

# AGENDA

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**Meeting:** Schools Forum  
**Place:** The Kennet Room - County Hall, Trowbridge BA14 8JN  
**Date:** Thursday 22 March 2018  
**Time:** 1.30 pm

Please direct any enquiries on this Agenda to Lisa Pullin, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line – 01225 713015 or email [committee@wiltshire.gov.uk](mailto:committee@wiltshire.gov.uk)

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<b>Membership:</b>	<b>Representing:</b>
Jen Jones	Wiltshire College (Head of Learning & Skills Development Service)
Lisa Percy	WASSH
Neil Baker	PHF, Christ Church CE Primary School
Aileen Bates	WGA, SEN Governor Representative
Michelle Chilcott	Academy - South Wilts Grammar
Tracy Cornelius	PHF - Kington St Michael School
Jon Hamp	Special School Academy Representative
John Hawkins	Teacher Representative
Sue Jiggins	WGA - Primary School Governor Representative
John Proctor	Early Years Representative (PVI)
Nigel Roper	Stonehenge School
Catriona Williamson	PHF, Mere Primary School
George Croxford	WASSH
Phil Cook	WASSH, SEN Schools
Mark Cawley	New Road Nursery
Andy Bridewell	Ludgershall Castle Primary School (PHF Vice-Chair)

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# AGENDA

## PART I

Items to be considered whilst the meeting is open to the public

1 **Apologies and Changes of Membership**

To note any apologies and changes to the membership of the Forum.

2 **Minutes of the Previous Meeting** (*Pages 5 - 22*)

To approve as a correct record and sign the minutes of the meeting held on 18 January 2018 (copy attached).

3 **Chair's Announcements**

To receive any announcements from the Chair.

4 **Declaration of Interests**

To note any declarations of interests.

5 **Children and Young People's Trust Board Update**

To receive a verbal update from Susan Tanner (Head of Commissioning and Joint Planning), on the Children and Young People's Trust Board.

6 **Reports from Working Groups** (*Pages 23 - 26*)

To receive minutes, reports and/or verbal updates from the following working groups:

- a) Joint Meeting of School Funding Working Group and SEN Working Group – 7 March 2018.

7 **Budget Monitoring** (*Pages 27 - 30*)

To receive budget monitoring information against the Dedicated Schools Grant (DSG) for the financial year 2017/18 as at 31 January 2018.

8 **High Needs Place Funding and Recoupment of Empty High Needs Places**  
(*Pages 31 - 34*)

The report of Grant Davis (Schools Strategic Financial Support Manager) seeks to outline the current process for funding additional High Needs places in Resource Bases (RB) and Enhanced Learning Provision (ELP) settings in mainstream schools and proposes changes in light of the new National Funding Formula (NFF) for High Needs.

9 **Schools' Costs 2018-19** (*Pages 35 - 38*)

The report of Grant Davis (Schools Strategic Financial Support Manager) sets out the major issues highlighted and provides commentary on any additional costs

facing schools in the ensuing years, to help schools with budget planning.

10 **National Funding Formula and Growth Funding Update**

To receive a verbal update from Grant Davis (Schools Strategic Financial Support Manager) on the National Funding Formula and Growth Funding.

11 **Confirmation of Dates for Future Meetings**

To confirm the dates of future meetings, as follows, all to start at 1.30pm:

28 June 2018 – Council Chamber  
11 October 2018 – North Wilts Room  
6 December 2018 – Kennet Room.

12 **Urgent Items**

To consider any other items of business, which the Chairman agrees to consider as a matter of urgency.

**PART II**

Item(s) during consideration of which it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed

## **SCHOOLS FORUM**

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### **MINUTES OF THE SCHOOLS FORUM MEETING HELD ON 18 JANUARY 2018 AT THE KENNET ROOM - COUNTY HALL, TROWBRIDGE BA14 8JN.**

#### **Present:**

Lisa Percy (Vice-Chair), Neil Baker (Chairman), Aileen Bates, Michelle Chilcott, Tracy Cornelius, Jon Hamp, John Hawkins, John Proctor, Catriona Williamson, Phil Cook, Mark Cawley, Andy Bridewell and Linda Westmore

#### **Also Present:**

Grant Davis (Strategic Financial Support Manager), Lisa Pullin (Democratic Services Officer), Alan Stubbersfield (Interim Director – Education and Skills), Susan Tanner (Head of Commissioning and Joint Planning), Councillor Philip Whalley (Portfolio Holder for Education and Skills) and Liz Williams (Head of Finance)

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#### **1 Apologies and Changes of Membership**

Apologies were received from Amanda Burnside (Linda Westmore from Wiltshire College attended in her place), George Croxford, Sue Jiggins and Nigel Roper. It was noted that Judith Finney was not present and it was believed that she was no longer part of the Salisbury Diocesan Board of Education and that the Clerk be requested to write to the Board to ask who their new representative would be.

#### **2 Minutes of the Previous Meeting**

The minutes of the previous meeting held on 7 December 2017 were discussed. Following a proposal, the meeting:

##### **Resolved**

**To approve as a correct record and the Chairman sign the minutes of the meeting held on 7 December 2017 subject to the following amendment:**

**That Minute 62 should be amended to note that an “s” should be added to Aileen Bate as the “s” was missing from the minutes.**

### 3 **Chairman's Announcements**

#### Format of meeting

The Chairman suggested that as a number of decisions/recommendations needed to be made in relation to funding/budgets that all of the reports/information be heard first and then the decisions could be made following that to allow for any agreed movement between funding blocks.

#### Incomplete sentence within Agenda supplement

The Chairman highlighted an incomplete sentence on the report on Agenda item 7 which was in the Agenda supplement. On page 3 of the supplement, at paragraph two, the following words should be inserted "paid directly by the ESFA and for the January 2017 early years census".

#### Agenda item 5

There would be no update on the Children and Young People's Trust Board as the Board had not met since the last meeting of the Forum.

### 4 **Declaration of Interests**

There were no declarations made.

### 5 **Children and Young People's Trust Board Update**

The Chairman informed that there would be no update on the Children and Young People's Trust Board, as the Board had not met since the last meeting of the Forum in December 2017.

### 6 **Reports from Working Groups**

The meeting received updates from the following working groups:

#### a) Early Years Reference Group

It was noted that the working group had considered the report on the Early Years Block for 2018/19 and recommended that the hourly rate of £4.16 for the 3 & 4-year-old entitlement be implemented.

#### **Resolved:**

**That Schools Forum note the minutes of the Early Years Reference Group meeting held on 5 January 2018.**

#### b) School Funding Working Group & SEN Working Group

It was noted that the working group discussed the methodology for high needs recouplement now that place funding for resourced provision would be funded at

£6,000 rather than £10,000 and how empty places would be dealt with. There was discord as academies would receive £10,000 from April to August 2018 and maintained schools £6,000 from April as they have different financial year periods. It was highlighted that this was not a Wiltshire Council decision to reduce the funding – it was a new DfE regulation.

