

AGENDA

Meeting: Schools Forum
Place: Kennet Room - County Hall, Bythesea Road, Trowbridge, BA14 8JN
Date: Thursday 17 January 2019
Time: 1.30 pm

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Membership:	Representing:
Neil Baker	PHF - Primary Headteacher Representative
Aileen Bates	WGA - SEN School Governor Representative
Andy Bridewell	PHF - Primary Headteacher Representative
Mark Cawley	Early Years Representative
Michelle Chilcott	Secondary Academy Representative
Sam Churchill	PHF - Observer
Phil Cook	WASSH - SEN Headteacher Representative
Tracy Cornelius	PHF - Primary Headteacher Representative
Jon Hamp	Special School Academy Representative
John Hawkins	Teaching Association Representative
Mel Jacob	WGA - Primary School Governor Representative
Sue Jiggins	WGA - Primary School Governor Representative
Jen Jones	Wiltshire College (Head of Learning & Skills Dev Service)
Lisa Percy	WASSH - Secondary Academy Representative
John Proctor	Early Years Representative (PVI)
Giles Pugh	Salisbury Diocesan Board of Education
Nigel Roper	WASSH - Secondary School Headteacher Representative
Neil Spurdell	Chair of WASSH - Secondary Academy Representative
Trudy Srawley	Observer - Wiltshire Parent Carer Council
Lindsay West	PHF - Primary Academy Representative
David Whewell	WGA - Secondary School Governor representative
Catriona Williamson	PHF - Primary Headteacher Representative

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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 7 - 26*)

To approve as a correct record and sign the minutes of the meeting held on 6 December 2018 (copy attached).

3 **Chairman's Announcements**

To receive any announcements from the Chair.

4 **Declaration of Interests**

To note any declarations of interests.

5 **Update from School Admissions Service** (*Pages 27 - 30*)

The report of Debbie Clare (School Admissions Co-ordinator) provides details of changes that are taking place in the School Admissions Service.

6 **Dedicated Schools Budget - Budget Monitoring 2018-19** (*Pages 31 - 38*)

The report of Marie Taylor (Interim Head of Finance) presents the budget monitoring information for the financial year 2018/19 as at 31 December 2018.

7 **Dedicated Schools Grant - Early Years Budget Monitoring 2018/19** (*Pages 39 - 42*)

The report of Marie Taylor (Interim Head of Finance) presents the budget monitoring information against the Dedicated Schools Grant (DSG) for the financial year 2018/19 as at 31 December 2018 and seeks to recommend an in-year change in the funding arrangements of the Early Years Inclusion Fund.

8 **Reports from Working Groups** (*Pages 43 - 48*)

To note updates on the following working groups as detailed below:

- Joint Meeting of the School Funding and SEN Working Group meeting

held on 8 January 2019 (minutes attached).

- Early Years Reference Group meetings held on 16 November (minutes attached) and 11 January 2019 (*to follow in Agenda Supplement (1)*).

9 **Update from the High Needs Block Working Group**

The report of Helean Hughes (Director for Education & Skills) on the work of the High Needs Block Working Group is *to follow*.

10 **Budget Setting 2019/20**

To consider the budget for 2019/20.

The following update reports provide details on the overall funding settlement on each of the funding blocks, the decisions will be made after consideration of all the update papers via the decision matrix.

10a **Schools Block Update - Delegated Funding 2019/20** (*Pages 49 - 50*)

The report of Grant Davis (Schools Strategic Financial Support Manager) seeks to update the Forum on issues relating to the schools delegated budget for 2019/20 and the decisions that will need to be made as part of the budget setting process.

10b **Schools Revenue Funding 2019-20 - Funding Settlement & Budget Setting Process** (*Pages 51 - 54*)

The report of Grant Davis (Schools Strategic Financial Support Manager) seeks to update the Forum on the schools revenue funding settlement and the budget setting process for 2019-2020. It also outlines the funding settlement announced on 17 December 2018 and the impact on school budgets arising from the settlement.

10c **Allocation of Funding for Pupil Growth 2019-20** (*Pages 55 - 60*)

The report of Grant Davis (Schools Strategic Financial Support Manager) seeks agreement on the methodology for allocating funding for pupil growth from the school's block growth fund in 2019-20 and the amount of funding to be allocated for pupil growth.

10d **Early Years Block Funding 2019/20** (*Pages 61 - 72*)

The report of Marie Taylor (Interim Head of Finance) seeks to update the Forum on issues related to the early years block for 2019-20 and the decisions that will need to be made as part of the budget setting process for 2019-20. The operational guidance for the early years block confirms that Schools Forums must be consulted on changes to local early years funding formulae, including agreeing central spend, although the final decision rests with the local authority.

10e **Schools Central Block Funding Update 2019/20** (Pages 73 - 82)

The report of Marie Taylor (Interim Head of Finance) seeks to update the Forum on issues relating to the Central Schools Services Block (CSSB) budget for 2019-20 and the decisions that will need to be made as part of the budget setting process.

10f **High Need Block Funding Update 2019/20** (Pages 83 - 86)

The report of Marie Taylor (Interim Head of Finance) seeks to update Schools Forum on issues related to the high needs block for 2019-20 and the decisions that will need to be made as part of the budget setting process for 2019-20.

10g **School Budget Decisions 2019/20**

The Forum will be asked to consider the Schools Budgets for 2019/20 and make relevant decisions using the decisions matrix (which will be circulated at the meeting).

11 **Confirmation of Dates for Future Meetings**

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

28 March 2019
13 June 2019
10 October 2019
5 December 2019.

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

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SCHOOLS FORUM

MINUTES OF THE SCHOOLS FORUM MEETING HELD ON 6 DECEMBER 2018 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Neil Baker (Chairman), Aileen Bates, Andy Bridewell, Mark Cawley, Phil Cook, Tracy Cornelius, John Hawkins, Mel Jacob, Jen Jones, Lisa Percy (Vice-Chair), John Proctor, Giles Pugh, Nigel Roper, Neil Spurdell, Trudy Srawley, Lindsay West, David Whewell and Catriona Williamson

Also Present:

Nicholas Breakwell (Head of SEND), Sam Churchill (PHF Observer), Grant Davis (Schools Strategic Financial Support Manager), Helean Hughes (Director – Education & Skills), Cllr Laura Mayes (Cabinet Member for Children, Education & Skills), Lisa Pullin (Democratic Services Officer), Marie Taylor (Interim Head of Finance for Children’s Services), Judith Westcott (Acting Head of Commissioning and Joint Planning) and Cllr Phil Whalley (Portfolio Holder for Education and Skills)

52 Apologies and Changes of Membership

Apologies were received from the following Forum members: Michelle Chilcott (Secondary Academy Rep), Jon Hamp (Special School Academy Rep) and Sue Jiggins (Primary Governor Rep).

Apologies were also received from the following Wiltshire Council Officer - Helen Jones (Director – Commissioning).

The following changes to the membership of the Forum were noted:

Giles Pugh has replaced Nicola Coupe as the Salisbury Diocesan Board of Education Rep.

The Chairman welcomed the following to the Forum:

Neil Spurdell (Head of Sheldon School, Chippenham and the new Chair of WASHH. Neil replaces George Croxford on the Forum).

Helean Hughes, new Director of Education and Skills for Wiltshire Council.

53 **Minutes of the Previous Meeting**

The minutes of the previous meeting held on 11 October 2018 we approved as a correct record:

Resolved:

That the Chairman sign the minutes of the meeting of Schools Forum held on 11 October 2018.

54 **Chairman's Announcements**

The Chairman welcomed all to the Forum and asked all others present to introduce themselves.

