCK

The Forum received a presentation by the Head of Commissioning Enhanced Services, the Head of Special Educational Needs and Disabilities (SEND) Specialist Services and the Strategic Finance Manager (Children and Schools) setting out the current position on the High Needs Block and looking at managing the pressures in this area going forward. A copy of the presentation is attached at Appendix A:

The following points were noted in discussion:

- At present Dedicated Schools Grant (DSG) carry forward was being used to meet in-year pressures, but this was not sustainable going forward. Confirmation was still awaited from the DfE of any uplift in funding to the High Needs Block;
- Pressures in 2016-17 included the spot place purchase of special school places, the higher number of students with special educational needs who were remaining in education beyond the age of 16 and the longer periods of time which pupils with special needs were receiving out of school tuition. It was estimated that the cost of these and other pressures would rise to £3m in the next financial year. Measures had been identified to absorb £0.75m of these costs leaving a remaining pressure of £2.25m;
- In line with national trends the percentage of pupils in Cambridgeshire with special educational needs and disabilities was decreasing. However, also in line with national trends the percentage of pupils with the highest levels of need (those with either a statement of special educational need or an Education, Health and Care Plan (EHCP)) had increased since 2010 and was expected to continue to increase during the next two to three years;
- An increasing number of children and young people were being diagnosed with genetic or chromosomal disorders which could present as varying types and levels of need;
- The number of children with additional needs below the threshold for an EHCP placed pressure on schools and might in part explain the reluctance of some schools to accept more children with SEND;
- Early Years representatives emphasised the value of early intervention and preventative work to many children with SEND, but expressed concern at how this would be funded;
- The Vice Chairman suggested that the Local Authority and schools needed to work together over the next year to better understand and manage the expectations which existed on both sides in order to deliver the best outcomes possible to pupils, their families and schools within the funds available;

- Concern was expressed at the potential impact of cuts to main budgets in favour of the High Needs Block on those children with additional needs below the threshold required to obtain additional support;
- Members acknowledged that officers had been waiting on information from central government in order to finalise the detail of the proposals, but would have found it useful to have had a summary of the key decisions to be made in advance of the meeting in order for these to be shared with colleagues and a collective view taken;
- The final decision on the proposed transfer between funding blocks rested with CYP. However, to date the Committee had never gone against the recommendation of the Schools Forum;
- All present noted the real term implications of the difficult choices which were having to be made in relation to budgets and the impact these would have on schools and pupils.

In light of the discussion it was resolved:

1. To endorse with reluctance the proposed transfer of up to £2.25m to accommodate pressures on the High Needs Block, less any uplift received from central government, with the commitment that officers would work with schools to minimise this figure.

161. DRAFT REVENUE AND CAPITAL BUSINESS PLANNING PROPOSALS FOR 2017-18 TO 2021-22

It was noted that this report was for information only. The Strategic Finance Manager (Children and Schools) invited members to contact him direct should they have any questions or require more information.

162. SPECIAL EDUCATIONAL NEEDS AND DISABILITIES PEER REVIEW

The Forum received a report from the Service Director, Strategy and Commissioning, providing an update on the outcome of the Special Educational Needs and Disabilities (SEND) Pilot Peer Review. In her absence the report was introduced by the Director of Learning.

The review had produced some useful and sometimes challenging findings which merited detailed consideration. These would be shared with schools including via the Cambridgeshire Primary Heads Group and the Cambridgeshire School Improvement Board during the next few weeks and it would be important for the Local Authority and schools to work together to address the issues raised. The need to have confidence in the evidence base was highlighted given that strategic decisions would be based upon this. This issue would be explored in detail with the review team.

163. SOCIAL, EMOTIONAL AND MENTAL HEALTH (SEMH) PILOT SCHEME EVALUATION

The Forum received a report by the Head of Special Educational Needs and Disabilities (SEND) Specialist Services providing an evaluation of a pilot scheme to trial alternative provision and assess its impact on reducing permanent exclusions across Cambridgeshire.

The following points were made in discussion:

- Two pilot schemes had been established, one in Cambridge and the other in Wisbech, as these had been identified as the two areas of greatest need in the county;
- 26 primary school aged children had been supported across the two sites at a cost of £15k per child;
- All of the children except two at the Cambridge site had been re-integrated into mainstream schools. 50% of the children at the Wisbech site had been re-integrated so far with the remainder expected to follow in due course;
- There was no new money available to fund the continuation of the project or a further three months so if agreed it would have to be accommodated from within existing resources;
- There would be no costs arising from closing the two projects down if it was decided not to continue;
- One member spoke of the positive outcomes achieved for two of their pupils who had attended the pilot project and would otherwise have been likely to have been permanently excluded. He felt that the project had offered greater value than would have been provided by additional staffing alone;
- Whether schools with pupils attending might contribute to the cost of their places. This would demonstrate financial willingness by both the Forum and schools whilst buying into the service in this way would increase the school's sense of ownership;
- The impact on the attendance rates of the pupils attending the pilot projects was not transformational and the overall results appeared mixed. The evidence base for continued funding was not considered conclusive.

In view of time constraints it was agreed that further consultation would take place outside of the meeting on whether additional funding of £90k should be identified from within existing resources to fund a three month extension of the pilot projects.

**Head of SEND
Specialist
Services/
Strategic
Finance
Manager**

164. PERMANENT EXCLUSIONS AND MANAGED MOVES

Due to time constraints it was agreed that that comments on the report would be circulated outside of the meeting.

**Democratic
Services Officer**

165. SPEECH, LANGUAGE AND COMMUNICATION NEEDS DELIVERY MODEL

Due to time constraints it was agreed that that comments on the report would be circulated outside of the meeting.

**Democratic
Services Officer**

166. FORWARD PLAN

The Forward Plan was noted.

167. DATE OF THE NEXT MEETING

The Forum would meet next on Friday 27 January 2017 at 10.00am in the Kreis Viersen Room, Shire Hall, Cambridge.

Chairman

High Needs Funding

Schools Forum – December 2016

High Needs Block

- ◆ Current High Needs Block based on historic levels of spend – 2012/13
- ◆ Some uplift has been applied to reflect place numbers....
- ◆ ...but not enough to reflect increases in overall population and levels of need...
- ◆ Transfers from Schools Block in previous years to support pressures
- ◆ DSG C/fwd applied to meet in-year overspends.. No longer sustainable other than for a limited number of targeted initiatives...

2016-17 Position

- ◆ Following DSG baseline exercise revised figures for 2016/17 (excluding 2 year old funding and Early Years Pupil Premium):

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

- ◆ Table on following page shows current breakdown of High Needs Block Budgets:

Service Area	2016/17 High Needs Block Budget £m
Special Schools (Place & Top-Up Funding - Maintained & Academies)	£20.492
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)	£14.444
SEN Units (Place & Top-Up Funding - Maintained & Academies)	£2.669
EOTAS Devolution	£5.567
Other Cambridgeshire Alternative Education Service	£0.296
Pilgrim PRU	£0.574
SEN Placements	£8.563
Welfare Benefits	£0.015
Schools Partnership Service (ESLAC)	£0.099
Localities	£0.546
Youth Support Services	£0.126
SEND Specialist Services (HI, VI, Support for Learning, Specialist Teachers etc)	£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	£1.049
Strategy & Partnerships	£0.065
Total	£61.805

2016-17 Position cont..

- ◆ In-year pressures:
 - ◆ Special Schools +£435k
 - ◆ High Needs Top-Up +£399k
 - ◆ SEN Units +£403k
 - ◆ SEN Placements +£700k
 - ◆ Out of School Tuition +£250k
 - ◆ **TOTAL = £2,187k***

*To be covered by DSG C/fwd in-year

2017-18 Pressures

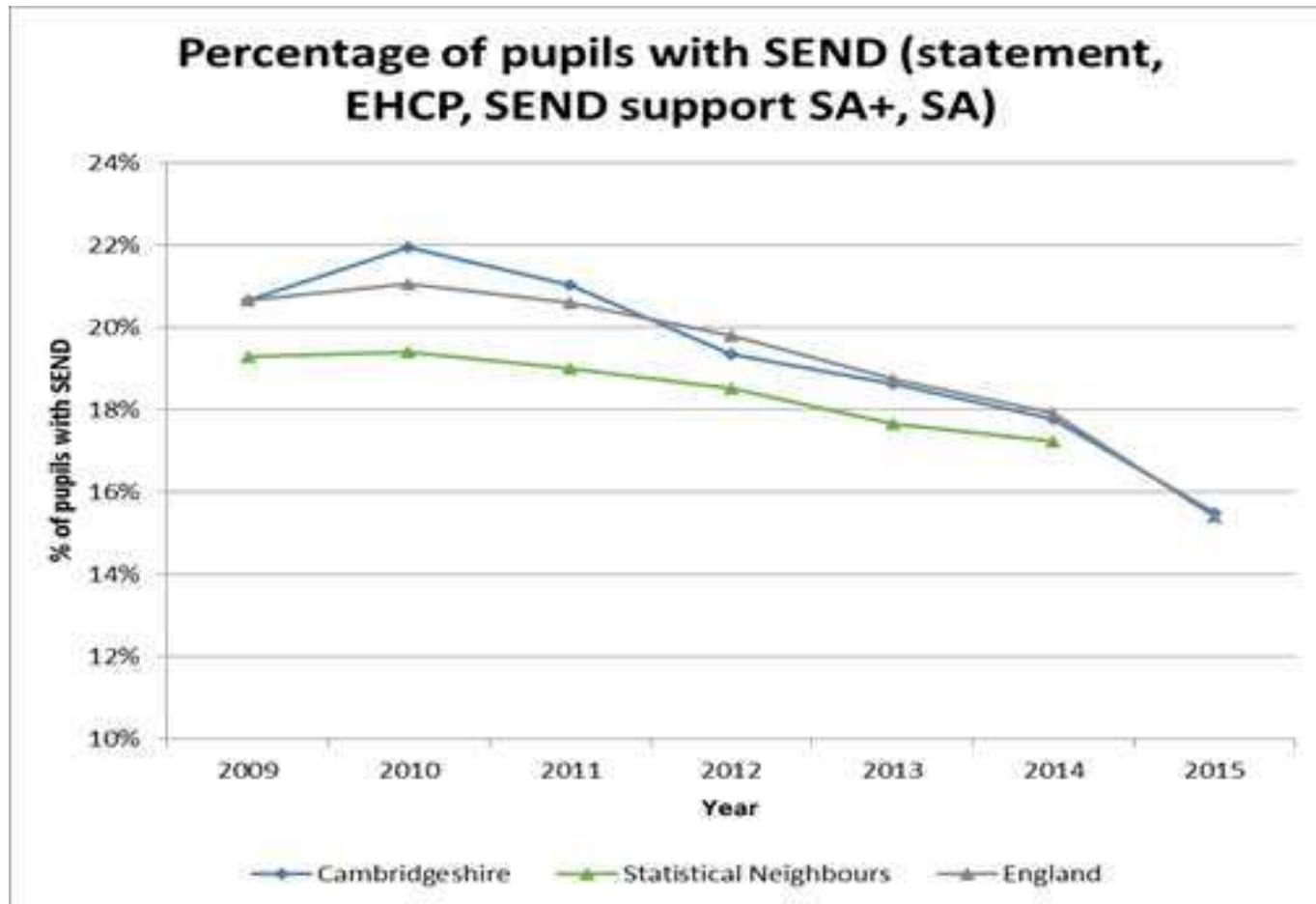
- ◆ Estimated High Needs pressure for 2017/18 = **£3m+**
 - ◆ Population/Demography
 - ◆ Increasing Need
 - ◆ New Special School
 - ◆ Inflation