The issue was due to be discussed further at the next working group meeting on 7 March 2018 and the meeting was happy to defer this until that meeting for a proposal to be brought to the March Schools Forum meeting.

**Resolved:**

**That Schools Forum note the minutes of the joint meeting of the School Funding Working Group and SEN Working Group held on 8 January 2018.**

## **7 Budget Monitoring 2017/18**

The Forum considered the report which provided budget monitoring information against the Dedicated Schools Grant (DSG) for the financial year 2017-18 as at 31 December 2017.

Liz Williams highlighted the following:

- An overspend of £0.321m was currently projected against the overall schools budget. This was an adverse movement of £0.441m compared to the figures reported at the December Forum meeting;
- A projected underspend in the early years budget was reported previously based on the take up to date of the entitlement for 2 year olds. The DSG allocation for early years would be updated following the January 2018 census and it is likely that the allocation will be reduced if take up is not as estimated in the initial settlement. The projection had been revised to remove the potential underspend;
- High needs budgets were projected to overspend by £1.488m (an increase of £0.335m since the previous report to the Forum; and
- The reserve at the end of 2016/17 was reported as £0.583m, however then the 2016/17 DSG allocation was reduced after the end of the financial year to reflect the January 2017 census. The available reserve was therefore currently £0.341m.

**Resolved:**

**That Schools Forum note the budget monitoring position at the end of December 2017 and that the decisions to be taken later in the meeting may have a potential impact on the reserve.**

## 8 **Update on Developments funded from Schools Block Transfer to High Needs 2017-18**

Susan Tanner (Head of Commissioning and Joint Planning) referred to the report which gave an update on the spending of the agreed allocations of funding to the SEN Supporting Schools Strategy 2015-18. Susan highlighted the following:

- £600k was allocated to develop SEMH Centres of Excellence. The first centre named the Harbour project opened at Castle Mead School in Trowbridge and in this first year the project is funded via the £240K of the Schools Forum budget allocation. Work has also been undertaken to consider taking forward equivalent provision in the north and south of the county, although no agreement has been reached on this yet;
- The funding for transition into primary school/secondary school (TIPS or TISS) of £130k had been well received and had prevented several placement breakdowns and supported positive transition for 140 children/young people. The funding would be pretty much fully utilised by the end of the financial year;
- The £20k funding for children/young people with hearing impairments had been fully utilised, enabling them to stay in mainstream school settings;
- £10k was added to funding already allocated to three secondary federations to support one off developments in alternative provision;
- The decision for Schools Forum was whether they wished to roll forward the funding allocation for the SEMH Centres of Excellence of £360k into 2018/19 to support the development of centres in the north and south.

The Forum discussed the SEMH Centres of Excellence and Susan Tanner clarified that locations in the north and south of the county had been identified from those schools that had space/an interest in developing the work they currently undertook and the capacity to support such a centre. If the funding was to be rolled forward there was no guarantee that further centres would definitely open but the next centre would possibly be tested with Springfields Academy.

It was planned that the current centre in Trowbridge in its first year would take children from just Castle Mead (the school it is attached to). In the second year would take children from its cluster group and in the third year open out to the other Trowbridge schools.

Susan explained that the year 3 vision was that there would be 10 places in reach with the capacity to support 30 outreach places. Children or young people did not require an EHCP to access the centre. If the centre works well the ESFA will fund places and it would become a self-funding model and would make savings that may have had to be used on alternative placements.



**Resolved:**

**That Schools Forum defer the decision on rolling forward the remaining £360k funding into 2018/19 until later in the meeting when all the budget demands had been discussed.**

9 **Budget Setting 2018/19**

**a. Schools Funding Settlement 2018/19**

Liz Williams referred to the budget setting report for 2018/19 that was circulated with the Agenda and reported to the Forum that the DfE had issued the revenue funding settlement for schools on 20 December 2017. The provisional Dedicated Schools Grant (DSG) allocation for Wiltshire Council was £342.498m which was an increase of £11.693m from 2017/18. The table on page 25 of the Agenda showed the split of funding was now between four blocks and not 3 as previously - (Schools block, Central Schools Services block, High Needs block and Early Years block).

Liz explained about each of the blocks and highlighted that the Central Schools Services Block (CSSB) was new and had been calculated according to the new National Funding Formula (NFF) in which October 2017 pupil census numbers had been multiplied by a unit value of £30.96 and the funding for agreed historic agreements had then been added to this total.

Liz reported that the funding regulations did still allow for limited amounts of funding to be moved within the DSG blocks and as previously reported the Local Authority have the flexibility to move up to 0.5% from the Schools block to the High Needs block with the agreement of Schools Forum.

The Authority was required to submit their proposed delegated budget for schools in their areas to the Education and Skills Funding Agency (ESFA) by 19 January 2018. The ESFA would then need to confirm the formula is compliant with the funding regulations. Once confirmed, the LA will then confirm and distribute the budget information for all maintained schools by the end of February 2018. The ESFA would notify all academies of their budget information also by the end of February 2018.

**Resolved:**

**That Schools Forum note the report.**

**b. Schools Block and Funding Formula**

Grant Davis reported that it had been previously agreed by Schools Forum that Wiltshire will move as close to the NFF as possible and Cabinet had approved the funding formula for 2018/19. Grant informed that modelling work was underway to calculate individual school budgets based on the agreed formula.

The total shortfall between the NFF at published rates and funding received in the settlement was over £1.6m. The reason for the variance was an increase in business rates and that a number of growing schools were being funded on estimated numbers than were counted in the October 2017 census. 200 additional pupils were being funded across 5 schools.

Grant reported that it had been previously agreed that a shortfall would be funded through a reduction in FSM6 rates and he was able to confirm that the rates would be lower than the EFA's NFF rates and would be £410.40 for primary's and £596.61 for secondary's. This was 76% of the proposed NFF rate. All other funding would remain at 100% of the NFF rates.

At the December 2017 Schools Forum meeting it had been agreed that a number of services were to be de-delegated. It had been assumed that there would be no movement of funding between DSG blocks.

Grant circulated a sheet which showed pupil movements/per pupil funding rates/pupil led factors/MFG impact and the total quantum to those present at the meeting (**attached as Appendix 1 to the Minutes**) and went through the figures.

**Resolved:**

**That Schools Forum note the report and make the required decisions to the schools delegated budget for 2018/19 later in the meeting when all information had been received.**

**c. Pupil Growth Fund 2018/19**

Grant reported that it was proposed that the budget for the growth fund be retained at a maximum of £1m for 2018/19 and that it was anticipated that the growth fund requirement for 2018/19 would be managed within that budget.

The Local Authority continued to lobby both the ESFA and the MOD to support the schools affected by the MOD's Army re-basing programme. The pressures of more children coming into Wiltshire's schools had been highlighted at Officer level and Political support had been offered to ensure that our schools were not dis-advantaged because of the re-basing programme. The pressures had occurred as some of the families were arriving to settle in the area earlier than planned. It was anticipated that 1000 more pupils would come into Wiltshire during the Summer of 2019 which would require additional revenue funding of between £3 to £4m.