The Chairman made the following announcements:

Press attendance at meetings

We are not webcasting this meeting today, however, please be advised that this is a public meeting that anyone can attend - are there any members of the press here today? *NB No members of the press were present at the meeting.*

Hard copies of Agendas

As you know, we currently post out paper copies to all Forum members, moving forward, are any members agreeable to receive electronic copies of the Agenda in future which will save printing and postage costs? Those present at the meeting were asked to indicate on the meeting sign in sheet with an "E" for electronic by their name if they would be happy to receive a pdf version of the Agenda to be emailed to them prior to the meeting.

55 **Declaration of Interests**

There were no declarations of interest.

56 **Reports from Working Groups**

The Forum noted the updates received by way of the minutes of the Early Years Reference Group (within Agenda pack) and Schools Funding and SEN Working Group meetings (within Agenda Supplement 1).

Early Years Reference Group

John Proctor reported that he would send out the School Readiness document as agreed at the meeting.

Marie Taylor confirmed that she would be attending the next meeting of the Group on 11 January 2019, after being unable to attend at the meeting on 16 November. That meeting will have a finance focus.

In relation to childcare sufficiency, it was noted that there were concerns in Malmesbury and Sherston (due to a nursery closure) and the ongoing army rebasing which brought its own complications. Nurseries are reporting that they cannot afford to stay open, based upon current funding levels and staff recruitment is an issue as there is a shortage of appropriate staff – staff are generally “pinched” from another nursery.

School Funding and SEN Working Group

Grant Davis went through the items discussed at the meeting and reported that most of the items would be picked up later on the Agenda in this meeting.

Resolved:

That Schools Forum note the minutes of the Early Years Reference Group held on 16 November 2018 and the Schools Funding and SEN Working Group held on 19 November 2018.

57 Virtual School Update

Grant Davis (Schools Strategic Financial Support Manager) referred to the report from Chris Whitfield (Virtual School Head) which had been circulated with the Agenda which highlighted what funding the Virtual School receive (£102,800) from the DSG budget and how this is allocated and spent.

The funding received provides full time alternative education for the small number of Looked After Young People who do not have an EHCP or receive education as part of a Care package and cannot manage within a mainstream setting.

Grant explained that the Virtual Schools Head also receives £2,300 pupil premium per child and a good proportion of this is given to the schools to use and some is kept back to use for direct support for pupils who may not be receiving full time education at school or who may need additional support.

The Virtual Schools Head would like to request that the level of funding continue for 2019/20 when the budget decisions are made at the meeting of Schools Forum in January 2019.

A Forum member confirmed the importance of the allocated monies being spent on the child and was grateful to receive the data and details of spending.

Resolved:

That the update from the Virtual School Head on the funding for the Virtual School be noted.

58 Budget Monitoring 2018/19

Marie Taylor (Interim Head of Finance for Children's Services) referred to the budget monitoring report as at 31 October 2018 that was circulated with the Agenda. Marie highlighted the following:

- That an overspend of £3.238m was currently projected against the overall schools' budget, driven mainly by the forecasted overspend on the High Needs Block of £4.1m;
- An underspend on the Early Years Block was forecasted due the levels of take up for 2-year-old funding (gone up from original forecast) and 3 and 4-year-old funding (numbers predicated are less than actual take up). Modelling work would be carried out in 2019/20 with plans to look at increasing the hourly rate for funding of 3 and 4 year olds from £4.16 (the current rate) if affordable within the funding block allocation, which would be known later this month;
- The Post 16 budget was currently forecasting an underspend as a number of extra places were added, but not all have been taken up;
- The biggest areas of overspend in the High Needs Block are on Independent Special School fees, named pupil allowances and top ups in non-Wiltshire provisions;
- One of the major drivers of the increased cost is volume and the table on page 26 of the Agenda showed an 11% increase in high needs block expenditure and a 21% increase (556) in EHCP's;
- Many other Local Authorities are in the same position with overspends any this may not be about Wiltshire spending money badly, more about the initial levels of funding received from the Government;
- The High Needs Block Working Group report next addresses what are seen to be the contributory factors and proposals in that report would continue to look for ways of reducing spend as the deficit position could not continue into future years.

Grant Davis referred to research carried out by Worcestershire Council which had tracked the rise in EHCP's since 2010 and presented the Forum with a graphical representation of the impact. When the Children and Families Act introduced EHCP's in 2014 the progressive increase in volume stemmed from this point. The age-range was increased to cover 0-25 year olds. Grant reported that Wiltshire are mirroring the national picture and that this was the biggest problem facing DSG budgets. Wiltshire's EHCP figure was 3% with the national figure being 2.9%. In 2014 the rate was 2.4%.

A Forum Member wished for her concern to be noted on the rise in the predicted overspend in between the working group meetings and questioned

where the accountability for that was? Whilst acknowledging that special needs children need the funding, it was of a concern to her that money may have to be taken away from mainstream children who also need funding.

Marie referred the Group to DfE guidance which states that local authorities have overspent their DSG allocations and have found themselves in cumulative DSG deficits. In these situations, regulations require local authorities to seek approval of Schools Forum to allow them to carry forward the overspend and offset it against the following year's DSG. It is likely this will be a proposal in the January 2019 report when we have a better idea of our actual 2019/20 allocations.

The Chairman asked if the Local Authority would be contributing to the overspend to reduce the deficit and share the burden? Marie confirmed that this would need to be a Member decision but had raised this as an issue to be explored with Terence Herbert (Corporate Director) and Becky Hellard (Interim Director of Finance and Procurement) and will feedback progress to the January 2019 meeting.

Resolved:

- 1. That the Forum note the budget monitoring position as at the end of October 2018, the continued pressure on the high needs budgets and the potential deficit position of the DSG reserve and recovery actions required. To support and contribute to the on-going work of the High Needs Working Group.**
- 2. With regard to mitigations, that the Forum note the proposals of the High Needs Working Group in the next report which should be examined for benefits, risks, feasibility and timescale and note that these would form part of an action plan being drawn up within a further report being brought to the next meeting on 17 January 2019.**

59 **High Needs Block Working Group Update**

Marie Taylor (Interim Head of Finance – Children's Services) referred to the update report from the High Needs Working Group which was circulated with the Agenda. Marie highlighted the following:

- That the working group had met regularly since September 2018 to take action to identify contributing factors and make proposals to reduce the cost pressure on the high needs block. The monitoring report as at 31 August 2018 identified a £1.2m overspend in the high needs block and this had now risen to £4.125m;
- Wiltshire's financial position reflects the national funding position but is heightened by Wiltshire's position in the funding tables of being the

seventh lowest funded local authority in the Country for Education (based upon work undertaken by the F40 Group); and

- The High Needs Block expenditure has exceeded the Block allocation for a number of years as the table on page 31 of the Agenda showed. The previous forecast did not take into account the planned starters, transitional moves and increases in EHCPs which took place in the new academic year.

Marie reported that the Working Group had suggested a number of drivers for the financial pressure and these were explained to the Forum. Marie gave details of what actions have been taken to date as listed within the report.

Marie referred to the appendix 4 results from the schools' consultation survey. The responses were at a disappointing level and so further discussions took place at the meeting of Primary Heads Forum on 22 November 2018.

In the consultation survey, schools were asked if they supported a transfer of funding from the School Block to the High Needs Block. Two Heads supported this and five did not. Those who did not support a transfer between the two blocks were then asked if they would accept that if this did not take place that all top-up and Named Pupil Allowance funding levels would have to be reduced to keep the High Needs Block within budget. Three Heads said yes, two said no and one neither agreed or disagreed. Marie reported that realistically both actions could well need to be carried out to manage the overspend.

The Heads consultation survey comments were valued and thematically referenced the national funding levels for schools and High Needs Block which was misaligned with the increase in EHCPs and extended age range to 0-25 years, following the introduction of the Children & Families Act 2014.

The Working Group had also come up with a wide ranging selection of transformational change proposals which would need to be examined further by the Director – Families and Children's Services with regard to risk, equality, financial viability and best value.