- ◆ Work to reduce costs (contracts), absorb inflation, develop new ways of working etc. will aim to reduce pressure by approximately **£0.75m**

- ◆ Remaining Pressure to Fund = **£2.25m**

High Needs Data 1

- ◆ Overall, the percentage of pupils with SEND is decreasing in Cambridgeshire. (This is consistent with the national trend)



High Needs Data 2

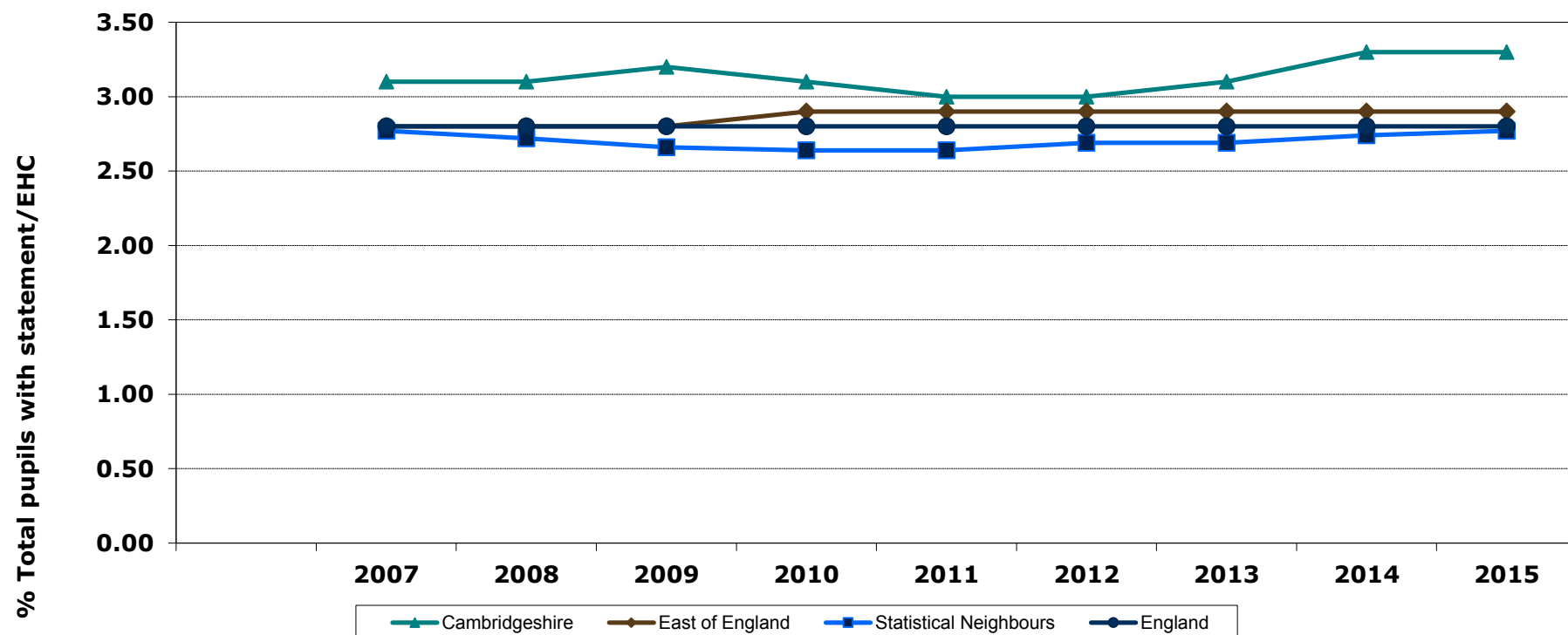
- ◆ However the percentage of pupils with a statement or EHCP increased between 2010 and 2015; these are the children with the highest levels of need.

% of Pupils with Statement of (SEN) or (EHC) Plans

Local Authority, Region and England	2007	2008	2009	2010	2011	2012	2013	2014	2015
Cambridgeshire	3.10	3.10	3.20	3.10	3.00	3.00	3.10	3.30	3.30
East of England	2.80	2.80	2.80	2.90	2.90	2.90	2.90	2.90	2.90
Statistical Neighbours	2.77	2.72	2.66	2.64	2.64	2.69	2.69	2.74	2.77
England	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80

High Needs Data 3

% of Pupils with Statement of (SEN) or (EHC) Plans



High Needs Data 4

- ◆ This increase in need can be seen by the increase in Top-Up being funded to mainstream schools (maintained and academies) over the last 3 years:

	Mean	Median
2014-15	£ 4,982.00	£ 3,528.97
2015-16	£ 5,144.03	£ 3,827.08
2016-17	£ 5,628.42	£ 4,171.20

High Needs Data 5

- ◆ Between 2010 and 2016 the percentage of statements/plans in Cambridgeshire has increased by 12%. Comparison to statistical neighbours and England can be seen below:

County	2010	2011	2012	2013	2014	2015	2016
Cambridgeshire	100	99.0	99.3	101.7	108.9	108.4	112.1
Bath and North East Somerset	100	100.7	100.0	102.2	106.7	111.1	132.6
Gloucestershire	100	100.0	103.8	107.3	110.9	107.8	116.7
Hampshire	100	100.0	99.2	99.3	100.8	102.7	114.4
Hertfordshire	100	96.5	93.1	91.7	89.1	88.0	104.4
Oxfordshire	100	96.8	97.6	101.5	104.4	109.3	118.3
South Gloucestershire	100	100.0	97.7	101.4	104.5	105.0	126.1
West Berkshire	100	101.3	100.0	101.3	99.4	96.8	105.8
West Sussex	100	103.1	98.7	101.1	104.7	105.8	122.8
Wiltshire	100	96.5	99.5	101.9	101.4	108.2	127.2
Worcestershire	100	102.5	106.4	101.0	100.2	98.1	104.1
ENGLAND	100	100.3	100.8	102.3	103.9	105.2	112.3

Change, indexed (2010 = 100), from 2010

High Needs Data 6

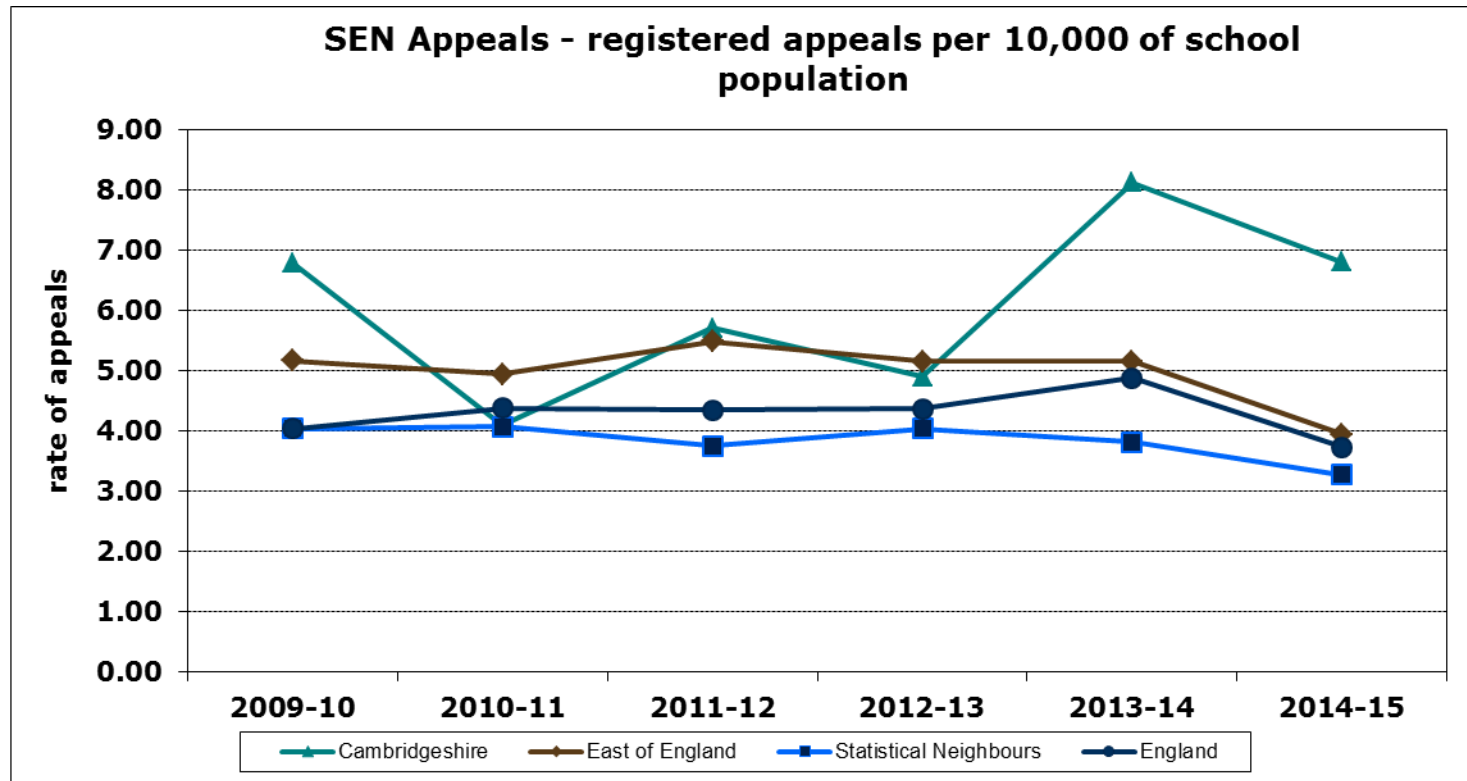
- ◆ Between 2014 and 2016 the percentage of statements/plans in Cambridgeshire has increased by 3%. In comparison to our statistical neighbours, Cambridgeshire has increased by the lowest %

County	2014	2015	2016
Wiltshire	100	106.7	125.5
Bath and North East Somerset	100	104.2	124.3
South Gloucestershire	100	100.4	120.7
West Sussex	100	101.1	117.3
Hertfordshire	100	98.8	117.2
Hampshire	100	101.8	113.5
Oxfordshire	100	104.7	113.3
West Berkshire	100	97.4	106.5
Gloucestershire	100	97.2	105.2
Worcestershire	100	97.9	103.9
Cambridgeshire	100	99.5	102.9
ENGLAND	100	101.3	108.1

Change, indexed (2014 = 100), from 2014

High Needs Data 7

- ◆ Cambridgeshire's number of appeals per 10,000 school population increased dramatically in 2013-14 and was also higher in 2014-15.