Grant reported that New School Allowance had remained unchanged since 2013/14 which had until 2017/18 been set at £85k for primary schools. Under the proposals for the new NFF the lump sum would move to £110k. Schools Forum would be asked to decide if they would wish to retain the funding at £85k or if they would wish to mirror the lump sum in funding formula at £110k. If agreed this rise would be funded from the growth fund.

It was highlighted that as the decisions needed for this section of the report did not affect or impact on other budgets that the Forum could decide on these aspects now and not at the end as with the other sub reports.

**Resolved:**

**That Schools Forum**

- 1. Approve the criteria for allocating pupil Growth Fund in 2018-19.**
- 2. Confirm that the value to be used as the “flat rate” for new school funding in 2018/19 should mirror the lump sum in the funding formula at £110k.**
- 3. Agree that the budget for the Growth Fund is retained at a maximum of £1m for 2018/19.**

**d. Central Schools Services Block**

Liz Williams reported that this was a new funding block and details of what services were covered in the CSSB were shown in Appendix 1 starting at page 47 of the Agenda. Liz went through Appendix 2 (page 53) which detailed the approvals that were required by Schools Forum under the CSSB funding block – she advised that the proposals would need to be agreed on a line by line basis.

Liz reported that since the report had been written that £0.159 million of unallocated funding had been identified and that this could be allocated to other funding blocks if agreed.

The Forum discussed the historic commitments as agreed for 2017/18 – particularly the funding for LAC Personal Education Plans (PEPs) and the funding of a Child Protection Officer in the Schools Advisory Team. A suggestion to reduce the funding for LAC PEPS was discussed at length by the Forum (in order for some funding to be transferred to the High Needs block). The importance of the PEPs was agreed and it was clarified that as Pupil Premium Plus payments are now received by the Virtual School some of this could be used for PEPs. As this funding commitment was agreed over 10 years ago, the Forum agreed that now was an opportune time to reduce this commitment in part – possibly £0.100 million and that it be used elsewhere.

It was agreed by all Forum members of the importance of retaining the Child Protection Officer in the Schools Advisory Team as this was a valued role.

**Resolved:**

**That Schools Forum note the report and make the required decisions to the schools delegated budget for 2018/19 later in the meeting when all information had been received.**

**e. High Needs Block**

Liz Williams referred to the High Needs block update report that had been circulated with the Agenda and highlighted the projected demand on the High Needs block which showed a shortfall. The estimate was based on a number of assumptions as detailed in the report and that there would be no transfer of funding between blocks, but as previously reported movements could be made if Schools Forum were wishing to agree this.

Liz highlighted the potential options of ways to address the shortfall.

**Resolved:**

**That Schools Forum note the report and make the required decisions to the schools delegated budget for 2018/19 later in the meeting when all information had been received.**

**f) Early Years Block**

Liz Williams reported that the provisional allocation for early years block settlement for 2018/19 was £27.047m and that Schools Forum must be consulted on changes to local early years funding formulas, although the final decision rests with the local authority. It was estimated that the % pass through to settings would be 98% which is compliant with the regulations in relation to the delivery of the entitlements for 3 and 4 year olds.

**Resolved:**

**That Schools Forum note the report and make the required decisions to the schools delegated budget for 2018/19 later in the meeting when all information had been received.**

The Chairman agreed a brief adjournment at 3.25pm to allow Forum members to take a comfort break and to discuss budget proposals with colleagues prior the meeting reconvening.

The meeting reconvened at 3.40pm.

**g) Schools Budget Decisions 2018/19**

Liz Williams circulated a revised A3 decision matrix at the meeting to make it clear which funding block was being discussed and what decision was required by the Forum. The completed decision matrix is attached as **Appendix 2 to these minutes**. For the minutes, the decisions are also recorded below.

## Central Schools Services Block Proposals

1. To approve the line by line summary, (as at page 53 of the Agenda papers) - summarised in the proposed budget summary.
2. To agree eligible expenditure of historic commitments as per the table at page 46 of the Agenda.
3. To agree the proposed budget for central copyright licences set at £0.359m.
4. To agree that there is no top slice proposed for services formerly funded from general duties element of ESG.

### **Resolved:**

	<b>Section B</b>	<b>Budget 2017-18</b>	<b>Proposed Budget 2018-19</b>	<b>Notes</b>	<b>Decision by Schools Forum - 18.1.18</b>
		<b>£</b>	<b>£</b>		
Schools forum approval is required on a <b>line-by- line</b> basis	funding to enable all schools to meet the infant class size requirement (growth fund)	100,000	100,000	in 2017-18 schools forum agreed total funding of £1m for the growth fund. Split £100,000 for infant class size requirement and £900,000 for basic need growth. Proposal for 2018-19 is to keep the same split	<b>Agreed</b>
	back-pay for equal pay claims	-	-	no budgeted spend	<b>Agreed</b>
	remission of boarding fees at maintained schools and academies	-	-	No budgeted spend - any spend would be for LAC, funded from LAC Education Service and Pupil Premium	<b>Agreed</b>
	places in independent schools for non-SEN pupils	-	-		<b>Agreed</b>

	services previously funded by the retained rate of the ESG	1,005,398	1,005,398	Education Welfare, Statutory & Regulatory Duties, Asset Management	<b>Agreed</b>
	admissions	411,000	415,000	Cost of Admissions team with corporate support overheads	<b>No increase agreed - budget to remain at 411,000</b>
	servicing of schools forum	3,000	3,000	cost of supporting meetings	<b>Agreed</b>
		<b>1,519,398</b>	<b>1,523,398</b>		

**Resolved:**

1. **The expenditure for the Central Schools Services block is as agreed as indicated the table above. *Note – the inflation increase to the Admissions Team was not approved and remained at £411,000.***
2. **Central spend on historic commitments agreed as follows:**
  - i) **Funding for LAC Personal Education Plans be reduced by £0.100 million for 2018/19;**
  - ii) **Funding for Child Protection Office in Schools Advisory Team to remain at £0.041 million; and**
  - iii) **Prudential Borrowing to remain at £0.300 million.**
3. **Schools Forum note the LA decision to set budget at £0.359m for central copyright licences for 2018/19.**
4. **Schools Forum agree that there be no top slice for services formerly funded from the general duties element of ESG.**

Schools Block and Funding Formula - Delegated Budget

1. To agree that any reduction required for affordability is applied to Free School Meal Ever 6 formula factor.
2. To note that the Minimum Funding Guarantee has been set by Cabinet at a rate of +0.5%.
3. To note that the Growth Fund be set at £1m for 2018/19, split as £0.1m for infant class size funding and £0.9m for basic need.
4. To note that the criteria for the growth fund remains unchanged from 2017/18.

5. To agree the rate at which the “flat rate” in the growth fund should be funded.
6. To agree that Wiltshire does not implement a falling rolls fund for 2018/19.