A Forum member noted that EHCPs are generally more about health and care plan needs and not primarily education based – could that be a reason for an increase in costs? For example, do the Health Services make a contribution to someone who needs physiotherapy as part of their EHCP? How is this challenged?

Judith Westcott (Acting Head of Commissioning and Joint Planning) confirmed that the Clinical Commissioning Group (CCG) do contribute funding and it was suggested that it would be fairer to ask for contributions from all services. Marie Taylor confirmed that all areas would be explored as part of the action plan.

Marie explained the options available for consideration and what a disapplication request to the DfE would involve.

A Forum member asked why couldn't the money be taken from other blocks – Marie confirmed the regulations were clear the transfer could only be from Schools Block. Marie confirmed that Schools Forum could approval a transfer of up to 0.5% and anything above a 0.5% transfer between blocks must be approved by the Secretary of State.

The Forum agreed that the Minister for Education (Damian Hinds MP) should be alerted about Wiltshire's predicament and aware of the pain felt with the budget pressures. It was felt that Wiltshire had always been financially responsible but it just could not continue to keep on absorbing the additional financial pressures. The Forum were referred to the letter (Appendix 5, page 43/44 of the Agenda) from the Presidents of the Treasurer Societies for County Councils and London Boroughs who have taken the unusual step of writing jointly to the Secretary of State for Education to highlight their continued concern and pressure on the High Needs Block.

Marie confirmed that she had requested that the Cabinet Member for Children, Education and Skills (Cllr Laura Mayes) write to Wiltshire MPs to request support at both local and national level.

A Forum member noted that Government legislation insists that we support children via EHCP's but do not then give us adequate funding to be able to provide these services.

Marie referred to paragraph 50 of the report which was asking the Forum to consider agreement to the transfer of a percentage between blocks to limit the need to reduce bandings or high needs rates. The report had suggested 0.5% but she would suggest that up to 1% of transfer could be considered (although anything over 0.5% would mean that the authority would have to submit a disapplication request to the Secretary of State, seeking permission).

Forum members discussed this – it was noted that a transfer from Schools Block to the High Needs Block was not supported by WASSH. A Forum member noted that she had carried out the costings for her school and if both options were taken forward that this would have a double impact at her school and that she would have to reduce the number of places that could be offered, in turn putting more pressure on the High Needs Block.

Marie confirmed that Local Authorities are being consulted on the size of DSG deficits as a % of their overall funding. The DfE are proposing that where the deficit is greater than 1% of the overall DSG then a Full Recovery Plan will be required and that she and Grant would need to respond to the consultation about this by 7 December.

Grant Davis explained what would be happening regarding school funding moving forward and expected levels of per pupil funding. The DSG allocation for 2019/20 had not yet been confirmed and it was not likely that this would be known until late December, but it was expected that there would be a minimum of a 0.5% increase in DSG funding. Grant explained that a decision on the transfer could be delayed until the DSG funding is known but it was felt that this

would cause more uncertainty and that the principle needed to be confirmed in particular if a disapplication request was to be submitted.

A Forum member asked if the recovery route was agreed, would there be a guarantee that this would not affect the Named Pupil Allowance? Marie reported that this guarantee or reassurance could not be given.

Nick Breakwell (Head of SEND Service) reported that £7m is spent on out of county placements which is not at all preferable. He would love all children to be placed in Wiltshire. Four children were currently in £250k placements which saw £1m being spent collectively.

A Forum member asked if there was a rigour/control over which EHCP's were granted? Judith Westcott confirmed that there was a strong approval process in place.

The Chairman felt that through discussions he was picking up that the Forum felt it was hard to agree to a transfer between blocks without knowing what else could be considered.

Grant Davis reported that he and Marie had pulled together an initial list of options for funding a transfer and these were:

- Straight top-slice
- Use the “Little extras” expected funding of £2m which was due to be confirmed in December. It was anticipated that this would be in the region of £50k for secondary schools and £10k for primary schools. Although the intention was that this was to be used for capital spend – it could be badged in school accounts against 18/19 capital spend or 19/20 and 20/21 future years capital; spend and therefore release uncommitted revenue. Schools Forum felt very strongly that the message of “giving this back” would send a message back to Central Government that this is what has to be done to fund high needs in Wiltshire.
- Minimum Funding Guarantee (MFG) set at 0% not +0.5%
- Special Schools – MFG set at -1.5%
- Minimum per pupil funding levels for 2019-20 – £3,500 to become £3,400 in Primary schools and £4,800 to become £4,700 in Secondary schools
- Top-Ups reduction
- NPA – rate reductions
- Remove double funding of Deprivation
- Remove Sparsity funding

These suggested options were discussed by the Forum.

A Forum member who is also a member of the Dorset Schools Forum reported that they had agreed not to transfer 1.5% in Dorset and had asked what can Officers do to raise the issue politically. They felt by rolling over and saying that they will just do it won't raise and highlight the issues of the budget pressures there are.

Officers suggested that an agreement could be made in principle and that they could go away and look at ways of funding the overspend.

A Forum member felt that they would need detail of what the suggested options would "raise" for the pot, what and who the reductions may affect to enable them to give agreement. It was felt that it was important to keep sending signals to the Government and Politicians about the difficulties.

A Forum member asked, how the remainder of the overspend might be funded? Marie reported that this would be via a recovery plan and all spending would be looked at. The proposals from paragraph 47 of the report highlighted what was planned next and there would have to be an acceptance that things would have to be done differently. We would all need to be on board and look at how we can do it by working together.

Forum members strongly felt that the monies should just be taken from the vulnerable groups, but the burden should be shared across all schools.

The Chairman summarised the views of the Forum members and suggested that there appeared to be a consensus of agreement on a number of points. It was then

Resolved:

- 1. That Schools Forum note that there are two approaches which will need to be followed, the first is around aligning spending levels to available funding.**
- 2. That the possibility of using the "little extras" funding should be further explored – including writing to the Secretary of State regarding this.**
- 3. That the local authority should be approached for a contribution to fund the overspend.**
- 4. That a transfer figure of 1% from the Schools Block to the High Needs Block be proposed to the Secretary of State via a disapplication request.**
- 5. That Officers continue to look at ways in which spending could be reduced via:**

- i) **The Director for Education and Skills having the lead for strategic SEN planning and reducing spend in the High Needs Block working closely with the Heads of Service for Children's Commissioning, SEND and Children's Finance to work up a costed plan with timescales and targets. This will include a gap analysis comparing current and future need compared with current resource bases and placements across each type of SEND.**
- ii) **Noting that in addition, options for savings to centrally managed budgets will include:**
 - a) **examination of liability under the statutory duty around all SEN services to consider removal, reduction or alternative delivery models or offers linked to a central (i.e.: non-school block) saving target.**
 - b) **Modelling around redrafting values of payments to schools to support vulnerable pupils on a temporary basis**
 - c) **Commissioning modelling work to be carried out**
 - d) **Establishing the affordability of ringfenced Cluster Funding (Pilot) funding which would need to me new monies identified which would be delegated to heads to control (avoid funding linked to EHCP numbers)**
 - e) **Consideration of a future move to delegating control of centrally manged budgets such as Named Pupil Allowances (NPA) to said clusters if this model proves successful.**

60 **Special Schools in Wiltshire Update**

The Forum received an update on Special Schools (presentation attached as Appendix 1 to the Minutes) from Judith Westcott (Acting Head of Commissioning and Joint Planning. Judith highlighted the following:

- The full Cabinet papers leading to the decision made on 27 November 2018 in relation to Special School provision in Wiltshire were available on line – [click here for link](#);
- The vision of the project was to make a £20m investment in Wiltshire's Special Schools. It had been identified that there was a need to invest in staffing and not a number of buildings. It was the intention to create Centres of Excellence in Rowdeford near Devizes and at Exeter House in Salisbury;
- 3000 children and young people in Wiltshire have an EHCP and 500 of these attend a Special School;

- Officers had been working on this project for 3 years and it was planned that a campus style school would be ready for 2023;
- Services for the health needs of the young people would be much improved with Virgin Care staff being available every day and other medical professionals on site such as Physiotherapists and Occupational Therapists.
- This would be the best special school provision for all children and young people.