High Needs Data 8

◆ Number of appeals/tribunals :

	<u>Period 1 Sept 14</u> <u>– 31 Aug 2015:</u>	<u>Period 1 Sept</u> <u>2015 – 23 June</u> <u>2016:</u>
No of Registered Appeals	63	51
No of appeals settled prior to hearing/withdrawn:	46	24
No of appeals struck out:	7	0
No of appeals that went to a hearing:	10	8
No of appeals found in favour of LA:	6	5
No of appeals <u>not</u> found in favour of LA:	4	3

◆ Tribunals = Tuition / Out County = Increasing Costs

High Needs Data 9 - Types of need compared to Oxfordshire and England:

Primary Need Type	ENGLAND	Cambridgeshire	Oxfordshire
Specific Learning Difficulty	151153	2216	1690
	13.3%	19.1%	13.6%
Moderate Learning Difficulty	273627	2527	4009
	24.2%	21.8%	32.3%
Severe Learning Difficulty	32304	375	388
	2.9%	3.2%	3.1%
Profound & Multiple Learning Difficulty	10914	112	119
	1.0%	1.0%	1.0%
Social, Emotional and Mental Health (5)	184930	1935	2302
	16.3%	16.7%	18.5%
Speech, Language and Communications Needs	221456	1755	1886
	19.5%	15.1%	15.2%
Hearing Impairment	20499	200	154
	1.8%	1.7%	1.2%
Visual Impairment	11592	112	67
	1.0%	1.0%	0.5%
Multi-Sensory Impairment	2302	41	20
	0.2%	0.4%	0.2%
Physical Disability	32897	256	303
	2.9%	2.2%	2.4%
Autistic Spectrum Disorder	100012	1073	1220
	8.8%	9.3%	9.8%
Other Difficulty/Disability	55196	582	119
	4.9%	5.0%	1.0%
SEN support but no specialist assessment of type of need (6)	36025	415	154
	3.2%	3.6%	1.2%
Total	1132907	11599	12431

High Needs Data 10

◆ Diagnosis of children following the Early Support Pathway:



Category	ECF	Hunts	SCC	No. of 0 to 5s
Autistic Spectrum Disorder	29	52	48	129
Social Communication Disorder	36	17	36	89
DAMP		1		1
Developmental language delay	12	8	11	31
Global develop delay	40	27	50	117
Motor develop delay	2		1	3
Neurodevelopmental Disorder	2			2
Visual Impairment	1	1	6	8
Hearing Impairment	4	4	5	13
Cerebral Palsy	5	9	9	23
Congenital malformations	4	3		7
Muscular Dystrophy	2	1	3	6
Metabolic disorders	1			1
Down's syndrome	12	12	18	42
Foetal Alcohol Syndrome	1			1
Genetic Disorder	21	19	14	54
Acquired Brain injury	4	1	7	12
Behaviour difficulties		3	4	7
Continuing Care criteria			5	5
Total	176	158	217	551

High Needs Data 11

- ◆ Special Schools Pupils and average cost per place:

AREA Special Schools	16/17	15/16	14/15
Numbers	755	740	718
Total Cost	£16,113,402	£15,622,899	£15,010,553
Average cost per place	£21,355	£21,115	£20,919
SEMH Special Schools	16/17	15/16	14/15
Numbers	147	166	189
Total Cost	£4,551,924	£4,785,321	£4,978,892
Average cost per place*	£30,876	£28,888	£26,313

* Higher due to low pupil numbers and residential costs at Harbour

- ◆ Special schools have received no uplift in top-up rates since the introduction of Place-Plus funding in 2013-14 and as such have had to absorb increasing staff costs.

High Needs Data 12

◆ Special Educational Needs (SEN) average placements and costs:

Ofsted Category	Yearly Average No. of Placements		Total Cost of SEN Placements		Average Annual Cost	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Autistic Spectrum Disorder	103.85	100.44	£7,108,229	£6,365,541	£68,447	£63,377
Hearing Impairment	2.34	2.85	£63,291	£78,109	£27,047	£27,407
Moderate Learning Difficulty	2.92	2.21	£106,263	£82,750	£36,391	£37,443
Multi-Sensory Impairment	0	0	£0	£0	£0	£0
Physical Disability	1.76	1.34	£33,056	£22,598	£18,782	£16,864
Profound and Multiple Learning Difficulty	0	0.31	0	£12,817	0	£41,344
Social Emotional and Mental Health (previously called 'Behaviour, Emotional and Social Difficulty')	36.15	36.27	£1,499,185	£1,483,837	£41,471	£40,911
Speech, Language and Communication Needs	2.26	3.01	£123,136	£170,619	£54,485	£56,684
Severe Learning Difficulty	1	1.72	£90,237	£140,235	£90,237	£81,532
Specific Learning Difficulty	5.68	7.52	£112,138	£134,326	£19,743	£17,863
Visual Impairment	1.34	2	£43,049	£54,953	£32,126	£27,477
TOTAL	157.3	157.67	£9,178,585	£8,545,786	£58,351	£54,200

High Needs Data 13

◆ Number and cost of OOS Tuition Placements:

	Estimated 2016-17	2015-16 Year End Position
Number of Pupils	107	109
Total Cost	£1,450,226	£1,195,954
Average Cost per Pupil	£13,554	£10,972

Next Steps

◆ Separate papers on:

- ◆ Exclusions and Managed moves
- ◆ SEMH Pilot – proposed continued use of DSG c/fwd to fund until June 2017
- ◆ Speech, Language and Communication Needs

◆ Other considerations:

- ◆ EOTAS Devolution - proposed continued use of DSG c/fwd to fund growth uplift until March 2018
- ◆ Early Years SEN Inclusion Fund – to be created from existing HNB and transfer from EY Block – proposals being developed

◆ Awaiting confirmation of High Needs Block uplift from EFA.

◆ Amount to be transferred from Schools Block to meet pressures for 2017/18 =

- ◆ £2.25m less uplift

Next Steps

- ◆ What else can we do differently to reduce costs?
- ◆ If we don't transfer funding we could reduce Top-up rates to all schools...
- ◆ Members of Schools Forum are asked to comment on / support the proposed transfer between funding blocks.
- ◆ Final decision will be taken at CYP Committee in January.
- ◆ Move to formulaic approach for High Needs Block from 2018-19, both an opportunity and a risk – no guarantee of extra funding.
- ◆ If we can release funding it can be recycled into the system...

**CAMBRIDGESHIRE
SCHOOLS FORUM**

Minutes - Action Log



Cambridgeshire
County Council

Introduction:

This log captures the actions arising from Children and Young People Service Committee meetings and updates members on progress in delivering the necessary actions.

This is the updated action log as at **17 January 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. 	Proposals have been delayed pending the expected announcement from the DfE.	In progress
Minutes of 14 October 2016					
148.	Special Educational Needs and Disabilities (SEND) Peer Review	Richenda Greenhill	<ul style="list-style-type: none"> To circulate a copy of the paper on the SEND Peer Review when it is submitted to the Children and Young People Committee. 	A report was taken to CYP Spokes in January 2017, but it is not due to be discussed by the full CYP Committee.	No further action

Minutes of 14 December 2017

159.	National Funding Formula and Schools Budget Setting 2017-18: Update	Meredith Teasdale	<ul style="list-style-type: none"> To provide advice on managing the financial pressures on the Schools' Admission Service going forward in view of the increasing number of applications being processed and the requirement for a disapplication from the Secretary of State to increase the centrally retained budget for this service. 	Updated guidance received from the DfE in December has now removed the limit on central expenditure for admissions and servicing of schools forums. As such there is now the opportunity to increase spend on the admissions service from centrally retained DSG funds. Options for recycling existing funding will therefore be explored.	Completed
		Martin Wade	<ul style="list-style-type: none"> To agree representation at a working group on Fair Funding, to be held on 11 January 2017. 	The Group met on 11 January and has started to develop draft responses to the two consultations. This is on the agenda for 27 January 2017.	In progress
163.	Social, Emotional and Mental Health (SEMH) Pilot Scheme Evaluation	Helen Phelan/ Martin Wade	<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 	Work is ongoing to try and identify the required £90k from within existing resources.	In progress

			extension of the pilot projects.		
164.	Permanent Exclusions and Managed Moves	Richenda Greenhill	<ul style="list-style-type: none"> To circulate the report to members for comment outside of the meeting. 	The report was circulated to members for comment by email on 22.12.16. No comments received.	Completed
165.	Speech, Language and Communication Needs (SLCN) Delivery Model	Richenda Greenhill	<ul style="list-style-type: none"> To circulate the report to members for comment outside of the meeting. 	The report was circulated to members for comment by email on 22.12.16. No comments received.	Completed

SCHOOLS BUDGETS 2017/18: UPDATE

To: Cambridgeshire Schools Forum
 Date: 27th January 2017
 From: Martin Wade - Strategic Finance Manager (Children's & Schools)

1.0 INTRODUCTION

- 1.1 This report provides a summary update on the schools budget setting issues for consideration for 2017/18.
- 1.2 On the 20th December 2016 the Department for Education (DfE) published the Dedicated Schools Grant (DSG) Funding Settlement for 2017/18. Full details can be found on the DfE website at the following link:
<https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2017-to-2018>
- 1.3 The information below provides a summary of the main issues that will impact on the budget setting process.