**Resolved:**

1. **Schools Forum agreed that any reduction required for affordability is to be taken from the Free School Meal Ever 6 formula factor.**
2. **Schools Forum note the decision already made by Cabinet to set the Minimum Funding Guarantee at +0.5%.**
3. **Schools Forum agreed that the growth fund be set at £1m, with the split being £0.1m for infant class size and £0.9m basic need.**
4. **Schools Forum agreed that the criteria for the growth fund remains unchanged.**
5. **Schools Forum agreed that the “flat rate” within new school’s allowance to change to £0.110 million to match the lump sum within the funding formula.**
6. **Schools Forum agreed that Wiltshire will not implement a falling rolls fund in 2018/19.**

High Needs Block Proposals

1. That no formula is put in place for 2017/18 for funding for exceptional numbers of statements due to affordability.
2. That no change is proposed to top up values for NPA’s, ELP, resource bases and special schools and that they remain the same as 2017/18 values.
3. That funding levels for alternative provision remain at 2017/18 levels.
4. That proposals be developed/identified to meet the shortfall in the High Needs block – possibly from movement from other blocks.

**Resolved:**

1. **Schools Forum agreed that no formula for funding exceptional numbers of statements to be put in place for 2018/19.**
2. **Schools Forum agreed that top up values for NPA’s, ELP, Resource Bases and Special Schools are to remain unchanged from the 2017/18 values.**
3. **Schools Forum agreed that funding levels for alternative provision to remain unchanged from the 2017/18 levels.**

**4. Schools Forum identified savings that are detailed below and agreed that these are applied to meet the shortfall in the high needs block.**

**Savings agreed for High Needs Block**

<b>Agreed Mitigation</b>	<b>£m</b>
Utilise unallocated Central Schools Block Funding	0.163
Delete budget for Primary/Secondary Transitional Support	0.130
Do not fund development of further SEMH Centres of Excellence (but first centre at Castle Mead to continue as planned)	0.360
Reduce budget for Personal Education Plans for Looked After Children by amount of Pupil Premium Grant increase	0.100
	<b>0.753m</b>

Early Years Block Proposals

1. To propose the formula as per Early Years block report with supplements for rurality and deprivation. Proposed Basic Hourly rate £4.16.
2. To propose that the Inclusion Support Fund to be set at £467,300, to be met as follows - £357,300 from High Needs block and £110,000 from Early Years block.
3. To propose that 98% of funding be passed through to Early Years providers.
4. To propose an hourly rate of £5.32 for free entitlement for 2 year olds.

**Resolved:**

1. **Schools Forum agreed that the Wiltshire Early Years Single Funding Formula be set at £4.16 per hour. Rurality to be set at £0.52 per hour and deprivation set at £0.40 per hour.**
2. **Schools Forum agreed that the Inclusion Support Fund of £467,300 be funded from £357,300 from High Needs block and £110,000 from Early years block.**
3. **Schools Forum agreed that 98% of 3 & 4-year-old funding would be passed through to providers.**
4. **Schools Forum agreed that the funding rate for two year olds would be set at £5.32 per hour.**

**Appendix 1 to the Minutes - School Funding Quantums**



10 **Appendix 2 to the Minutes - Final Decision Matrix**  
**Confirmation of Dates for Future Meetings**

The meeting noted that the future meetings would be held on:

22 March 2018  
28 June 2018  
11 October 2018  
6 December 2018.

11 **Urgent Items**

There were no urgent items.

(Duration of meeting: 1.40 - 4.5 pm)

The Officer who has produced these minutes is Lisa Pullin of Democratic Services,  
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## Appendix 1 to Schools Forum Minutes – 18 January 2018

### Pupil Movements

Key Stage	2015-16	Increase	2016-17	Increase	2017-18	Increase	2018-19
KS1 & KS2	36,013	<b>958</b>	36,971	<b>944</b>	37,915	<b>456</b>	38,371
KS3	13,928	<b>139</b>	14,067	<b>485</b>	14,522	<b>509</b>	15,031
KS4	9,833	<b>-262</b>	9,571	<b>-299</b>	9,272	<b>186</b>	9,458
<b>TOTALS</b>	<b>59,774</b>	<b>835</b>	<b>60,609</b>	<b>1,130</b>	<b>61,739</b>	<b>1,151</b>	<b>62,860</b>

### Per Pupil Funding Rates

'Per Pupil' funding	2014-15	2015-16	2016-17	2017-18	2018-19
Primary (KS1 & KS2)	2,912.12	2,989.50	2,984.65	2,998.34	<b>2,746.99</b>
Secondary (KS3)	3,739.55	3,838.91	3,832.69	3,850.26	<b>3,862.65</b>
Secondary (KS4)	4,562.50	4,683.72	4,676.13	4,697.57	<b>4,385.81</b>

### Pupil Led Factors

Element	2014-15	2015-16	2016-17	2017-18	2018-19
Deprivation – Primary	825.73	843.15	838.21	840.71	<b>410.40</b>
Deprivation - Secondary	831.70	849.25	823.43	815.34	<b>596.61</b>
English as an Additional Language – Primary	1922.48	1500.63	1,476.84	1,479.52	<b>515.00</b>
EAL – Secondary	658.66	578.77	542.30	596.68	<b>1385.00</b>
Prior Attainment - Primary	614.95	627.93	628.43	637.50	<b>1,050.00</b>
Prior Attainment - Secondary	459.11	468.80	497.88	502.90	<b>1,550.00</b>

### MFG Impact

	2014-15	2015-16	2016-17	2017-18	2018-19
Total MFG	1,611,101	533,217	609,350	776,082	<b>884,486</b>
Largest MFG	133,628	67,647	69,457	261,731	<b>321,408</b>
Largest Cap	117,442	53,553	431,695	471,722	<b>178,734</b>
Schools in Receipt of MFG	77	27	48	34	<b>30</b>
Schools Capped	91	47	27	62	<b>53</b>
% Increase before Capping	0.88%	4.61%	1.70%	0.90%	<b>6.64%</b>

## Total Quantum

<b>Element</b>	<b>2017-18</b>	<b>2018-19</b>
KS1 & KS2	113,682,301	105,405,907
KS3	56,028,984	58,059,492
KS4	43,555,869	41,480,640
Deprivation – Primary	5,000,744	4,920,169
Deprivation – Secondary	3,387,179	4,545,068
EAL – Primary	836,550	763,674
EAL - Secondary	55,737	399,762
Prior Attainment – Primary	4,143,532	13,070,673
Prior Attainment – Secondary	2,490,655	7,809,762
Lump Sum	22,250,000	25,364,167
Sparsity	0	292,340