Resolved:

That the Forum note the Special Schools update.

Appendix 1 to Minutes - Special Schools Presentation

61 **Forum Updates**

The Forum received the following verbal updates from Grant Davis (Schools Strategic Financial Support Manager).

Bids to the MOD's Education Support Funding

The Army were rebasing families from Germany to Wiltshire in the summer of 2019 and it was expected that there would be over 1000 children arriving and needing school places. The Council had made 4 bids to the MOD's Education Support Fund which has a total budget of £3m.

The results of these bids have now been concluded and requests for bids totalled £10m. Grant was pleased to report that Wiltshire was to receive over £1m of the £3m available funding as follows:

Bid for £1m	Allocated £750k	To be used to recruit an extra teacher in each school.
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Bid for £460k	Allocated £340k	For SEN support in schools.
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Bid for funding of a post for an additional School Admissions Officer was agreed.

Schools would also put in their own bids for extra funding and now that this funding was confirmed the planning work could commence as soon as possible. It was felt that the MOD gave us recognition about the impact this re-basing programme will have on Wiltshire.

The Forum noted the work that had gone into submitting the bids for funding and wished to thank all those involved in this process and we pleased with its fruition.

Growth Fund

The authority would ordinarily be approving the criteria for the Growth Fund at this meeting. Due to clarification being required from the DfE regarding the growth monies in respect of Army Rebasing, the criteria could not be confirmed at this meeting and would need to be confirmed at the next meeting.

Teacher's Pay Award Grant

Following the notification of the grant to support the teachers' pay award, it had been identified that some primary schools had received too much money as the children in reception had been double counted. There was an overpayment and a few schools were impacted by this. The DfE have confirmed that no recoupment would take place and that for schools that had been under-funded, the correct funding would be distributed before the end of December.

New Pay Spines for Support Staff

A new pay spine for support staff is scheduled to be introduced from April 2019. Colleagues in the HR teams are working with the Trade Unions to agree the proposed movement of staff from the old pay spines to the new pay spines. HR will be releasing guidance to schools before Christmas.

MOD Army Rebasing

It is confirmed that up to £2.8m has been allocated to Wiltshire for the period from September 2019 to March 2020 to help with the impact of Army Rebasing. In addition, the DfE will commit funding for the period from April 2020 to August 2020 for Academies as the DfE had agreed that Wiltshire should not be disadvantaged financially following the Army rebasing. This was to allow for growth of the schools. This agreement was a milestone point.

Resolved:

That the Forum note all of the verbal updates provided at the meeting.

62 **Confirmation of Dates for Future Meetings**

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

17 January 2019

28 March 2019

13 June 2019.

The Forum hoped that a response would have been received from the Secretary of State by the next meeting on 17 January 2019.

63 **Urgent Items**

There were no urgent items.

(Duration of meeting: 1.30 - 4.20 pm)

The Officer who has produced these minutes is Lisa Pullin, Tel 01225 713015 or email committee@wiltshire.gov.uk of Democratic Services

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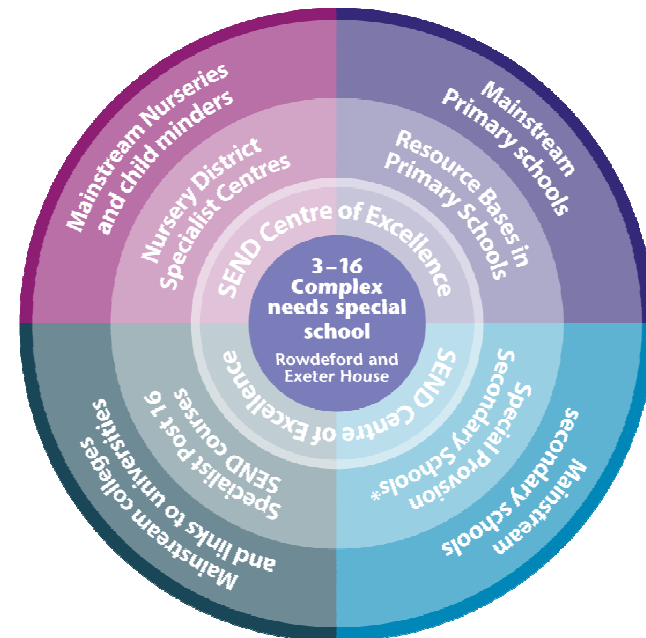
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Special Schools in Wiltshire

The Vision

- We propose an investment of around £20m to create two new Centres of Excellence – purpose-built and amply equipped schools, giving our children a better start in life than ever before.
- The new campuses would be at Rowdeford, near Devizes, and Exeter House, Salisbury.
- The vision for SEND in Wiltshire will mean St Nicholas, Chippenham, and Larkrise, Trowbridge will stay open until we open the new school in September 2023



Background Drivers

- **Growth** in numbers of children/young people with SEND (Special Educational Needs and Disabilities)
- **Quality** – we have no “Outstanding” provision
- The **current provision is not big enough** (DfE standards, equipment, resources, outdoor spaces, spaces for therapists)
- There are significant and growing **financial pressures**
- Preparing and creating provision for the future to... **give our children and young people with SEND the best possible start to life a great childhood and preparation for adult life.**

This enables:

- A campus model providing outstanding education
- Support to every child and young person with SEND in Wiltshire, including those who are hard to categorise
- Support to children and young people in mainstream settings, developing better outcomes for all children
- Support to early years settings and an integrated post-16 provision
- A provision which creates a national standard for special schools



The best provision for all children /young people

- Great teaching from well-trained, well-paid, caring, specialist and dedicated staff
- The right facilities and support: hydro-pools, sensory rooms, physio, open outdoor space, speech and language therapy, family care
- Strong community links – with cafés, community gardens and public playing fields
- Attractive, comfortable, child-scale buildings - safe, friendly, calm and engaging places with wide corridors, storage and lots of natural light
- Closer links between SEND and neighbouring mainstream schools. Each have resources the others can benefit from
- Links with specialist nurseries, offering children with special needs seamless attention from the time they are tots to their teenage years
- Both sites are on good road routes, central to the home locations of children and young people with SEND and with space to expand.

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Wiltshire Council

Schools Forum

17 January 2019

DEDICATED SCHOOLS BUDGET – SCHOOL ADMISSIONS TEAM

Purpose of the Report

1. The Local Authority has a statutory responsibility to provide a school place for all children living in Wiltshire it also has a statutory responsibility to co-ordinate main round applications (Reception - Primary, Year 3 - Junior and Year 7 – Secondary) for all residents in Wiltshire. The School Admissions Team is DSG funded.
2. This report provides details of changes that are taking place in the School Admissions Service.

Main Considerations

3. The Local Authority has a statutory responsibility to provide a school place for all children living in Wiltshire.
4. It also has a statutory duty to act in accordance with the School Admissions Code and has a statutory duty to formulate and operate schemes to co-ordinate the admissions to all maintained schools and Academies within its area.
5. There is a legal requirement to have schemes in place for the co-ordination of admission to the schools within Wiltshire. The purpose of co-ordinated arrangements is to make the application process simpler for parents by ensuring that each child gets one offer for one school place.
6. The co-ordinated schemes include the provision to co-ordinate all admissions to all schools for the main years of entry. The main years of entry are Reception, Year 3 (Junior) and Year 7. ***In line with the School Admissions Code, there is no longer the statutory requirement for In Year applications to be co-ordinated within county.***
7. However, in the interest of safeguarding, the Local Authority still co-ordinates all applications (including In Year) for all children to Wiltshire schools. This ensures that the School Admissions Team can monitor which children are potentially out of the school system. If a parent is unable to secure a place at their preferred school, the School Admissions Team will ensure that a place is allocated at a reasonable alternative. The School Admissions Team carried out a consultation with all its schools when the requirement to co-ordinated In Year Applications was removed. The results from the consultation were extremely positive with over 95% of Wiltshire schools in favour of us continuing to co-ordinate.