2.0 DEDICATED SCHOOLS GRANT (DSG) ALLOCATION

- 2.1 As in previous years the initial DSG for 2017/18 is calculated on the basis of 3 notional blocks:
- Early Years Block – calculated based on all nursery age pupils (including estimate of extended entitlement)
 - Schools Block – calculated based on all pre-16 school age pupils
 - High Needs Block – based on historic spend on high needs pupils in school and FE Colleges (plus population uplift).
- 2.2 The table below shows the current estimated level of DSG to be received in 2017/18:

Schools Block DSG	£337,587,337
Total Estimated Schools Block	£337,587,337
3&4 YO Early Years Block -Universal	£25,532,143
3&4 YO Early Years Block - Extended Entitlement	£4,707,583
Indicative Early Years Pupil Premium	£311,190
2YO Early Years Block	£3,888,881
Disability Access Fund	£135,300
Maintained Nursery School Supplementary Funding	£1,307,032
Total Estimated Early Years Block	£35,882,129
<u>High Needs Block</u>	
16/17 HNB Baseline	£62,755,620
Population based uplift	£1,096,071
Population growth based uplift	£486,896
Total High Needs Block	£64,338,587
Total Estimated DSG*	£437,808,053

** Estimated DSG Pre Academy Recoupment and Pre adjustments for High Needs Place Funding.*

- 2.3 The total estimated Schools Block has increased by approximately £5.3m over 2016/17 levels due to the net increase in pre-16 pupil numbers. It must be noted however that this is not all “extra” funding, as the majority is required to meet the cost of educating the additional pupils already in schools. Equally the changes in pupil numbers at individual schools between the two census points can vary significantly and as such will impact on the funding allocations they will receive. However, based on the average per pupil funding rates of primary and secondary age pupils, and allowing for the required lumps sums to support the new schools opening in September 2017, there is approximately £1.1m of headroom. This will be used to support the growth in new schools through variations to pupil numbers and following Schools Forum approval to contribute towards the required increase in the centrally held Growth Fund from £2m to £2.5m.
- 2.4 As well as previous baseline adjustments for post-16 places in FE colleges, the initial High Needs Block to be received for 2017/18 has been uplifted by £130m nationally to reflect the actual 2-18 year old population and population growth. As a result of this uplift Cambridgeshire will receive an additional £1.58m which will offset the total £2.25m pressure discussed at the December meeting of Schools Forum.
- 2.5 Therefore the final amount to be transferred from the Schools Block will be £0.67m (£2.25m less the £1.58m uplift to be received from the DfE). This was approved by CYP Committee on 17th January.
- 2.6 As in previous years the DfE has agreed with the following agencies to purchase a single national licence to be managed by the DfE for all state-funded schools in England:
- Christian Copyright Licensing International (CCLI)
 - Copyright Licensing Agency (CLA)
 - Education Recording Agency (ERA)
 - Filmbank Distributors Ltd. (for the PVSL)
 - Mechanical Copyright Protection Society (MCPS)
 - Motion Picture Licensing Company (MPLC)
 - Newspaper Licensing Authority (NLA)
 - Performing Rights Society (PRS)
 - Phonographic Performance Limited (PPL)
 - Schools Printed Music Licence (SPML)

This means that local authorities and schools will no longer need to negotiate individual licences. These arrangements will cover recoupment Academies as well as maintained schools, and local authorities will be allowed to hold this money centrally rather than include it in school budgets. The overall cost has increased by approximately £10k over 2016/17 levels and final distribution totals have been adjusted to reflect this change.

3.0 FUNDING ALLOCATIONS

- 3.1 At the Children and Young People (CYP) Committee meeting on 17th January 2017 members endorsed the following approach to the allocation of additional Dedicated Schools Grant (DSG) funding to be received in 2017/18:
- 3.2 **Mainstream Schools** – Maintained and academy primary and secondary schools.

- a) Required demographic changes to be calculated based on:
 - i) Changes to overall numbers of schools.
 - ii) Changes in overall pupil numbers to be funded (including variations to pupil

- numbers for new schools)
- iii) Changes in overall cost of factors for deprivation, prior-attainment, English as an Additional Language (EAL), Looked after Children (LAC), based on updated datasets.
- b) Rates and Public Finance Initiative (PFI) to be adjusted to reflect latest estimates.
- c) No proposed changes to local funding factors other than:
 - i) Basic Entitlement to be adjusted based on total available funding (current ratios to be maintained)
 - ii) Increase in Split Site factor to reflect additional costs.
- d) Retained funding to be calculated as per Schools Forum agreement and allowable EFA mechanisms.
- e) Minimum funding guarantee (protection) will be dependent on individual school circumstances.

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

Please note: The Basic Entitlement figures have reduced by approximately -0.4% when compared to 2016/17 funding levels due to the total cost of other factors within the total available funding envelope. **Appendix B** shows the distribution of all formula factors and a comparison to 2016/17.

3.4 **High Needs Pupils** – Special Schools, Pupil with Statements or Education, Health & Care Plans (EHCP's) in maintained schools, academies or Post-16 providers – Top-Up funding rates to be held at 2016/17 levels based on individually assessed levels of need.

Commissioned places to be amended to reflect overall increase in required numbers at Special Schools and Post-16 providers.

4.0 OTHER CONSIDERATIONS

4.1 Education Services Grant –

As previously reported, in the 2015 Spending Review, the DfE announced a saving of £600 million by removing the Education Services Grant funding rate from 2017-18. Historically the ESG has been made up of two rates that funded two different groups of services:

- The retained duties rate has gone to Local Authorities (LA's) to fund services they provide to all schools, including academies.
- The general duties rate has gone to both LA's and academies to fund services authorities provide to maintained schools but which academies must provide themselves.

4.2 As part of the LA's Business Planning process a reduction in ESG totalling £1.8m has been factored into the overall levels of funding available and has therefore been managed as part of the overall savings requirement for the LA. The LA will receive transitional ESG funding from April 2017 to August 2017 with the general funding rate being removed from September 2017. This transitional funding will equate to approximately £1m (allowing for

anticipated academy conversions.)

- 4.3 At the meeting on the 14th December, Schools Forum members approved that the retained duties element (£15 per pupil) will be transferred from the DSG for all schools and £10 per pupil will be recovered from maintained schools to support the removal of the general duties funding for the 2017/18 budgets. This approval was subject to a full review of education functions being undertaken by the LA. Maintained schools will therefore see the £10 per pupil charge on a similar basis to de-delegations.

4.4 **Apprenticeship Levy**

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

- 4.5 This means that employers with pay bills of £3 million and under will not pay any levy because 0.5% of £3 million is equal to the £15,000 allowance and an employer with a £5 million payroll would have to pay £10,000, which is their £25,000 charge at 0.5% of their payroll, minus the £15,000 allowance.
- 4.6 Latest guidance received from the LGA states that the liability for the levy depends on the type of maintained school:
- Community and Voluntary Controlled (VC) schools. In these schools the local authority is the employer and therefore all staff in community/VC schools are added on to the paybill of the council, with the levy equivalent to 0.5% of the overall paybill for the local authority (LA). All community/VC schools paybills will need to be included in the LA's calculation, regardless of whether the school uses the council for payroll services.
 - Voluntary Aided (VA) and Foundation schools. In these schools (as in academies) the governing body is considered to be the employer, rather than the LA. Therefore each VA/foundation school's liability for the levy will be based on its own paybill.
- 4.7 As the LA does not administer payroll for schools, options are being explored for collecting the required information from relevant payroll providers to ensure that the correct payment is made in respect of community/VC schools.
- 4.8 Community/VC schools will have to make provision for the relevant cost of the levy in their individual budgets, in the same way as other payroll costs e.g. National Insurance etc. DfE does not intend to allow the Schools Budget to be top-sliced by the council at the LA level for the levy, and the operational guidance for schools revenue funding in 2017-18 does not make any provision for DSG to be topsliced in this way. As a result, all community/VC schools will need to ensure they have taken account of this additional cost when they set their budgets for 2017-18. A mechanism will then be developed to recharge these costs to individual community/VC schools. Qualifying academies, academy trusts and VA/ foundation schools will be responsible for calculating their own liability and make arrangements for payment.

5.0 NEXT STEPS

5.1 Primary and Secondary School Budgets

Initial budgets (including illustrative budgets for academies) and updated guidance will be published in the week commencing 30th January. After this date it is anticipated there will be very little change to the final budgets other than for:

- High Needs Pupils Top-Up funding to be recalculated based on updated pupil data.
- Schools potentially eligible to access growth funding identified and funding agreed. (This is outside of the main funding formula and in some cases may not be possible to finalise until more certainty around admissions numbers.)

5.2 Early Years Funding

- Separate report on Early Years Single Funding Formula.
- Initial Early Years budgets for maintained schools will be published in late-February. (To be updated on a termly basis based on participation.)

5.3 Special School Budgets

- Draft budgets to be published in mid-February on receipt of revised pupil data from the Statutory Assessment and Resources Team (START).

5.4 Other High Needs Block Budgets

- Special Units and Resource Centres – Schools with Special Units will be notified of their funding levels once information has been finalised.

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

Appendix A

Number	Formula Factor	National Criteria / Cambridgeshire Approach for 2017/18	Primary Values 2017/18	Secondary Values 2017/18
1	Basic Entitlement	Equal Value for KS1 & KS2, Different Value for KS3 & KS4. Adjusted based on total available funding - final values dependent on all other factors	£2,711	KS3 £3,823 KS4 £4,971
2	Deprivation - Free School Meal (FSM)	To be used as part of the deprivation funding. Free meals as at the previous October census.	£600	£600
2	Deprivation - Income Deprivation Affecting Children Index (IDACI)	To be used as part of the deprivation funding. Revised bandings shown below.		
		IDACI Lower and Upper Limit	Unit Value	Unit Value
		Band A - 0.0-0.2	£0	£0
		Band B - 0.2-0.25	£220	£220
		Band C - 0.25-0.3	£500	£500
		Band D - 0.3-0.35	£500	£500
		Band E - 0.35-0.4	£750	£750
		Band F - 0.4-0.5	£750	£750
		Band G – 0.5-1	£750	£750
3	Prior Attainment - Primary Phase Low Attainment	New Profile for Y1 & Y2 and EYFSP score below 78 points mapped to October Census for pupils in Y3 to Y6.	£750	n/a

Number	Formula Factor	National Criteria / Cambridgeshire Approach for 2017/18	Primary Values 2017/18	Secondary Values 2017/18
3	Prior Attainment - Secondary Phase Low Attainment	For pupils assessed at KS2 up to 2011, eligible pupils are those who did not reach level 4 in either the English or Maths elements. For pupils assessed from 2011, eligible pupils are those who did not reach level 4 in any of the reading test, teacher assessed writing, or Maths. The 2016 KS2 assessments are the first which assess the new national curriculum. At a national level, a higher number of the year 7 cohort in financial year 2017 to 2018 will be identified as having low prior attainment. A national weighting will be applied to ensure that this cohort does not have disproportionate influence within the overall total.	n/a	£420
4	Looked After Children (LAC)	To be applied to qualifying pupils recorded as LAC mapped to January 2016 Census	£750	£750
5	English as an Additional Language (EAL)	To be funded for the 1st, 2nd or 3rd year in the education system	£750	£750
6	Mobility	Not to be applied due to concerns over data quality	n/a	n/a
7	Sparsity	Not to be applied. Limitations on usage limit benefits to Cambridgeshire schools	n/a	n/a
8	Lump Sum	Lump Sum to be set at £150,000 for all Primary and Secondary Schools	£150,000	£150,000
9	Split Site Lump Sum	Local Criteria - Lump Sum – Increased	£90,000	£90,000
10	Rates	To fund schools based on latest estimates available. Any changes to be retrospectively amended a year in arrears	Variable	Variable