Schools Forum - January 2017  
Decision Matrix for 2017-18 Budget

DSG Block	Decision Required	Inter-dependencies with other decisions	Proposal	Decision Maker			Decision - noted at meeting
				Local Authority	Schools Forum	DfE	
Overall Budget	Overall Schools Budget	individual decisions for blocks to feed in	Schools Budget to be set at level of DSG Settlement £342.498m	Decides	Proposes		No decision required. Council to set budget at overall level of DSG
	Confirm no LA Top Up			Decides			
Central Schools Services Block	Ongoing commitments eg Admissions, Schools Forum support, Services formally funded from retained duties element of ESG		Line by Line summary, appendix 2 to Central DSG Report. Summarised in Proposed Budget summary Propose as presented in Appendix 2	Proposes	Decides for each line	Adjudicates if Schools Forum does not agree LA proposal	Budget agreed as per Appendix 2 to CSSB report. <b>Except</b> Inflation increase to Admissions Team was <b>not</b> approved
	Central spend on historic commitments	will inform any further funding to be delegated if spend is not agreed, is not evidenced or does not meet criteria	Propose agree eligible expenditure as per table in Central Schools Services Block Report	Proposes	Decides for each line	Adjudicates if Schools Forum does not agree LA proposal	Prudential Borrowing £300,000 agreed Funding for Personal Education Plans <u>reduced</u> by £100,000
	Central Licences negotiated by Secretary of State		Propose Budget for central copyright licences set at £0.359m	Decides	None	None	confirmed budget set at £0.359m
	Central spend on general duties for maintained schools - services previously funded by ESG general duties rate	would be a top slice for maintained school budgets - impacts on delegated budget decision	No top slice proposed	Proposes	Decided by maintained school members	Adjudicates if Schools Forum does not agree LA proposal	confirmed no top slice for services formerly funded from general duties element of ESG
Schools block - Delegated Budget	Affordability of local formula		Propose that any reduction required for affordability is applied to FSM Ever6 formula factor	Proposes and decides	must be consulted	Ensures formula is compliant with regulations	Agreed formula with any reduction required for affordability to be taken from the Free School Meal Ever 6 formula factor
	Minimum Funding Guarantee		Propose set MFG at 0.5%	Proposes and decides	must be consulted	Ensures formula is compliant with regulations	confirmed decision already made by Cabinet
	Growth fund		Growth fund to be set at £1m - split £0.1m Infant class Size and £0.9m basic need Propose criteria remain unchanged	Proposes and decides	must be consulted	Ensures formula is compliant with regulations	Agreed Growth fund set at £1m, split £0.1m for Infant class Size and £0.9m Basic Need Criteria to remain unchanged
	Growth fund		Agree the rate at which the "flat rate" in the growth fund should be funded	Proposes and decides	must be consulted	Ensures formula is compliant with regulations	Agreed "flat rate" within new schools allowance to change to £110,000 to match the lump sum within the funding formula
	Falling Rolls Fund	impacts on available quantum for delegated budget	Propose Wiltshire does not have a falling rolls fund	Proposes and decides	must be consulted	Ensures formula is compliant with regulations	confirmed that Wiltshire will not implement a falling rolls fund in 2018-19
High Needs Block	Funding for exceptional numbers of statements		No formula in place for 2017-18. Propose no formula for 2018-19 due to affordability	Decides	none	none	Agreed no formula to for exceptional numbers of statements to be in place in 2018-19
	Top Up values for NPAs, ELP, Resource Bases and Special Schools		Initial proposal no change from 2017-18 values	Decides	none - but would consult Schools Forum	none	Agreed top up values to remain unchanged from 2017-18 values
	Funding levels for Alternative Provision		No Proposed change 2018-19	Decides	none - but would consult Schools Forum	none	agreed funding for devolved formula to remain at 2017-18 levels

DSG Block	Decision Required	Inter-dependencies with other decisions	Proposal	Decision Maker			Decision - noted at meeting
	Savings proposals to meet shortfall in high needs block		Proposals to be developed to meet shortfall. If money to be moved between blocks this must be determined at the January meeting	Decides	none - but would consult Schools Forum	none	Savings of £0.753m identified - see table below
<b>Early Years Block</b>	Agree Wiltshire formula - including supplements to be applied		Proposed formula as per EY Block report with supplements for Rurality and Deprivation. Proposed Basic Hourly rate £4.16 Rurality: £0.52 per hour Deprivation £0.40 per hour	Proposes and decides	must be consulted	none	Agreed rates as proposed: Basic Hourly Rate £4.16 per hour Rurality: £0.52 per hour Deprivation: £0.40 per hour
	Level of Inclusion Support Fund and how funded	Links to High Needs Block decisions	Proposed ISF £467,300, continues to be met as follows: £357,300 from high needs block £110,000 from Early Years Block	Proposes and decides	must be consulted	none	Agreed ISF £467,300, continues to be met as follows: £357,300 from high needs block £110,000 from Early Years Block
	% Pass Through to settings		Proposal in Early Years report for 98% pass through	Proposes and decides	must be consulted	none	Approved 98% pass through of 3 & 4 yo funding to settings
	Hourly rate for free entitlement for 2 year olds		Proposed hourly rate of £5.32	Proposes and decides	must be consulted	none	Agreed hourly rate for two year olds as £5.32 per hour

**Wiltshire Council**

**Schools Forum**

**22 March 2018**

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## **Report from the School Funding Working Group and SEN Working Group**

### **Purpose of report**

1. To report on the joint meeting of the School Funding Working Group and SEN Working Group held on 7 March 2018.

### **Main considerations for School Forum**

2. The minutes of the meeting are attached at Appendix 1.
3. In relation to the report on transfers of funding for unfilled and additional places in resourced provision the working group supported the recommendation that this be set at £6,000 per place.

### **Proposals**

4. That Schools Forum notes the minutes of the School Funding Working Group and SEN Group meeting.
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## School Funding Working Group and SEN working Group

7 March 2018

### Minutes

**Present:** Liz Williams, Grant Davis, Susan Tanner, Lisa Percy, Neil Baker, Catriona Williamson, Sam Churchill, John Hawkins, Phil Cook, Tracy Cornelius

**Apologies:** Jonathon Curtis

1	<p><b><i>Minutes from previous meeting</i></b></p> <p>The minutes of the previous meeting were reviewed. There were no matters arising that had not already been considered by Schools Forum at the January 2018 meeting.</p>	
2	<p><b><i>High Needs Places – recoupment and funding for additional places</i></b></p> <p>GD presented a paper outlining the options for the funding of additional places in resourced provision (Resource Bases and Enhanced Learning Provision (ELP)) and for the “recoupment” of funding for empty places through the top up mechanism.</p> <p>Funding for resourced provision would change in 2018-19 with places being funded at £6,000 per place through the high needs block and pupils attracting AWPUs for pupils through the national funding formula (NFF).</p> <p>GD proposed that funding for additional places and the recoupment of empty places be set at £6,000.</p> <p>There was a further discussion as to whether a proportion of the AWPUs funding should transfer to the resourced provision with the pupil. The group was of the view that this would be difficult to enforce and administer and therefore supported the proposal that the transfer of funds for additional places or unfilled places should be £6,000.</p>	
3	<p><b><i>Budget Monitoring – Period 10</i></b></p> <p>EW circulated a budget monitoring report giving the projected outturn as at period 10 (31 January 2018). The report showed an increase in the projected overspend for high needs budgets, and therefore for the DSG as a whole. This increase was in part due to increased activity and in part due to data quality issues that had highlighted an error in previous reports for post 16 top up payments. The impact would be that the overspend would exceed the level of the DSG reserve resulting in a deficit to be rolled forward in to 2018-19.</p> <p>An increase in activity and cost of education personal budgets was also highlighted.</p> <p>EW confirmed that early years budgets were currently reported as break even until the impact of the January 2018 census could be quantified.</p>	