8. The co-ordination of In Year applications is currently a traded service in other Local Authorities. In Wiltshire, this is currently provided to all schools, including own admission authority schools, free of charge.

Number of Applications

9. On an annual basis, the School Admissions Team receives in excess of 16,000 applications. Approximately 10,500 of these are for the main round of entry, the others are for In Year Transfers applications. The team continue to receive an increase of around 500 In Year applications across the county, on an annual basis.
10. The team is a small team and faces many pressures on a daily basis. Our current staffing structure is as follows;
 - 1 - School Admissions Co-ordinator who has day to day management responsibility, Fair Access, Appeals.
 - 1 - Appeals Officer who presents the appeals for all Local Authority schools and any schools which have opted to purchase the appeals traded service.
 - 3 - Allocations Officers who consider and deal with all the applications that are received. This can often be extremely challenging, especially where there is pressure on school places in a certain geographical area. Allocation Officers also write all appeals cases for VC and C schools. They also write them for schools who purchase our appeals traded service.
 - 4 - Admin Assistants (one of whom is an Apprentice), Admin Assistants input applications received daily as well as carrying out many other tasks.
11. The Local Authority is keen to retain the co-ordination of In Year applications in the interest of safeguarding however, without the current staffing structure in place the team would struggle to provide this service. As with many services our budget is currently under pressure and we have a small shortfall in DSG funding to enable us to cover all costs.

Army Basing

12. In 2019 there is initiative to rebase serving armed forces personnel in Germany back to England. The Garrison towns around Salisbury Plain in Wiltshire will be target destinations for a significant proportion of these service families. It is anticipated that an approximately 4,000 Soldiers and their families will be relocating to Wiltshire. This is expected to generate around 1,000 admissions applications and place the team under more pressure. The basing programme will continue into 2020 and 2021. The Local Authority continues to work closely with the Children's Education Advisory Service (CEAS), a tri-service organisation funded by the MOD, to make the transition for children and families in Germany as smooth as possible and remove unnecessary complexity.
13. In September 2018, Baroness Scott as well as other colleagues in the Local Authority visited Germany to provide support and guidance to the families on their re-location to Wiltshire.
14. To support the Army Basing Programme, the Local Authority submitted a bid for additional funding to the MOD and I am pleased to say that this has been successful. This will enable us to maintain our current staffing structure for the

next financial year and employ an additional short term member of staff to support the Army Basing Programme leading up to September 2019.

New software - Liquid Logic

15. In January 2019, the School Admissions Team will also begin a project to switch over to a new IT system. This system will go live in September 2019.

16. Once fully implemented, we hope that it will provide us with a more streamlined way of working and enable us to provide our schools with information in a more efficient way.

Funding Arrangements

17. The current funding for admissions is from central schools services block. The 2018/19 budget report requested an increase for the team funding which was not approved. It is hoped this report will outline some of the duties of the service. A further report will come to Schools Forum should the co-ordination of In Year applications continue to place financial pressures on the service which cannot be managed within the current levels of DSG.

Proposals

18. Schools Forum is asked to note the current pressures that the School Admissions Team face around the DSG funding allocation.

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Wiltshire Council

Schools Forum

17 January 2019

DEDICATED SCHOOLS BUDGET – BUDGET MONITORING 2018-19

Purpose of the Report

1. To present budget monitoring information against the Dedicated Schools Grant (DSG) for the financial year 2018-19 as at 31st December 2018.

Main Considerations

2. Appendix 1 to this report outlines the budget monitoring summary as at 31st December 2018.
3. An overspend of £2.307 million is currently projected against the overall schools budget. The forecast overspend on the High Needs Block is £3.331 million and this is offset by underspends in the growth fund, early years and central blocks.
4. The High Needs Working Group was set up in September to identify contributing factors and to make proposals to reduce the cost pressure on the high needs block. A verbal update from the Director of Skills & Learning on progress since the last report is included on the agenda.

Schools Funding

5. A budget of £1.0 million was set aside in 2018/19 as a growth fund. The latest forecast of expenditure on this is £0.920 million which creates a small underspend.

Early Years Budgets

6. Budgets for the free entitlement for 30 hours childcare for 2, 3 & 4 year olds are currently forecast to be underspent by £0.818 million. This estimate is now wholly based on a full year of 30 hours entitlement. It is important to note that the underspend reported above for 2, 3 and 4-year-old grant will have a post financial year adjustment from the DfE - previously this has borne little relation to the final variance due to the formula and floors and ceilings used by the DfE in their calculation. The table below show this forecast underspend relates to volume of take up.

	Planned Volume (in FTE)	Forecast Volume (in FTE)	Forecast Volume (in FTE)
2-year-old Funding	417	436	19 (or 4%)
3 & 4-year-old Funding	4,943	4,802	(141) (or 3%)
Overall	5,360	5,238	(122) (or, 2%)

High Needs Budgets

7. High Needs budgets are projected to overspend by £3.331m. The biggest areas of overspend are Independent Special School Fees, Named Pupil Allowances and top ups in schools. The post-16 budget shows an underspend which is partially offsetting the overspend in other areas.
8. This significant overspend must be viewed alongside national factors. Nationally, Wiltshire is seventh from the very lowers funded local authority in the Country.

9. The demand for high needs funding is out-stripping the budgets available to local authorities across the country, resulting in serious deficits in the high needs block in over half of all local authorities. Many are finding it extremely difficult to recover these deficits and cuts to existing high needs services and pupil top-up funding makes what provision that is available simply unsustainable.
10. There is an emerging crisis in high needs funding, created in part by the continued use of historic funding levels, that Fair Funding Groups, local authorities and Schools have been keen to urge government to address before permanent damage is done to very many vulnerable pupils.
11. On the 16th December, Damien Hinds, Secretary of State for Education announced an additional £250 million to support children with complex needs and disabilities across 2018/19 and 2019/20. Appendix 2 details the press release. The table below shows Wiltshire's allocations:

	2018/19	2019/20	Total Share
£250m revenue	£1.128 million	£1.128 million	£2.256 million
£100m capital	nil	tbc	tbc

12. Wiltshire has submitted a Free School Bid for 150 place Special School provision in the South of the County and we are anticipating the outcome of this later this month.
13. Whilst Wiltshire appreciate the additional high needs block and capital funding, the long-term solution will need to be increased base budget to allow strategic plans to be rolled out as opposed to an amount of one off funding.
14. The complexity of the high needs services demanded by more and more children (and their parents) is far greater than was the case just a few years ago, more accurate medical assessment and improved methods of treatment increase demand still further. Such increasing needs requires recognition through the national high needs formula.
15. One of the major drivers of the increased cost is volume. Activity (volume) is measured in full time equivalent placements. (FTE) the table below show that volume has increased at a higher level (16%) than expenditure (9%) which could be an indicator that we have more children and young people with lower levels of need.

	Budgeted	Forecast	Forecast Variance
HNB Spend	£38.939M	£42.270M	£3.331M (9% increase)
EHCP	2,767	3,196	429 (16% increase)

Central Schools Budgets

16. There is a small forecast underspend on central school budgets held and managed by the local authority on the schools behalf – including maternity and copyright licences. Some of this surplus might be available to fund other identified funding pressures such as union duties – as previously discussed at Schools Forum.