11	Private Finance Initiative (PFI)	To be funded based on actual cost to be revised annually - Revised amount to be calculated	n/a	Variable
12	London Fringe	Does not apply to Cambridgeshire Schools	n/a	n/a
13	Post-16	Not to be applied. Have not previously funded.	n/a	n/a
14	Exceptional Premises	To fund specific schools where additional exceptional premises costs previously met by the LA	Variable	Variable

Appendix B

2016/17 Formula Distribution

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

2017/18 Formula Distribution

Factor	Primary £	Primary %	Secondary £	Secondary %	Total £	Total %
Activity Funding	136,163,765	71.78%	122,531,928	89.68%	258,695,693	79.28%
School Lump Sum	31,225,000	16.46%	5,037,500	3.69%	36,262,500	11.11%
Split Site Lump Sum	90,000	0.05%	0	0.00%	90,000	0.03%
Amalgamated Schools Lump Sum	60,000	0.03%	0	0.00%	60,000	0.02%
Rates	3,593,257	1.89%	1,124,925	0.82%	4,718,182	1.45%
PFI	0	0.00%	191,832	0.14%	191,832	0.06%
Exceptional Premises	87,226	0.05%	0	0.00%	87,226	0.03%
Prior Attainment	6,245,072	3.29%	2,808,869	2.06%	9,053,941	2.77%
Deprivation (FSM)	3,081,340	1.62%	1,571,816	1.15%	4,653,156	1.43%
Deprivation (IDACI)	4,464,337	2.35%	2,230,263	1.63%	6,694,600	2.05%
LAC	112,351	0.06%	109,128	0.08%	221,479	0.07%
EAL	3,661,739	1.93%	521,738	0.38%	4,183,477	1.28%
MFG Adjustment	915,052	0.48%	498,081	0.36%	1,413,133	0.43%
	189,699,139	100.00%	136,626,080	100.00%	326,325,219	100.00%

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

To: Cambridgeshire Schools Forum
Date: 27th January 2017
From: Chris Malyon – Chief Finance Officer
Keith Grimwade – Service Director: Learning

1.0 INTRODUCTION

1.1 The purpose of this paper is to:

- explain the re-financing of the Thomas Clarkson Academy PFI; and
- to inform Schools Forum of GPC's (General and Purposes Committee's) decision as to the allocation of the one off residual gain

2.0 BACKGROUND

- 2.1 In 2015 the loan that funds the Thomas Clarkson Academy PFI was re-negotiated. The outcome was a one off 'gain' of £1.94m.
- 2.3 The allocation of this gain is a County Council decision; the General Purposes Committee, (GPC), which comprises senior elected members across all political parties, is the responsible Committee.
- 2.4 From the outset of the contract there has been an affordability gap that sits with the Local Authority. At the point of re-negotiation this was £1.44m. GPC approved that this sum should be taken by the LA to cover this gap and it has been incorporated into the 16-17 Business Plan.
- 2.5 This left a 'residual one off gain' of £504k. GPC decided that £314,000 of this should be given to Thomas Clarkson Academy in recognition of the fact that they have costs over and above other schools because they are financed by PFI, for example:
- a. A larger building than they would have had using traditional capital.
 - b. The PFI contract requires a higher standard of services than would be the norm in most schools.
 - c. The PFI contract is also inflexible to change. Thus, for instance, it is not possible to delay repairs as might be done in another school. The costs of remedying damage or making alterations are likely to be higher than seen elsewhere due to not having a choice of suppliers and having to reinstate to the original standard.

This gain should be used to support school improvement and will be discussed, agreed and monitored by the local authority.

- 2.6 The remainder of the gain, £190,000, represents the sum that, annually, all Cambridgeshire schools contribute to the cost of Thomas Clarkson Academy's PFI through the schools' funding formula. GPC agreed that this sum should be allocated to the Cambridgeshire School Improvement Board to support the achievement of vulnerable groups. This will give a significant boost to the work of the Cambridgeshire School Improvement Board.

3.0 RECOMMENDATION

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

EARLY YEARS NATIONAL FUNDING UPDATE

To: Cambridgeshire Schools Forum
Date: 27th January 2017
From: Matthew Moore – Learning/Schools Funding Accountant
Sam Surtees - Strategic Policy and Early Years Operations Manager

1.0 INTRODUCTION

- 1.1 The Department for Education (DfE) published its response to the consultation on the Early Years National funding formula on 1st December 2016. The response can be accessed via the link below:

<https://www.gov.uk/government/consultations/early-years-funding-changes-to-funding-for-3-and-4-year-olds>

Following this, the Local Authority have been consulting with providers regarding the proposed Cambridgeshire funding formula. A copy of the consultation documents is included within appendix A. The new funding arrangements will be implemented from April 2017 onwards.

Further to this, from September 17, eligible working parents will be entitled to access an additional 15 hours of free childcare over and above the basic entitlement which would enable them to access 30 hours of free childcare in total.

2.0 Outcome of the Early Years National Funding Formula Consultation

- 2.1 The Funding Formula did not change substantially from the original proposals as outlined in the paper to the October 16 Schools Forum. However, the main changes following the original consultation were:

- The quality supplement was reinstated by the Department for Education as an optional supplement.
- The consultation suggested that new supplements based around the financial efficiency of settings or whether they will offer the additional 15 hours, however both these supplements will not be allowed by the DfE, at least for 2017/18.
- The consultation response confirms that the creation of an SEN Inclusion Fund will be mandatory for all Local Authorities.

3.0 Summary of the Proposed Cambridgeshire Formula for 2017/18

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

- 3.2 The proposed Cambridgeshire Formula is as follows:

1. **Base Rate** – This is a basic hourly rate that is paid to providers on a per child basis, based on actual hours of provision. This factor is applied to all providers and all providers will be paid the same hourly rate which is a result of the national guidance changes. The proposed funding rate is £4.04 per hour.

2. **Deprivation** – This is a mandatory supplement provided to settings on a per child basis to children living in a postcode deemed to be deprived according to the Income Deprivation Affecting Children Index (IDACI). The ranking are as follows:

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

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

4.0 Additional Funding outside of the funding formula

4.1 2 year old funding

Funding for eligible 2 year olds will continue to be administered in the same way as at present. The allocation for Cambridgeshire has increased to £5.41 (from £5.05) and this will be passed onto providers in full from April 2017.

4.2 Early Years Pupil Premium

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

4.3 Disability Access Funding

This is a new item of funding that will be paid at a rate of £615 per eligible child per year. Eligibility is based on three and four year olds who are in receipt of child disability living allowance.

4.4

Top-up funding due to EHCPs or from SEN Inclusion Fund

Settings will get additional top-up funding for children with Education Health and Care Plans (EHCPs). Additional funding will also be available to support children before they have an EHCP in the form of top-up funding from the new Special Educational Needs (SEN) Inclusion Fund. Work is currently ongoing to formulate how the SEN Inclusion Fund will work in practice.

5.0

Early Years Centrally Retained Funding

The table below details the proposed LA centrally retained funding for 2017/18:

Centrally Retained Budget	Value
Qualifications	£375,000
Commissioned Services linked to Early Years childcare development and Support	£245,580
EY Access Officers	£82,263
EYPP Eligibility	£11,000

Contribution to support Early Years Service statutory duties	£340,000
Contract to support the implementation of the extended 30 hour entitlement	£130,000
Total	£1,183,843

The new Early Years Funding guidelines restrict local authorities to retaining a maximum of 7% of funding centrally for 2017/18 with a maximum of 5% thereafter. The proposed centrally retained funding outlined above would equate to approximately 3.9% of the relevant funding.

6.0 Update on the Extended Entitlement

- 6.1 The Government is committed to extending the free entitlement to early learning and childcare for 3 and 4 year olds nationally from 15 to 30 hours a week for working parents from September 2017 who meet the qualifying criteria set out below. It will be possible for parents to take the extended entitlement over a period of between 38 and 50 weeks a year.
- 6.2 Qualifying criteria:
- Either both parents must be in work, or in the case of single parent families, the sole parent must be in work. 'In work' is defined as being in employment (including self-employed) and earning more than the equivalent of the minimum wage for working 16 hours a week. As an example, the current minimum wage is £7.20 per hour for over 25s, so the minimum weekly income to be eligible would be £7.20 x 16 = £115.20.
 - Each parent must also earn less than £100,000 per year.
 - One parent must be 'in work' if the other receives disability benefit or benefits related to caring responsibilities.
- 6.3 The Government consulted on their proposals for this in June 2016. A summary of the main findings are attached in appendix B. Further to this, revised statutory guidance is due to be published by the DfE in February.
- 6.4 Work is ongoing in the local authority to prepare for the implementation of the extended entitlement, focusing on four key areas; sufficiency of places, systems, communication to parents and providers and capital funding.

7.0 Next steps

- 7.1 We will be collating and publishing results of the consultation on the County Council website.
- 7.2 The final local formula will be confirmed by Children and Young People's Committee in March for implementation from April 2017 onwards.

8.0 Recommendation

- 8.1 **Members of Schools Forum are asked to note the contents of the report and to approve the planned Centrally Retained amounts for 2017/18 as set out in section 5.**

Copy of Early Years Funding Formula Consultation

Early Years Funding Formula

1) Government Early Years National Funding Formula Consultation

The Government consultation regarding the Early Years National Funding Formula ended in September and the results were released on 1st December 2016.

<https://www.gov.uk/government/consultations/early-years-funding-changes-to-funding-for-3-and-4-year-olds>

The significant points from the consultation are summarised below:

- The funding to local authorities is calculated on the basis of a universal base rate for all providers plus factors for additional needs, based on measures of free school meals, disability living allowance and English as an additional language. These amounts are added together and multiplied by an area cost adjustment to reflect variations in local costs.
- All providers will be paid a local universal base rate of funding by 2019-20 at the latest (i.e. no differential rates for settings of different types).
- Supplementary funding will be provided to maintained nursery schools for the duration of this parliament. This will maintain their funding at a similar level to at present.
- The Deprivation supplement will be the only mandatory supplement within the formula.
- The only other additional supplements that will be allowed (but not required) are related to Rurality / Sparsity, Flexibility, Quality and English as an additional language.
- Funding supplements will be capped at a maximum value of 10% of overall funding.
- Local authorities will be required to pass on a minimum of 93% of funding to providers in 2017/18 and then 95% in each year thereafter.
- There are also two changes concerning Special Educational Needs which are explained in detail below:

Disability Access Funding

An additional Disability Access Fund has been created by the government. The documentation explains that the fund is to *“aid access to early years places by, for example, supporting providers in making reasonable adjustments to their settings and/or helping with building capacity (be that for the child in question or for the benefit of children as a whole attending the setting)”*.