	<p>The group considered potential recovery options. It was noted that recovery options can only be looked at within the high needs blocks as budgets for other blocks had been finalised. Further work is required to minimise the overspend for the current year and to reduce costs in 2018-19. It was noted that the highest spend in the high needs block is on top ups to mainstream schools and that reductions could not be ruled out.</p> <p><b>Actions</b></p> <ol style="list-style-type: none"> <li>1. It was agreed that the pressures on the high needs block need to be escalated through the F40 Group</li> <li>2. EW/GD to summarise key issues for NB meeting with Michelle Donnellan MP</li> </ol>	EW/GD
4	<p><b>Growth fund – Impact of Army Rebasing Programme</b></p> <p>GD circulated a confidential paper outlining the issues associated with revenue funding for schools affected by the army rebasing programme. Lagged funding for schools based on the pupil census from the previous year would result in schools not receiving sufficient funding for pupils in the first year of the programme without additional funding for pupil growth. Pupils are expected to arrive in schools across the south of the county from September 2019 whilst funding for the 2019-20 financial year would be based on the October 2018 census</p> <p>It was noted that the issue has been raised with the DfE as a matter of urgency and a response was awaited. LP requested that if no details of funding were received then further work would be required with WASSH and PHF.</p>	
5	<p><b>Schools Costs 2018-19</b></p> <p>EW referred to a DfE Paper on cost pressures for schools.</p> <p>It was agreed that GD would summarise those cost pressures, such as increases in the employers superannuation rate, that the DfE had not included in the paper.</p>	GD
6	<p><b>Update on School Budgets 2018-19</b></p> <p>GD circulated a table detailing the final allocations for each formula factor</p>	
7	<p><b>AOB</b></p> <p>CW requested further analysis of the budget and outturn for the Behaviour Support Service to be provided to the next meeting.</p>	EW
8	<p><b>Date and Time of Next Meeting</b></p> <p>Next meeting to be held on Monday June 11<sup>th</sup> 2018, 8:30am in the Dyson Room at County Hall, Trowbridge</p>	

Wiltshire Council

Schools Forum

22 March 2018

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## **DEDICATED SCHOOLS BUDGET – BUDGET MONITORING 2017-18**

### **Purpose of the Report**

1. To present budget monitoring information against the Dedicated Schools Grant (DSG) for the financial year 2017-18 as at 31 January 2018.

### **Main Considerations**

2. Appendix 1 to this report outlines the budget monitoring summary as at 31<sup>st</sup> January 2018. The budget reflects the reductions made by the ESFA for academy recoupment, high needs places paid directly by the ESFA and for the January 2017 early years census. Further adjustments will be made later in the financial year to reflect the January 2018 early years census.
3. An overspend of £0.828 million is currently projected against the overall schools budget. This is an adverse movement of £1.140 million since the previous report to Schools Forum. The biggest movements since the October forecast are in the high needs spend.

### ***Early Years Budgets***

4. Budgets for the universal entitlement for 15 hours childcare for 3 & 4 year olds, and for the entitlement for 2 year olds, are currently assumed to be on target to break even. Data on take up of the free entitlement received after the autumn term pupil count indicates that this budget will be underspent however the final DSG settlement for Wiltshire will be adjusted for the January 2018 early years census and if take up is less than estimated this is likely to result in a reduction in DSG.

### ***High Needs Budgets***

5. High Needs budgets are now projected to overspend by £2.672m, an increase of £1.184m since the previous report to schools forum. Investigation in to the increased variance indicates that the largest movements are:
  - a. Projected spend in independent special school (ISS) placements has increased by £0.376m. This increase includes a transfer of funding responsibility for one placement from the looked after children placement budget to the ISS budget (£0.150m). The transfer is backdated to September 2017.
  - b. An error in the recording of data for the post-16 top up forecast which, when corrected, increases the forecast by £0.600 million compared with previous months.
6. Spend on Education Personal Budgets has also increased during the year, this is causing the projected overspend of £0.445m against the specialist provision budget.

### ***Impact on 2018-19***

7. Any overspend against the overall DSG budget at the end of the financial year will be offset initially against the DSG reserve. The reserve at the end of 2016-17 was reported as £0.583 million however the 2016-17 DSG allocation was then reduced by a further £0.242m after the end of the financial year to reflect the January 2017 early years census. The available reserve is therefore currently £0.341 million.
8. The current projected underspend will exceed the level of reserves. This would lead to a deficit being rolled forward in to 2018-19.

9. The increase in overspend also impacts on the position in 2018-19. Schools Forum agreed a number of savings proposals at the January meeting aimed at closing the funding gap in the high needs block in 2018-19. The full year impact of the increased overspend will mean that there is a larger gap in 2018-19 than originally calculated. The revised gap for 2018-19 is being calculated and further recovery actions will need to be developed.

### **Proposals**

10. Schools Forum is asked to note the budget monitoring position at the end of January 2018 and the potential impact on the DSG reserve and 2018-19 budget if the overspend cannot be reduced.