DSG Reserve

17. The reserve brought forward of £0.846 million is reduced by the early years block adjustment of £0.035 million. The forecast overspend would take the reserve into a deficit position of £1.497 million. This overspend equates to 0.8% of total DSG.
18. Wiltshire submitted the response to the DfE consultation regarding implementation of the tightening of the rules governing deficits in local authorities' overall DSG accounts, under which local authorities have to explain their plans for bringing DSG account back into balance. The DfE intend to require a report from any local authority that has a DSG deficit of more than 1% as at 31 March 2019. This report would need to have been discussed with the Schools Forum. Assuming the proposal is mooted, the latest forecast would mean Wiltshire would not need to submit a report.
19. The DSG reserve deficit however, does pose a concern and this will be included in the 19/20 overall Schools Funding Budget report and decision making matrix considered later in this agenda.

Proposals

20. Schools Forum is asked to note the budget monitoring position at the end of December 2018 and the continued pressure on high needs budgets and to support and contribute to the on-going work of the High Needs Working Group.
21. The Early Years budget monitoring report proposes that the Early Years Inclusion Support Fund be funded wholly by Early Years Block in 2018/19 and in future years. If this proposal is agreed, then the overall forecast variance remains unchanged, but the early years forecast variance will better reflect the activity within the early years sector and the pressure on the high needs block reduced accordingly.

£ million	Forecast Variance December 2018	Proposed Budget Movement 2018/19	Proposed Variance 2018/19
Funding Schools	(0.080)	0	(0.080)
Early Years Block	(0.818)	(0.357)	(0.461)
High Needs Block	3.331	0.357	2.974
Central Block	(0.126)	0	(0.126)
TOTAL	2.307	0	2.307

22. The forecast outturn should be used to inform the 2019/20 budget setting report later in the agenda.

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New funding to support children with special educational needs

Education Secretary Damian Hinds has announced an additional £350 million to support children with complex needs and disabilities.

Published 16 December 2018

From: [Department for Education](#) and [The Rt Hon Damian Hinds MP](#)



Children with special educational needs and disabilities (SEND) are set to benefit from an extra £350 million funding to provide specialist support and tailored facilities, helping those with complex needs to succeed.

The Education Secretary Damian Hinds has today (Sunday 16 December) announced that councils will receive an additional **£250 million over the next two years** on top of the £6 billion already provided for the high needs budget this year, to provide much needed support for children and young people with complex SEND.

Families will also benefit from more choice for their child's education through an **extra £100 million investment to create more specialist places in mainstream schools, colleges and special schools**, giving more children and young people access to a good school or college place that meets their individual needs. This could include more state-of-the-art facilities, such as sensory rooms and specialist equipment.

On top of this, **more special free schools will get the green light**, as the Education Secretary confirms he will approve all high quality bids in the current round of special and alternative provision free schools applications, creating even more choice for parents.

Education Secretary Damian Hinds said:

“Being a parent, we all want the very best for our children. We want them to attend a school that supports them to thrive, go on to higher or further education or training, find a job that’s right for them, and to live happy and fulfilled lives.”

“For children with special educational needs this is no different. It is important that they have the right support in place at school – whether that is in a mainstream setting, with additional support, or in a special school.”

“We recognise that the high needs budget faces significant pressures and this additional investment will help local councils to manage those pressures, whilst being able to invest to provide more support.”

“Every school or college should be one for a young person with special educational needs; every teacher should be equipped to teach them, and families need to feel supported.”

The Government has also confirmed an expansion of the funding to train more educational psychologists, who are responsible for assessing children's needs and providing tailored support as part of the Education, Health and Care needs assessment process. Educational psychologists also provide outreach to teachers and families, providing new support strategies when the complex needs of a child are not being met. From September 2020 there will be a further three training rounds and an increase in the number of trainees from 160 to at least 206, to help keep up with demand for this specialist advice.

Ofsted's HMCI Amanda Spielman said:

"I welcome today's announcement from the Department for Education, which is good news for children with special educational needs and disabilities (SEND) and their families."

"Our inspections show that we still have a long way to go before children and young people with SEND are getting all the support they deserve. In too many local areas, the implementation of the 2014 SEND reforms is not living up to expectations."

"We are halfway through our inspections of local areas and have just started to re-visit areas where inspectors have identified significant concerns. We will continue to give real weight to the experience of children and young people with SEND in our inspections of schools."

"It is vital that this additional investment makes a much-needed difference to the quality of provision and outcomes achieved by this group of children and young people."

Classroom teachers and those in training will also have a greater focus on supporting children with SEND, as the upcoming Teaching Recruitment and Retention Strategy will make sure all teachers are equipped with the knowledge and skills to meet the needs of all pupils.

Local authority education services will be encouraged to work more closely with health and social care to commission local services that meet the needs of the families and children in their area, as a new advisory SEND System Leadership Board is to be set up. This new expert board will include representatives of local health, social care, and education services, and will work closely with charities, school and families.

To better understand the financial incentives that influence how schools, colleges and councils support children and young people with special educational needs, the Department for Education will be gathering more evidence in the New Year. This will include looking at the first £6,000 schools pay for SEND support costs before accessing additional funding from local high needs budgets.

Graham Olway, Head of School Organisation & Capital Planning, West Sussex County Council and National Chairman of the Education Building Development Officers Group (EBDOG) said:

"The introduction of additional SEN capital grant is very much welcomed and will enable the completion of much needed SEN improvements across the country. The growth in SEN is now recognised and this investment will help local authorities continue the work to ensure they can better meet the needs in their community for some of the most vulnerable children in society."

Published 16 December 2018

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Financial Monitoring

Service Areas	Current Budget 2018-19 £m	Projected Outturn for Year £m	Variation for Year £m	% Variance	Movement from Period 7
1 Funding Schools					
DSG Funded Expenditure - Schools Funding Delegated to Schools	110.853	110.853	0.000	0.0%	0.000
DSG Funded Expenditure - High Needs Block Delegated to Schools	4.547	4.547	0.000	0.0%	0.000
De-delegated DSG removed from School Budgets	-1.831	-1.831	0.000	0.0%	0.000
Contingency & Growth Fund	1.000	0.920	-0.080	-8.0%	-0.080
Total Funding Schools	114.568	114.488	-0.080	-0.1%	-0.080
2 0-25 SEND Service					
Pre-16					
Independent Special Schools incl 6th Form	7.137	8.751	1.615	22.6%	0.087
Named Pupil Allowances	4.236	5.104	0.867	20.5%	-1.170
Top Up Budgets - Wiltshire Maintained Schools & Academies	10.334	11.231	0.897	8.7%	0.490
Top Up Budgets - Non-Wiltshire Maintained Schools & Academies	0.966	1.901	0.935	96.7%	-0.047
Post-16					
Top Up Budgets - Post- 16 Placements	4.331	3.554	-0.777	-17.9%	-0.008
Support Services					
Specialist Provision, Central and EY Inclusion	0.832	0.824	-0.008	-1.0%	0.053
0-25 SEND	0.520	0.520	0.000	0.0%	0.000
Sensory Service	0.548	0.636	0.088	16.0%	0.088
0-25 Inclusion	0.832	0.832	0.000	0.0%	0.000
Ethnic Minority Achievement Service & Traveller Education	0.506	0.409	-0.097	-19.1%	-0.097
Secondary Devolved Funding - Alternative Provision	2.791	2.791	0.000	0.0%	0.000
Education Other than at School (EOTAS)	0.542	0.346	-0.197	-36.3%	-0.197
Behaviour Support	0.819	0.827	0.008	1.0%	0.008
Total 0-25 SEND Service	34.393	37.724	3.331	9.7%	-0.794
3 Commissioning and School Effectiveness					
Schools Maternity Costs	0.514	0.473	-0.040	-7.8%	0.000
Trades Union Facilities Costs	0.060	0.055	-0.005	-8.1%	0.000
SIMS & HCSS Licences	0.051	0.051	0.000	0.0%	0.000
Speech & Language	0.479	0.479	0.000	0.0%	0.000
Child Protection in Schools	0.041	0.041	0.000	0.0%	0.000
Other Costs incl. Copyright Licences	1.008	0.927	-0.080	-8.0%	0.000
Admissions Service	0.245	0.245	0.000	0.0%	-0.008
Total Commissioning & School Effectiveness	2.397	2.272	-0.126	-5.2%	-0.008
4 Early Years Services					
Early Years Single Funding Formula - 3 & 4 year olds	23.440	22.323	-1.118	-4.8%	-0.315
Early Years Single Funding Formula - 2 year olds	2.531	2.870	0.339	13.4%	0.306
Other Early Years Support	0.653	0.613	-0.040	-6.1%	-0.040
Early Year Childcare & Early Development Team	0.231	0.231	0.000	0.0%	0.000
Early Years Pupil Premium Grant & DAF funding	0.253	0.253	0.000	0.0%	0.000
Total Early Years	27.108	26.290	-0.818	-3.0%	-0.049
5 Children's Social Care					
Looked After Children Education Service	0.103	0.103	0.000	0.0%	0.000
Education Welfare Service	0.190	0.190	0.000	0.0%	0.000
Total Childrens Social Care	0.293	0.293	-	0.0%	-
6 DSG Within Corporate Services					
Gross Expenditure	1.840	1.840	0.000	0.0%	0.000
Total	1.840	1.840	-	0.0%	-
	180.599	182.906	2.307	0.014	-0.930