Eligibility: Three and four-year olds will be eligible for Disability Access Funding if they are in receipt of child disability living allowance and if they also receive free early education. Four-year olds in reception class will not be eligible for this funding.

Entitlement: The settings of eligible children will receive a one-off payment of £615 per year and children will not need to take up the full 570 hours of early education to receive the Disability Access Funding.

Identifying eligible children: Early Years providers will be responsible for identifying eligible children and will be able to use the parent declaration form template that is due to be published alongside the model agreement in early 2017 to identify these children.

Funding: Funding will be provided to Local Authorities to pass onto settings in a lump sums. Where the free entitlement is split across multiple providers, the parents will be asked to nominate the main setting who will receive the full funding.

SEN Inclusion Fund

Local authorities will be required to establish an inclusion fund for 3 and 4 year olds with Special Educational Needs taking the free entitlement.

Eligibility: The requirement for an inclusion fund is specifically for 3 and 4 year olds although a similar approach can also be taken for 2 year-olds and is intended to be targeted at those children with lower level or emerging SEN.

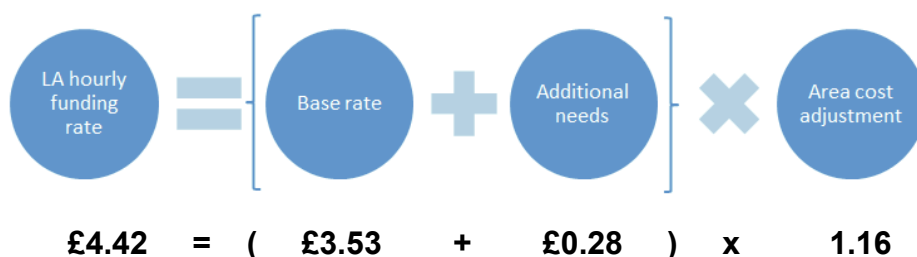
To create the SEN Inclusion Fund, local authorities will combine funding from either one or both of their early years block and high needs block of the Dedicated Schools Grant. Local authorities should pass the majority of their SEN Inclusion Fund to providers in the form of top-up grants on a case by case basis.

All early years providers with funded 3 and 4 year olds will be eligible to receive support from the SEN inclusion fund.

2) Proposed Cambridgeshire Early Years Funding Formula

When formulating the proposed formula we have considered the views of providers via meetings with the Early Years Provider Reference Group. The sections below detail our proposed local formula in which we have sought to keep funding within the base rate where possible to give providers maximum flexibility to determine operating models whilst providing sufficient funding for the SEN inclusion fund and deprivation supplement.

As referenced in section 1, the funding to local authorities is calculated on the basis of 3 factors; a universal base rate of funding, plus additional needs factors and then multiplied by an area cost adjustment. For Cambridgeshire this results in overall funding of £4.42 per hour:



The government have indicated that the average rate to providers nationally once different factors have been included will equate to £4.88. Please note this includes factors such as EYPP, the recently allowed maintained nursery supplement and the disability access funding. The equivalent figure for Cambridgeshire would be £4.64 if calculated in the same way.

Supplements

To keep the formula as simple as possible and to keep funding within the base rate we are proposing to keep Deprivation as the only supplement within the formula. This would be allocated in the same way as at present at the following rates:

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

This represents a 5p reduction for bands 3 and 4 with the funding level and band 1 and 2 remaining the unchanged.

SEN Inclusion Fund

Funding of £0.5m per year has been provided from within the High Needs Block of funding to support the creation of an SEN inclusion fund. We are intending to add a further £0.5m from within the Early Years Block to create an overall fund of £1m from which to finance the SEN inclusion fund and Education Health and Care Plans (EHCPs) within Early Years.

The SEN inclusion fund will be available from April 17 in the form of top-ups or lump sums for providers relating to the needs of individual pupils. Work is ongoing to look at how the inclusion fund will work in practice including the thresholds for support, the funding amounts and the process for accessing the funding. This will replace the existing Early Years Access funding although criteria for support will not necessarily be the same. Further information will be provided in due course about this.

Early Years Centrally Retained Funding

Funding retained centrally by the Local Authority to fund our statutory duties will account for approximately 3.9% of the funding provided (dependent on pupil numbers) which is below the final limit set by government of 5% from 2018/19 of 5%.

What Base Rate does this give?

Overall funding paid to local authority	£4.42
Less: Est. Deprivation Funding	£0.14
Less: SEN Inclusion Fund contribution	£0.07
Less: LA centrally Retained Funding	£0.17
Base Rate to all providers	£4.04

Funding in addition to the hourly rate

Deprivation Supplement: Will continue at the rates outlined earlier in this document.

Early Years Pupil Premium: Will continue to be paid at a rate of £0.53 per hour for eligible children.

Disability Access Funding: £615 lump sum paid to settings for eligible children.

Top-up funding due to EHCPs or from SEN Inclusion fund: Funding rates from the SEN inclusion fund for eligible children will be confirmed in due course.

2 Year-old funding

2 Year-old funding will continue to be administered in the same way as currently. Cambridgeshire will receive a higher rate of £5.41 (from £5.05 at present) and this will be passed on in full to providers from April 17 onwards.

Funding to Nursery Schools

The move to a universal base rate of funding for all providers would have the biggest impact on maintained nursery schools. The government have therefore provided additional funding to enable funding levels to nursery schools to be maintained for the duration of this parliament.

It is our intention to pass on the additional funding to maintained nursery schools as an additional hourly supplement separate to the base rate of £4.04.

We will review the local formula annually and will recycle money back into the formula where possible, for example if the amount paid through the Deprivation went down then this money would go back into the base rate.

3) Alternative Options

Delay Implementation until September 17

One option that was discussed with the Early Years Provider Reference Group would be to delay implementation of the new funding formula until September 17 as opposed to from April 17. This would provide an additional sum of one-off funding that would be the difference between the old overall funding rate from government and the new one.

Depending on pupil numbers then this provides approximately £800k of one-off funding. This funding could be used to increase the base rate by 2p to £4.06 for the first few years, this would be sustainable in the long term as funding can be released from the local authority central funding when a number of fixed term posts finish at the end of 2018/19.

We are minded not to use this option and to instead implement the new formula as soon as possible although we would welcome your views on this. If this option is taken then the funding rate would be £4.04 initially but would increase by 2p later once the fixed term posts finish in late 2018/19.

Question: Do you agree with our proposal to implement the new funding rate from April 2017? The alternative, to implement from September 2017, would enable the base rate to be 2p higher.

Deprivation Supplement

As mentioned, the deprivation supplement is mandatory for all local authorities. In our proposed formula we have lowered the deprivation supplement payable by 5p for bands 3 and 4. Another option would be to keep deprivation rates as they are at present which would then lower the hourly base rate to £4.03.

Question: Should we reduce the Deprivation supplements at band 3 and 4 by 5p, or should we keep them the same? Keeping the Deprivation banding rates the same would reduce the base rate by 1p.

Appendix B: 30 Hours Free Childcare Entitlement: Delivery Model

The government published their response to this consultation, first published in June 2016, in November. The full response document can be found via the following link

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/565668/Government_response_-_30_hours_delivery_consultation.pdf

In summary, in response to the main findings, excluding funding which is covered in a separate consultation response document below, the government will:-

Eligibility

- Set a national grace period to ensure simplicity and clarity for parents and providers, and fair, consistent arrangements for children and families irrespective of where they live;
- Develop the existing national Eligibility Checking Service to automatically calculate the grace period, minimising administrative burdens on local authorities and providers; and
- Carry out further informal consultation on the length of the grace period, before setting out final decisions in statutory guidance in the new year.

Flexibility

- Make clear in statutory guidance that, while the free early years entitlement must be provided over no fewer than 38 weeks, local authorities are expected to work with childcare providers to enable, as far as possible, parents to “stretch” their free childcare over the full year where that is what they wish;
- Extend the hours over which the funded hours can be delivered, to between 6am and 8pm;
- Limit to two the number of sites on which children can take up their free entitlement in a single day, to avoid the potential negative impact on children of multiple transitions between sites; and
- Remove the minimum session length in response to the view of the majority of consultees but retain the maximum session length of 10 hours per day.

Supporting Children with Special Educational Needs and Disabilities

- Introduce, subject to the early years funding consultation, a targeted Disability Access Fund and an SEN Inclusion Fund model;
- Include proposals for improving SEND support in forthcoming early years workforce strategy;
- Develop best practice guidance to improve the quality of early years sections of Local Offers, which will include planned departmental advice on delivery of 30 hours free childcare;
- Publish examples of good practice to support local authorities with a particular focus on strategic, collaborative and effective systems of SEND support for children in early years; and
- Revise statutory guidance to make clear, and bring together, the responsibility of local authorities under both the Children and Families Act 2014 and Equalities Act 2010

Reformed local delivery model

- Amend statutory guidance to set a clear expectation that by September 2018 childminders should be paid monthly and all other providers should also be paid monthly unless they request an alternative payment model. This will ensure that cashflow does not prevent small providers, including childminders, from offering the extended entitlement;

- Proceed with plans to develop a model agreement template, working closely with providers, local authorities and representative organisations, to bring clarity and consistency to agreements between local authorities and providers; and
- Make it clear in statutory guidance that government funding is intended to deliver 15, or 30 hours, a week of free, high quality, flexible early education and childcare. It is not intended to fund the cost of consumables,(eg drinks, meals and nappies) or additional services. Providers are already free to charge parents for such discretionary items provided they are not compulsory, i.e paying for additional services must not be a condition of taking up a free publicly funded place.

Childcare Information for parents

- Strengthen the regulations and guidance to make clear that local authorities will be required to update and publish their childcare information on a termly basis;
- Require local authorities to publish the information by electronic means via their websites, and also to continue to provide the information in other formats where it is needed and to signpost parents to other information or service that will benefit them; and
- Make clearer in guidance where local authorities could publish other helpful information for parents beyond the list set out in schedule 1 of the Childcare Act. For example where childcare providers work in partnerships to offer more wraparound services for parents, and providing details of any outreach activity they undertake to publicise the childcare offer, especially to under-represented groups not accessing their entitlement.