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**Financial Monitoring**

Service Areas	Current Budget 2017-18 £m	Projected Outturn for Year £m	Variation for Year £m	% Variance	Movement from Period 9
<b>1 Funding Schools</b>					
DSG Funded Expenditure - Delegated to Schools	114.713	114.713	0.000	0.0%	0.000
Contingency & Growth Fund	1.058	0.463	-0.595	-56.3%	0.000
<b>Total</b>	<b>115.770</b>	<b>115.175</b>	<b>- 0.595</b>	<b>-0.5%</b>	<b>-</b>
<b>2 0-25 SEND Service</b>					
<b>Pre-16</b>					
Independent Special Schools	4.572	6.271	1.698	37.1%	0.376
Named Pupil Allowances	2.708	3.617	0.909	33.6%	0.002
Top Up Budgets - Wiltshire Maintained Schools & Academies	10.474	10.257	-0.217	-2.1%	0.041
Top Up Budgets - Non-Wiltshire Maintained Schools & Academies	0.966	1.615	0.648	67.1%	0.000
<b>Post-16</b>					
Top Up Budgets - Post- 16 Placements	5.406	4.579	-0.827	-15.3%	0.709
<b>Support Services</b>					
Specialist Provision and EY Inclusion	0.685	1.129	0.445	65.0%	0.053
SEND Service	2.147	2.163	0.016	0.7%	0.002
<b>Total 0-25 SEND Service</b>	<b>26.959</b>	<b>29.631</b>	<b>2.672</b>	<b>9.9%</b>	<b>1.184</b>
<b>3 Commissioning &amp; Performance and School Effectiveness</b>					
Schools Maternity Costs	0.576	0.471	-0.105	-18.1%	0.024
Trades Union Facilities Costs	0.035	0.031	-0.003	-8.8%	0.002
SIMS & HCSS Licences	0.173	0.048	-0.125	-72.5%	-0.125
Speech & Language	0.479	0.479	0.000	0.0%	0.000
Early Year Childcare & Early Dev Team	0.231	0.231	0.000	0.0%	0.000
Other Costs incl. Copyright Licences	0.459	0.421	-0.037	-8.2%	0.000
Admissions Service	0.245	0.213	-0.032	-13.0%	0.002
<b>Total Commissioning, Performance &amp; School Effectiveness</b>	<b>2.196</b>	<b>1.894</b>	<b>-0.302</b>	<b>-13.7%</b>	<b>-0.097</b>
<b>4 Early Years Services</b>					
Early Years Single Funding Formula - 3 & 4 yo	20.835	20.835	0.000	0.0%	0.000
Early Years Single Funding Formula - 2 yo	2.752	2.752	0.000	0.0%	0.000
Other Early Years Support	0.462	0.489	0.027	5.8%	0.022
Early Years Pupil Premium Grant & DAF funding	0.288	0.288	0.000	0.0%	-0.020
<b>Total Early Years</b>	<b>24.337</b>	<b>24.364</b>	<b>0.027</b>	<b>0.1%</b>	<b>0.002</b>
<b>5 Safeguarding</b>					
Child Protection in Schools	0.028	0.028	0.000	0.0%	0.000
<b>Total</b>	<b>0.028</b>	<b>0.028</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>
<b>6 Early Help Services</b>					
Ethnic Minority Achievement Service & Traveller's Education	0.474	0.466	-0.008	-1.7%	-0.012
Secondary Devolved Funding - Alternative Provision	2.801	2.776	-0.025	-0.9%	0.046
EOTAS	0.542	0.303	-0.239	-44.1%	0.015
Behaviour Support	0.774	0.723	-0.051	-6.6%	-0.001
	<b>4.591</b>	<b>4.268</b>	<b>-0.323</b>	<b>-7.0%</b>	<b>0.048</b>
<b>7 Children's Social Care</b>					
Looked After Children Education Service	0.203	0.186	-0.017	-8.4%	0.003
<b>Total</b>	<b>0.203</b>	<b>0.186</b>	<b>- 0.017</b>	<b>-8.4%</b>	<b>0.003</b>
<b>8 DSG Within Corporate Services</b>					
Gross Expenditure	3.719	3.086	-0.634	-17.0%	-0.634
<b>Total</b>	<b>3.719</b>	<b>3.086</b>	<b>- 0.634</b>	<b>-17.0%</b>	<b>-</b>
	<b>177.804</b>	<b>178.632</b>	<b>0.828</b>	<b>0.5%</b>	<b>1.140</b>

Note POSITIVE variances = OVERSPEND

0.005

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Wiltshire Council

Schools Forum

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## High Needs Place Funding & Recoupment of Empty High Needs Places

### Purpose of Report

1. To outline the current process for funding additional High Needs places in Resource Bases (RB) and Enhanced Learning Provision (ELP) settings in mainstream schools and to propose changes in light of the new National Funding Formula (NFF) for High Needs.

### Current Position – Funding of High Needs Places

2. For several years, High Needs has been funded using the ‘place plus’ system where place funding has been set at £10,000 and schools receive a ‘top up’ based upon the banding attributed to each individual pupil.
3. The Local Authority (LA) has agreed the number of planned places with each of the High Needs settings directly. Each institution is then funded for the number of High Needs planned places which is detailed on their respective funding certificate. The Education and Skills Funding Agency (ESFA) have allowed LA’s to vary the numbers of planned places on an annual basis, since the 2015-16 academic year. Wiltshire has taken the opportunity each year to revise the number of High Needs places agreed with each institution.
4. The number of High Needs places is currently deducted from the Number on Roll (NOR) figure for the school and therefore, the schools do not receive AWPU funding for each of the High Needs places. The table below sets out an example of the current methodology.

	Number	Value	Funding
Actual Number of Pupils on Roll	200		
Number of Resource Base / ELP places	15	£10,000	£150,000
Net number of AWPU’s funded	185	£3,000	£555,000
<b>Total Funding</b>			<b>£705,000</b>

### Current Position – Funding of Additional High Needs Places and Recoupment

5. Schools Forum has worked to a principle of *‘the money following the child’*, for several years. Whilst the SEN team has endeavoured to ensure that the number of High Needs places correlates with the number of pupils attending individual settings, it is well recognised that variances will occur due to the ever-changing demand for High Needs places.
6. Where a setting accepts additional pupils, and exceeds the number of planned places, then the LA has funded the additional places at £10,000 per place, pro-rata’d at £833.33 per month, for the number of months where the number of planned places is exceeded.

7. Prior to 2015-16, there was a significant mis-match between the numbers of planned places in a setting and the number of pupils attending each setting. As a result, the LA was funding a number of additional places in some settings, whilst others were in receipt of funding for 'empty' places.
8. A system of recoupment was introduced in 2015-16 to compensate for this anomaly, enabling the LA to withhold top up funding from those schools with consistently empty High Needs places.
9. Recoupment is calculated as being the net value of the planned place funding of £10,000 less the appropriate AWPU for the Key Stages of pupils at the school. The rates would therefore vary between primary and secondary schools. For secondary schools, the average AWPU between Key Stage 3 and Key Stage 4 is used. The table below sets out the amounts which are recouped for empty places in 2017-18.

	<b>KS 1 &amp; 2</b>	<b>KS 3 &amp; 4</b>
Place Funding	10,000	10,000
AWPU	2,998	4,274
<b>Amount Recouped</b>	<b>7,002</b>	<b>5,726</b>

10. In calculating the recoupment values, the AWPU is deducted from the place funding, because the NOR is reduced for the school by the number of planned places. Therefore, the school is having its NOR funding reduced even if it does not have pupils attending its High Needs setting.

### **2018-19 Position – National Funding Formula**

11. Following the proposals of the National Funding Formula (NFF), funding for High Needs places is changing. Places will be funded at the level of £6,000 per planned place. In addition, schools will receive an AWPU for all pupils on the school roll. No deduction will be made in respect of the number of planned places.
12. The ESFA have deemed that schools will receive the overall notional '£10,000' per planned place but that the funding will now comprise the place funding of £6,000, plus the AWPU plus the Prior Attainment and other formula factor funding for the pupil. Overall, the school should still receive the £10,000 per place however, this is not particularly transparent.