Note POSITIVE variances = OVERSPEND

Brief Notes to the report: (full explanatory notes are found in the accompanying report)**1. Growth Fund**

Demand on the growth fund is higher than in recent years and at this stage the forecast underspend is £0.080 million.

2. Early Years Forecast

The underspend reported above for 2, 3 and 4 year old grant will have a post financial year adjustment from the DfE - previously this has not reflected the final variance due to the formula and floors and ceilings used by the DfE in their calculation.

	2 year old	3 & 4 year old	2, 3 & 4 year old
Budgeted Volume in FTE	417	4,943	5,360
Projected Volume in FTE	436	4,802	5,238
Projected Variance in FTE	19	-141	-122

Movement from Period 7
-0
0
-0

The 2 year old funding is forecast to overspend as the funding per hour from the DfE is passported with no contingency as per the guidance. The 3 & 4 year old funding must have a contingency element to it as the volumes are higher and patterns of take up so much more volatile.

3. High Needs Block Activity

The provision funded by the high needs block is wide ranging, covering support in mainstream school through to independent sector purchases. Best value for all schools happens where children & young people are placed in Wiltshire schools. Where additional support is required in school or alternative placements need to be sourced, unit costs rise. Alongside this, demand has increased since the budget was set :

Additional funding of £1.128m has been received as part of a £125 million 2018/19 funding increase from the Secretary of State for Education in December 2018. The additional budget has been allocated in full to named pupil allowances.

Budgeted Volume in FTE (lifted for increased funding level)	2,767
Projected Volume in FTE	3,196
Projected Variance in FTE	429

Movement from Period 7
141
14
155

Despite this additional funding, forecast costs and FTE have increased based on need - mainly in school top up requests.

4. The DSG Reserve

17/18 Balance brought forward	-0.846
Early Years 17/18 Adjustment	0.036
Projected Current Variance 18/19	2.307
Projected DSG Variance - positive number is a deficit balance	1.497

0.000
0.000
0.931
0.931

The reason for the increased in the DSG reserve ie: reduction in DSG deficit is the increase in funding from the Secretary of State of £1.128 million in 2018/19 - offset by increased high needs pupil funding requests.

Wiltshire Council

Early Years Reference Group
11th January 2019

Schools Forum
17th January 2019

DEDICATED SCHOOLS GRANT – EARLY YEARS Budget Monitoring Report 2018-19

Purpose of the Report

1. To present budget monitoring information against the Early Years Block Dedicated Schools Grant (DSG) for the financial year 2018-19 as at 31st December 2018.
2. To recommend an in-year change in the funding arrangements of the Early Years Inclusion Fund.

Main Considerations

1. This report outlines the Early Years Block budget monitoring summary as at 31st December 2018.
2. An overspend of £2.307 million is currently projected against the overall schools budget. The forecast overspend on the High Needs Block is £3.331 million and this is offset by underspends in early years and central blocks.
3. The High Needs Working Group was set up in September to identify contributing factors and to make proposals to reduce the cost pressure on the high needs block. An update from the High Needs Working Group is a separate agenda item.

Early Years Budgets

4. The most recent allocation for Early Years from the DfE is £26.756 million.
5. Budgets for the free entitlement for 30 hours childcare for 2, 3 & 4 year olds are currently forecast to be underspent by £0.778 million. This estimate is now wholly based on a full year of 30 hours entitlement. It is important to note that the underspend reported above for 2, 3 and 4-year-old grant will have a post financial year adjustment from the DfE - previously this has borne little relation to the final variance due to the formula and floors and ceilings used by the DfE in their calculation.
6. The table below shows the forecast underspend as at 31st December 2018:

	Budget 18/19 £ million	Forecast 18/19 £ million	Forecast Variance £ million
Free Entitlement 3 and 4 Year Olds at £4.14 per hour	23.440	22.323	(1.117)
Free Entitlement 2 Year Olds at £5.32 per hour	2.531	2.870	0.339
Disability Access Fund	0.143	0.143	0
Early Years Pupil Premium	0.110	0.110	0
Early Years - Inclusion Support Funding*	0.110	0.110	0
Free Entitlement Team & ICT contribution	0.191	0.191	0
Early Learning & Development Team	0.060	0.060	0
Early Years & Childcare Team	0.171	0.171	0
Overall	26.756	25.978	(0.778)

7. The table below show this forecast underspend relates to volume of take up.

	Planned Volume (in FTE)	Forecast Volume (in FTE)	Forecast Volume (in FTE)
2-year-old Funding	417	436	19 (or 4%)
3 & 4-year-old Funding	4,943	4,802	(141) (or -3%)
Overall	5,360	5,238	(122) (or, -2%)

Historical trends show that on average, take up rates are less than 100%. An average across 2015/16 – 2017/18 was 96.97% take up.

8. In light of the high needs block funding pressures it is unlikely that schools forum will be able to allocate any of the high need block funding to support early years inclusion support fund expenditure in 2019/20.
9. The report for 2019/20 early years block budget proposes that the rate for 3 and 4 year olds is raised to £4.18 per hour on the basis that early years inclusion support funding will be fully funded from early years block and that the 19/20 take up rates will reflect historical trends.
10. The DfE guidance is clear that local authorities should target SEN Inclusion Funds at children with lower level or emerging SEN. Children with more complex needs and those in receipt of an Education, Health and Care Plan (EHCP) continue to be eligible to receive funding via the high needs block of the DSG.
11. The proposal is to reduce the 3 and 4-year-old funding contingency or current underspend and fund the total Early Years Inclusion Support Funding from the early years block in order to align funding streams with early years expenditure for the 2018/19 financial year, i.e. not to adjust the baseline. The overall funding remains ringfenced to early years.

	Current Budget 18/19 £ million	Proposed change 18/19 £ million	Proposed Budget £ million
Free Entitlement 3 and 4 Year Olds	23.240	(0.357)	22.883
Free Entitlement 2 Year Olds	2.531		2.531
Early Years - Inclusion Support Funding	0.110	0.357	0.467
Free Entitlement Team & ICT contribution	0.191		0.191
Early Learning & Development Team	0.060		0.060
Early Years & Childcare Team	0.171		0.171
Overall	26.756	NIL	26.756

12. This will not impact the passporting calculation as neither are classed as centrally retained.

13. This proposal will align inclusion support costs ie: early years activity to the early years funding block and will reduce the Early Years underspend of £0.778 million to £0.421 for 2018/19. The risk is – as always – that the lagged DfE adjustment will remove more funding in 2019/20 than the actual 18/19 underspend however, this has not been recent experience as the DfE floors and ceilings have provided a level of protection for local authorities.