The government's response to the findings from the responses they received to "An early years national funding formula consultation" which was published on 11th August was published at the beginning of December 2016 and can be found via the following link:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/574040/Early_years_funding_government_consultation_response.pdf

National Evaluation of the Pilot Local Authority Areas

This is underway and is being led by Frontier Economics. They will be capturing the learning about early implementation from local authorities, providers and parents and it is hoped will be shared in late Spring 2017.

NATIONAL FUNDING FORMULA: UPDATE

To: Cambridgeshire Schools Forum
Date: 27th January 2017
From: Martin Wade - Strategic Finance Manager (Children's & Schools)

1.0 INTRODUCTION

- 1.1 On the 14th December the Department for Education (DfE) published Stage 2 of their consultations for the Schools National Funding Formula and High Needs Funding reform to be implemented from 2018-19. Full details of the consultation 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/>

- 1.2 **Appendix A** provides a presentation highlighting the key proposals and potential impact for Cambridgeshire schools.

2.0 NATIONAL FUNDING FORMULA PROPOSALS

- 2.1 The illustrative national funding formula data suggests that Cambridgeshire Schools would benefit by a net £4.4m (1.4%) in 2018/19, rising to £6.3m (2%) in 2019/20 when compared to current 2016/17 baseline figures. However, the detailed school level data shows a significant redistribution of funding between schools within Cambridgeshire which would result in gains and losses dependent on individual circumstances. This can potentially be mitigated in 2018-19 by local formula decisions, but the impact in 2019-20 will be dependent on to what extent the "hard" national formula is implemented.

2.2

DFE Illustrative Data	Schools Gaining	Value of Funding Gain £m	Schools Losing	Value of Funding (Loss) £m	N G £
PRIMARY SCHOOLS	124	3.725	69	(0.599)	3
SECONDARY SCHOOLS	25	3.277	6	(0.136)	3
TOTAL	149	7.002	75	(0.735)	6

- 2.3 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 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 would result in no additional funding for the High Needs Block. In fact, based on the proposed factors Cambridgeshire would receive £3.4m of protection to bring the allocation up to the 0% funding floor.

3.0 CONSULTATIONS RESPONSES

- 3.1 Submissions to both consultations are via an online survey (available at the links in 1.1 above) and are open until 22nd March 2017.
- 3.2 Following the meeting of a Schools Forum working group on the 11th May draft responses to the consultations have started to be developed to focus on a number of key themes:
- Although we welcome the overall uplift in funding for some Cambridgeshire schools, the potential reductions in funding for smaller schools (primary and secondary) is concerning.
 - There appears to be 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.
 - 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.
 - The proposed sparsity factor is too rigid and does not necessarily reflect the need for small necessary schools within a community.
 - Growth funding still requires further consideration, with a consistent approach for funding growth and new schools across the country.
 - 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 latest versions of the draft responses will be circulated prior to Schools Forum to help inform discussion further.

4.0 ACTIONS

- 4.1 ***Members of Schools Forum are asked to comment on and note the contents of the national funding proposals.***

Schools National Funding Formula & High Needs National Funding Formula DfE Consultations

Closing Date 22 March 2017

Schools and High Needs National Funding Formula

Stage 2 of DfE consultation launched with closing date 22 March 2017

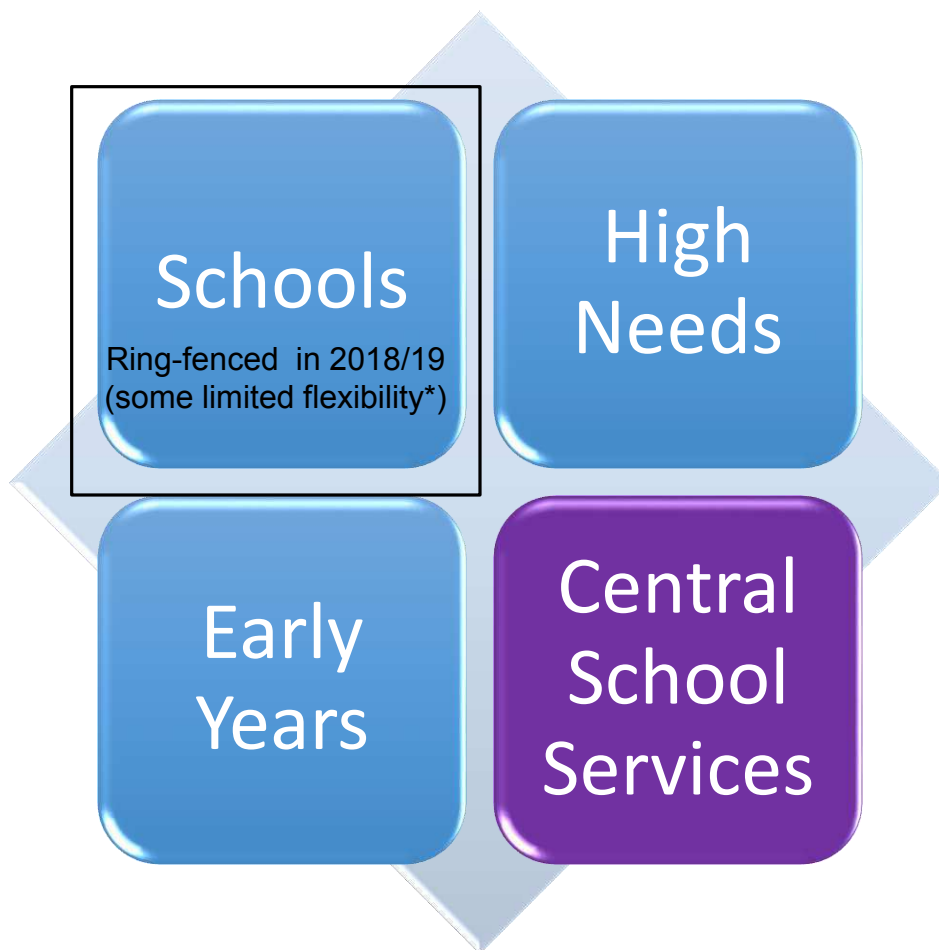
No school will face an overall reduction of more than 3% per pupil as a result of the NFF – a funding floor will be introduced

Minimum Funding Guarantee remains at -1.5% per pupil year on year (local funding formula)

‘Soft’ formula from 2018/19 (NFF allocation at LA level, but local funding formula still applies to schools)

‘Hard’ formula from 2019/20 (NFF applies to all schools)

DSG - 3 Blocks moves to a 4 Block model



*Can move funding between Schools and High Needs Block with agreement from Schools Forum and majority of schools.

National Funding Formula Rates (Schools Block)

Formula Factor	Proposed NFF Rates*		CCC 2016/17 Rates	
	£	£	£	£
	Primary	Secondary	Primary	Secondary
KS1 AWPU	2,712		2,721	
KS2 AWPU	2,712		2,721	
KS3 AWPU		3,797		3,838
KS4 AWPU		4,312		4,989
Ever6 FSM	540	785		
FSM - meal	980	1,225	600	600
IDACI - Band A	575	810	750	750
IDACI - Band B	420	600	750	750
IDACI - Band C	360	515	750	750
IDACI - Band D	360	515	500	500
IDACI - Band E	240	390	500	500
IDACI - Band F	200	290	220	220
Prior Attainment	1,050	1,550	750	420
EAL	515	1,385	750	750
Mobility	tbc	tbc		
Lump sum	110,000	110,000	150,000	150,000
Sparsity	0-25,000	0-65,000		

* Rates will be inflated by area cost adjustment

Not all schools gain the under NFF – Schools formula block

CCC gains
1.97%

- Represents an uplift of £6.3m
- Overall schools block increase Capped to 1.2% in year 1

75 schools
lose (33%)

- £0.74m less – comprising 69 Primary, 6 Secondary (when fully implemented)
- Max reduction in year 1 minus 1.5%

149 schools
gain (67%)

- £7.0m – 124 Primary, 25 Secondary (when fully implemented)

Main impacts of the proposed NFF

Reduction in Funding to Smaller schools

- Due to the reduction in the lump sum (from £150k in the current CCC formula to £110k). However (approximately 20 small rural schools would receive sparsity funding)

Greater % of Targeted Funding

- A higher % of funding is to be distributed on targeted factors such as deprivation, prior attainment and EAL than in the current CCC formula. Impact will vary for individual schools.

Key Stage 4 – Secondary Schools

- Proposed Primary and Key Stage 3 weightings similar to current CCC formula. Proposed Key Stage 4 weighting is significantly lower.

Impact on sectors (2016-17 v NFF full implementation)

- The above slides shows the overall impact of the NFF for Cambridgeshire schools. The following table provides a further level of detail as to the impact.

	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

Local Funding Formula (Schools Block)

Change to
Local Funding
Formula in
2017/18

- No changes planned

Consider Early
Adoption in
2018/19

- Align funding rates to NFF introduce Sparsity and Mobility Factors?
- Update for IDACI in Deprivation formula

Growth (Schools Block)

No consensus so the EFA will allocate in 2018/19 based on 2017/18 spend – lagged funding

Funding allocation will be reviewed in future years

High Needs National Funding Formula

2017/18 allocation based on LA 2016/17 planned expenditure

2018/19 move to a High Needs NFF

No LA will see a funding reduction for High Needs as a result of this formula

Nationally £200m capital funding to support expansion of special provision in schools – announcement expected Jan 17

High Needs NFF - Cambridgeshire Impact

Cambridgeshire is a loser under the High Needs NFF – more work is required to understand the factors and their data sets as to why this is the case for Cambridgeshire given the level of need being experienced

On full implementation of the High Needs NFF Cambridgeshire would receive protection in the form of top up funding totalling £3.4m to bring the allocation up to the funding floor.

High Needs NFF Composition

Basic Entitlement

- Basic unit of funding for pupils and students in specialist SEN institutions including independent schools (ACA weighted)

Historic Spend Factor

- 50% of current spend

Proxy Indicators

- All ACA weighted (hybrid methodology) – see next slide

Funding Floor Factor

- No LA to lose any funding

Hospital Education Factor

- Funds Hospital and Outreach Provision at historic levels

Import/Export adjustments

- Cross-border movement of pupils

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

Population Factor (50%)

- Population (based on 2-18 year olds)

Health and Disability Factors (15%)

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

Low Attainment Factors (15%)

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

Deprivation Factors (20%)

- Free School Meals
- IDACI

High Needs and schools block changes

- The EFA have confirmed the proposed change in SEN Unit place funding – from £10k per place in 2017-18 (with pupils excluded from schools funding formula numbers) to £6k per place plus pupils are included in the pupil count in 2018-19 and therefore receive schools funding formula allocations also.
- These changes have been reflected in LA 2016-17 baseline figures for overall comparison purposes.
- Currently the place funding in special free schools is funded by the EFA without recoupment. The EFA have stated that they “will consult next year on detailed proposals for changes to the source of special free schools place funding from 2018-19”. This could shift significant costs to the Northants high needs budgets from 2018-19.