### **2018-19 Proposals for Funding Additional Places and Recoupment**

13. The ESFA are moving to a system of only funding the LA at the rate of £6,000 per planned place and therefore this is the new default rate for High Needs settings. In meeting the ESFA's expectations and given the funding constraints within the High Needs Block, the LA would no longer be able to sustain the funding of additional pupils in excess of the agreed number of planned places at the £10,000 level.
14. The proposal for 2018-19 is that additional places will be funded at a rate of £6,000 per place and that recoupment will be based on a place value of £6,000



15. In Secondary schools, the general position is that pupils would move from within the mainstream element of the school into the ELP provision. Pupils do not generally move to another alternative secondary school, once they have been recognised as requiring ELP support. Therefore, the school will have received the initial AWPU for the pupil and if the school moves to exceed its number of High Needs places, then it is entirely consistent that the school would receive an extra place funding of £6,000.
  16. In Primary schools the position is slightly different. SEN colleagues have confirmed that in most instances pupils move from their existing school to a new school with a RB. To remain consistent with ESFA funding, if a primary school RB exceeds its planned number of places, it is proposed that the extra place would be funded at £6,000 per place from the high needs budget.
  17. Schools Forum is asked to note the content of the report and confirm its support for the funding of additional High Needs places to move to £6,000 per place, in line with the changes implemented by the National Funding Formula.
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Wiltshire Council

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## Schools' Costs 2018-19

### Purpose of Report

1. The Department for Education released a document entitled '[Schools' costs 2018-19 to 2019-20](#)', at the end of February 2018. The document was designed to help the School Teachers' Review Body (STRB), school leaders, governors, academy trusts and others understand costs for schools over the next two years.
2. The purpose of this report is to set out the major issues highlighted and to provide commentary on any additional costs facing schools in the ensuing years, to help schools with budget planning.

### Background

3. In July 2017, the Department for Education (DfE) announced plans to increase core funding for schools. An additional £1.3billion for schools and high needs is to be provided in addition to previous sending plans, across the 2018-19 and 2019-20 years. This comprised an additional £416million in 2018-19 and a further £884 million in 2019-20.
4. Nationally, this equates to a funding increase of 3.1% on a per pupil basis over the period. Of the total increase to school funding of 3.1%, the funding which is directed specifically to schools (i.e. net of central block, pupil premium and part of high needs block) is forecast to increase by 2.9% in per pupil funding over the two-year period. (Whilst this is an average, some schools in Wiltshire will only have seen an increase of 0.5% in their per pupil income.)
5. The Treasury have forecast the rate of inflation to be 2.9% over the same two-year period, through their measure for inflationary uplift.
6. The DfE also forecast that schools will see increases in financial pressures for the National Living Wage (NLW) and the National Minimum Wage (NMW). Non-staffing costs are projected to increase by 0.7% over the same two-year period. (see para. 11 below).
7. The DfE have split the approach to the cost pressures between
  - Staffing – teaching
  - Staffing – non-teaching
  - Non-staffing
  - New cost drivers
  - Impact of NLW & NMW
  - Inflationary factors

8. The DfE has assumed a national breakdown in proportions for expenditure of;
- Teaching Staff – 52%
  - Non-teaching Staff – 28%
  - Non-Staff – 20%

## Analysis

9. Given that school funding is set to increase by 2.9% on a per pupil basis as set out in para 4, the DfE are suggesting that overall, cost pressures in schools could increase for staff costs by a further 2.2% in 2018-19 and 1.4% in 2019-20, before schools would face a real term cost pressure. This has been calculated as;

Factor	2018-19	2019-20	Cumulative
Increase in Staff Costs	2.2%	1.4%	3.6%
Proportion of all Expenditure	80%	80%	80%
<b>% increase in annual costs</b>	<b>1.76%</b>	<b>1.12%</b>	<b>2.9%</b>

Table 1: Analysis of overall cost increases before real term pressures prevail

10. The DfE have estimated that increases in the NLW and NMW, coupled with non-staff pay increases will result in a cumulative increase in costs of 0.7% over the next two years. The non-staff related expenditure is based upon [GDP deflators](#) which are projected to be 1.48% in 2018-19 and 1.41% in 2019-20. Taken as 20% of the overall impact on school equates to an increase of 0.3% for each of the next two years.
11. The table below sets out the estimated cost increases as a percentage of schools' expenditure for the next two years on NLW, NMW and non-staff factors.

Factor	2018-19	2019-20	Cumulative
Annual NLW and NMW pay award pressures	0.0%	0.1%	0.1%
Inflationary pressures on non-staff spending	0.3%	0.3%	0.6%
<b>Total year on Year cost increases</b>	<b>0.3%</b>	<b>0.4%</b>	<b>0.7%</b>

Table 2: Estimate of cost increases as percentages of schools' expenditure each year

12. Based upon the projected overall 2.9% increase in funding directly for schools, 0.7% must already be factored in as accounted for in Table 2. Therefore, there is only an overall margin of 2.2% for cost pressures over the next two years before real term cost pressures would prevail.

## **Assumptions in the Analysis**

13. The DfE's analysis contains several key assumptions. The main assumptions are detailed below along with their potential impact.

### **Teachers' Pension Scheme – Employers Contribution Rates**

The current employers' contribution rate is set at 16.48%. The analysis makes no reference to a potential increase, due to take effect from April 2019, following the tri-ennial actuarial revaluation. Based upon the Local Government Pension Scheme and other public sector schemes, there is widespread feeling that this rate will increase beyond 18% and the Local Authority has recommended to all maintained schools that they budget using the rate of 18.5% from April 2019.

### **Local Government Pension Scheme**

As with the Teachers Pension Scheme, contribution rates are set to increase by 1% in each of the next two financial years for maintained schools. Academy schools will already be aware of their own contribution rates which have been set for the three-year period.

### **Staff Pay Awards**

The analysis does not reflect the potential pay awards. The current offer, from the employers side for support staff, supports a minimum 2% pay award. It is widely anticipated that Teachers pay awards would follow those on offer to support staff, but are omitted from the analysis.

### **Removal of the Education Support Grant**

The removal of the Education Support Grant (ESG) has placed a significant cost pressure upon academies directly and potentially on maintained schools. In some authorities, the DSG has been top-sliced for maintained schools to support services previously funded under the ESG. Whilst Wiltshire does not currently operate a top-slice, this cannot be ruled out for the future.

Academy schools will have their transitional ESG protection arrangements brought to a close in the current financial year.

The DfE are proposing that their new School Improvement and Brokering Grant of £50million along with the Strategic School Improvement Fund for academies of £140million will offset any of the cost pressures through the removal of the ESG.

### **GDP Deflator Index**

The inflationary factor used by the DfE in its modelling is the GDP Deflator which is estimated as being 1.48% in 2018-19 and 1.41% in 2019-20. These rates are significantly below both the Retail Price Index (RPI) and the Consumer Price Index (CPI) which are more commonly used by schools. Indeed, the LA has encouraged schools to prudently adopt an inflation rate of 3% in their budget forecast planning.

### **Other Factors**

There have been no assumptions in terms of current Government Policy and similarly no changes in respect of Employers National Insurance contributions. The Apprenticeship Levy has also remained at the 0.5% rate. (This rate has been confirmed as remaining unchanged for the next two years.)

## Proposals

14. Schools Forum is asked to note the content of the report.

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