Cambridgeshire is a potential Gainer under the NFF – Central School Services Block



+5.2%

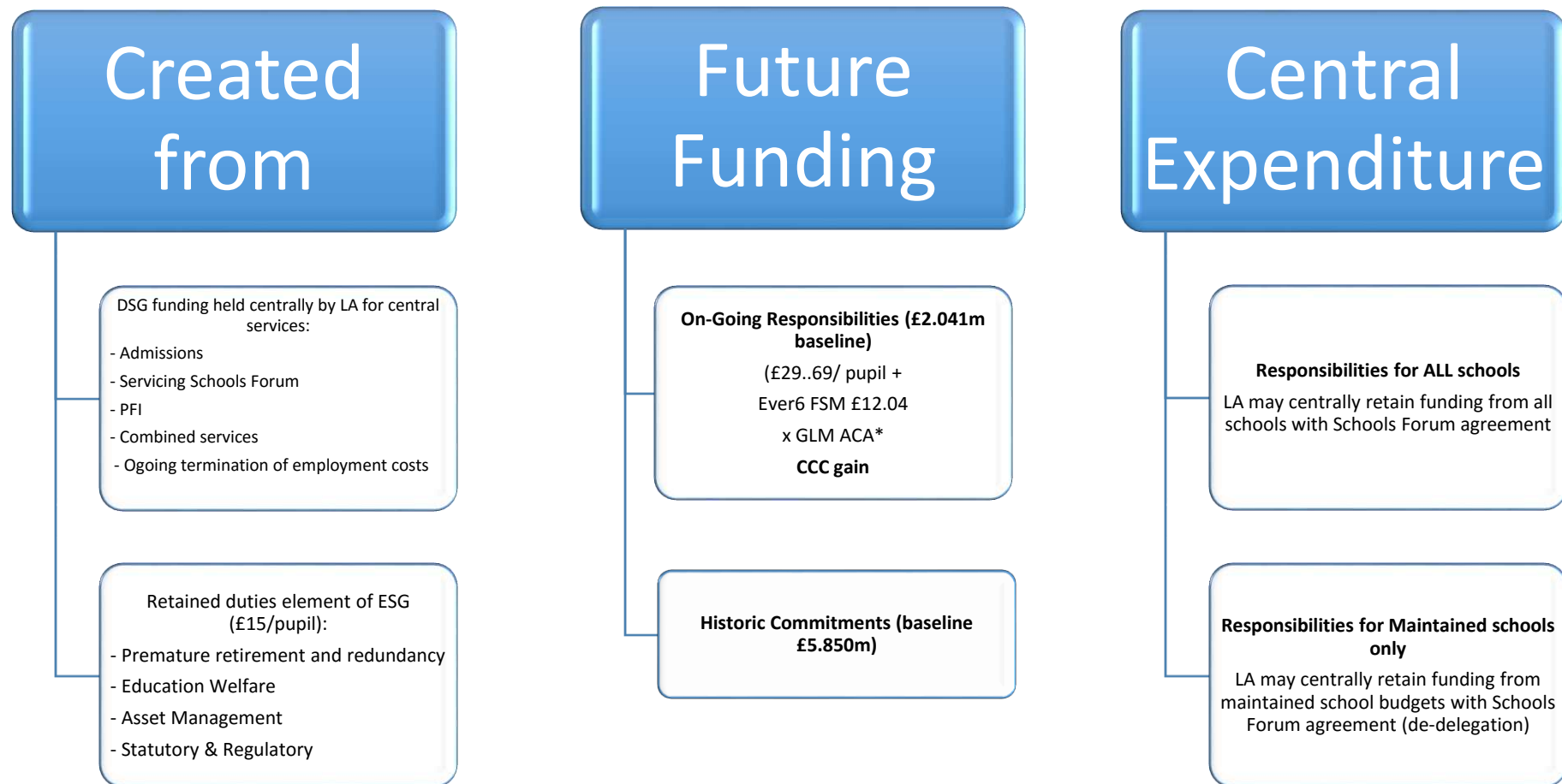
- When fully implemented
- +£417k



+0.6%

- Year 1 of transition
- +£50k

Central School Services Block



*General Labour Market (GLM) Area Cost Adjustment (ACA) – CCC 1.036365

Central School Services Block

- Although the above shows that Cambridgeshire would be a potential gainer from the changes in this blocks funding it is important to note that the funding for historic commitments will be on the basis of LAs spend on historic commitments in 2017-18.
- This may have an impact on the strategy to take in respect of backing out some of the combined budget areas previously reported to Forum

Future?

Further consultation on precise arrangements for hard formula

Consultation on role of Schools Forum under NFF (how to support effective partnerships)

Expectation LAs will move towards NFF in 2018/19

Baseline exercise on 2017/18 planned spend

Recoupment for primary and secondary free school places starts Sept 17

Summary and Vote

- Cambridgeshire is a potential gainer from the proposed changes from April 2018 in the schools blocks – in terms of overall funding levels.
- However the NFF is potentially divisive at different levels being potentially between different areas of the country but also between different schools within individual local authority areas.
- Cambridgeshire is a potential loser from the proposed changes to the High Needs block with a funding floor factor being triggered for the LA.
- LAs and schools that are potential losers from the NFF are likely to feedback negatively and lobby that the proposals should be revised.
- Do Forum members have any comments or feedback?

Sources of Information

- The consultations can be found on the [DfE website](#).

REVISIONS TO THE SCHEME FOR FINANCING SCHOOLS AND FINANCE REGULATIONS

To: Cambridgeshire Schools Forum
Date: January 2017
From: Martin Wade, Strategic Finance Manager

1.0 INTRODUCTION

- 1.1 The Cambridgeshire Scheme for Financing Schools (“the Scheme”) is the primary document that sets out the financial relationship between maintained schools and the Local Authority (LA) in maintaining proper control over public funds and is binding on the LA and all maintained schools in the county.
- 1.2 Under the Education Act 2011, the Secretary of State has the power to issue directed revisions to local authority schemes for financing schools. This means that authorities must incorporate within, or remove from, their schemes the specified wording and no other process is needed in order to make the changes.
- 1.3 Forum is asked to agree changes to the Scheme of Financing Schools directed changes, and asks maintained representatives at Forum to ratify the non-directed changes, where the opportunity has been taken to make corrections.
- 1.4 Forum is asked to note the revisions to the Schools Financial Regulations.

2.0 CHANGES TO THE SCHEME FOR FINANCING SCHOOLS

- 2.1 Update from DfE in relation to section 6.1 for the addition of point 6.2.20 in the national scheme “Costs incurred by the authority in administering admissions appeals, where the local authority is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.”
- 2.2 Section 3.2 - The LA propose 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. This will align the LA's funding with that of the EFA, and allow a seamless transition for academy convertors, whilst allowing easier reconciliations and a quicker settlement process. The alignment will also enable a more uniform approach to the funding process of all education settings, and is also in readiness for the planned direct funding to all schools by the EFA, when the LA ceases to fund schools, this will thus allow the frequency and proportion to be aligned with the DfE's planned approach
- 2.3 Annex 1 – list of schools updated to remove recent academy convertors
- 2.4 Annex 6 – clarity of redundancy policy taking account of recent 2016/17 redundancy business case application document

3.0 CHANGES TO THE LOCAL FINANCE REGULATIONS

- 3.1 Under the School Standards and Framework Act 1998 all schools are required to have a set of Financial Regulations. Schools can either draft their own regulations or adopt the regulations established by Cambridgeshire County Council's constitution, which form the minimum standard, and school's own regulations must be no less rigorous than these.

- 3.2 Following recent school audits, the opportunity has been taken to update the regulations to clarify some specific areas:

Section 8.6 – Clarification of when non-public funds should be operated, in line with government regulations and reporting.

Section 13.7 - Amended to make clear that, projects managed by an external organisation (i.e. providing funding, arranging quotes/tenders, and appointing a contractor), but school received funding and pay supplier, then school needs email/letter from the external organisation retained on file stating this. Otherwise the school is responsible for obtaining and retaining the quotes, i.e. the school must either demonstrate compliance with Contract Regulations or have something in writing to evidence why they have not needed to comply.

Section 13.11/13.12 – Outlining of signatories responsibilities on signing cheques.

Section 13.13/15.4 – Clarity on spot checks and monitoring required by governors.

Section 13.15G/15.3F/19.3 – Responsibilities and checks to be performed by management clarified in relation to receipts and payments / bank reconciliation, payroll and purchase cards.

Section 15.2 – Reminder of schools responsibility to carry out adequate checks on legal status of workers and correct declaration of NI and PAYE to HMRC.

Section 17.4 – Clarity on insurance cover of cash and cheques, being no more than £3,000 in school safe (combination of cash and cheques).

Other amendments in relation to the regulations include:

- 3.3 Section 16.3 – removed note regarding treatment of receipts under £10, and clarification that all cash or cheque income must be receipted in receipts book (or day book), and reconciled to paying in slips.

Section 22.1 - Signposting of relevant safeguarding information policies and reference to information governance team for access to these documents.

Appendix A – retention of financial records – amendment to taxation returns to be 6 years.

4.0 ACTION

- 4.1 Maintained Representatives at Schools Forum are invited to:

- Note and approve the revisions to the Scheme for Financing Schools

**DfE
Source**

<https://www.gov.uk/government/publications/schemes-for-financing-schools>

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
	Dedicated Schools Grant Expenditure: Update	Martin Wade	
	Behaviour and Improvement Partnership (BAIP) Devolved Funding Formula	Martin Wade/ Tom Jefford	
	Composition of Cambridgeshire Schools Forum	Richenda Greenhill	
	Forward Plan	Richenda Greenhill	
Friday 7 July 2017, 10.00am Kreis Viersen Room	Appointment of the Chairman/ Chairwoman and Vice-Chairman/ Chairwoman	Richenda Greenhill	10.30am, Tuesday 27 July 2017
	Minutes of the Meeting on 17 March 2017 and Actions Arising	Richenda Greenhill	
	Dedicated Schools Grant Expenditure: Update	Martin Wade	
	Forward Plan	Richenda Greenhill	
? September 2017 tba			
	Minutes of the Meeting on 7 July 2017 and	Richenda	

	Actions Arising	Greenhill	
	Dedicated Schools Grant Expenditure: Mid-Year Update	Martin Wade	
	Forward Plan	Richenda Greenhill	

- Meeting dates for 2017/18 to be arranged.

Updated 18.01.17