Proposals

14. Schools Forum is asked to note the budget monitoring position for December and to agree the proposal for funding changes in 2018/19 financial year.
15. Should the proposal be agreed, this should not form a precedent for the 2019/20 budget discussions later in the agenda.

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School Funding Working Group and SEN working Group

8th January 2019

Minutes

Present: Marie Taylor, Grant Davis, Judith Westcott, Neil Baker, Lisa Percy, Nick Breakwell, Sam Churchill, John Hawkins, Phil Cook, Helean Hughes

Apologies: Catriona Williamson

1	<p>Minutes from previous meeting</p> <p>The minutes of the previous meeting were reviewed.</p> <p>Judith fed back that SEN and other vulnerable group updates would be shared regularly with PHF as requested and this has already started with Helean & Judith attendance at the last PHF.</p> <p>Marie fed back that the social worker pilot at JoG two years ago was in fact ceased as it was found that the need was below CiN.</p> <p>Helean offered to look into where there were any plans for a named social worker to link to a cluster of schools</p> <p>Lisa requested a copy of the EHCP by age table shared at the December Schools Forum – Grant to forward and embedded, below.</p>  <p>Power Point - numbers of statement</p> <p>There were no matters arising that had not already been considered by Schools Forum at the December 2018 meeting.</p>	HH GD
2	<p>Admissions Update</p> <p>Debbie Clare attended to present this item. No requests for additional funding at this time however the ability to provide the in year service with it's safeguarding reassurances would need to be examined moving forward.</p> <p>The group felt the centralised service was their preferred option and that financial support from Safeguarding should be sought.</p>	
3	<p>Budget Monitoring Reports – Schools Funding & Early Years</p> <p>Marie circulated a budget monitoring report giving the projected outturn as at period 9 (31 December 2018). The report showed a projected overspend for high needs budgets of £3.331 million, offset to an overall overspend of £2.307m by underspends in central schools and early years block expenditure.</p> <p>The main reason for the downward movement is the allocation from the Secretary of State's additional funding of £1.128m in 2018/19.</p> <p>The Early Years separate report had been prepared for the Early Years Reference Group which meets on the 11th January – the proposal of the report is to action a mid year budget movement where by the Early Years Inclusion Support Fund be fully funded from the Early Years Block. This will not have an overall impact on the total budget but will better match funding with activity.</p>	

	The group noted the report and supported the budget transfer.	
4	<p>Verbal Update – High Needs Working Group</p> <p>Helean updated the group on the progress made since the initial round of meetings including; New consultancy expertise being brought in Commissioning being centralised in Childrens Services Head Briefings running over the next fortnight with schools – the group felt these were key, the message to a wider audience and collecting views.</p>	
5	<p>Budget Setting Suite of Reports – Funding Schools / Growth Fund/ Early Years / High Needs and Central Schools Block</p> <p>Grant and Marie presented the various reports.</p> <p>The high level modelling was complete and proposals put forward on the central block, early years and high needs block including proposals around the transfer of schools funding to high needs block.</p> <p>The school level modelling would be completed by Schools Forum and at this stage the decision matrix will be published to summarise all necessary decisions at the Schools Forum meeting.</p> <p>The group agreed that they would respond to the Secretary of State’s request to review the level of disapplication request with an unchanged percentage transfer because, although the additional funding was welcomed, it was insufficient to address the scale of the funding shortfall in Wiltshire. Marie to respond to the SoS request by the deadline of the 15th January.</p> <p>Neil asked what the School Improvement monitoring and brokering grant was being spent on. Helean had to leave the meeting briefly to attend Childrens Select Committee and so Marie said she would ensure Helean was prepared to answer that question at Schools Forum. The total allocation for 2018/19 is £515,436.</p> <p>The group discussed each report and the proposals, agreeing on principle with the basis of the proposals however, a further meeting of the group will be necessary prior to Schools Forum when the school level data will be available.</p>	<p>MT</p> <p>MT</p>
7	<p>AOB</p> <p>The second part of the working group is to be held at 11am on 17th January 2019. Grant to book meeting.</p>	GD
8	<p>Date and Time of Next Meeting</p> <p>Next meeting to be held on March 18th – Wilton Room (2nd Floor) at County Hall, Trowbridge – <i>guests to be collected from reception</i>. Marie to book meeting.</p>	MT

Wiltshire Council

Early Years Reference Group

Minutes of a meeting held on Friday 16 November 2018 at County Hall, Trowbridge

1.0 Welcome and Introductions

Angela Brennan, Mark Cawley, Rosemary Collard, Jennifer Harvey (minutes), Sarah Hawkins, Clare MacKinnon, Russ Martin, John Proctor (chair), Trudi Surman, Fiona Webb

2.0 Apologies

Jane Boulton, Ashley Harris, Nicola McCann

3.0 Minutes of last meeting held on 4 May 2018

The minutes of the meeting were agreed as a true and accurate record.

4.0 Matters arising

Item 4 – Outstanding action, JP isn't sure if all providers have received a copy of the School Readiness document.

ACTION: JH to obtain copy from AB and send out to group with the minutes (attached), and AB to organise distribution to the sector

Item 4 – Outstanding action, has Emily Wood made the necessary changes to the 30 hours code checking consent form?

ACTION: AB to check with Emily Wood

Item 6 - Has Lucy-Anne Bryant investigated whether better use of social media can be made for Better 2gether funding

ACTION: AB to check with Emily Wood.

Item 7 – Has Emily Wood enquired if WCSB can email the EY sector with updates, new advice/procedures?

AB reported that the Childcare team will increasingly be using the new Right Choice website to disseminate information out the EY sector.

MC reported that he had recently called MASH as he couldn't contact the designated officer, only to be surprised to find his call was transferred to Customer Care. JH informed the group that this was a recent change.

ACTION: AB to check with Emily Wood

Item 11 - Buddying scheme. AB has not been able to address this as yet.

Item 14 – GDPR advice. AB has been advised that it isn't the Childcare team's role to provide advice on GDPR; this is available on a corporate level from Wiltshire Council.

5.0 2018/2019 budget monitoring and 2019/2020 budget

Unfortunately, the group received late apologies after the meeting had started from Marie Taylor. The group were very disappointed and concerned that MT wasn't able to attend. There hasn't been a Finance representative at the group since Liz Williams left Wiltshire Council earlier in 2018, and there is concern that financial issues aren't being addressed.

Whilst MC has recently had more positive conversations with the Wiltshire Council Business Rates section, he reported that business rates will be reduced by one third but for retail businesses only. MC has sent a letter to his local MP, James Gray requesting business rate relief for childcare businesses, but when forwarded on to Ministers, the response received has only been about encouraging local authorities to reduce rates. MC is aware of two, possibly three local authorities who have given a rate reduction to childcare businesses. Rates increased significantly last year, and with no possible change in the Free Entitlement funding rate until 2020, current funding levels are not enough (locally and nationally).

JP informed the group that Schools Forum has been very supportive of EY funding. Recently when it was proposed that SEND and admin costs were to be funded by the EY funding, JP argued against this and Schools Forum voted in favour of the extra SEND top up being taken from the High Needs budget. EY always has surplus budget and High Needs is always in deficit, so any surplus across the board is used to balance the overall Schools Forum accounts. Group members asked if there was any way EY could access this underspend and divide between providers, and/or increase hourly rate. JP informed the group that some budgets are ring fenced.

JP reported that we only received funding for actual take up now. The issue is that EY figures are submitted retrospectively with the funding being agreed on what they think take up will be.

AB reported that actual take up for Early Years Pupil Premium (EYPP) has declined, and everyone wanted to know what happens to the underspend, and could it be accessed for other activities such as Free Entitlement funding? The group also asked if any staff savings from the EY Childcare team could be accessed for training. AB wasn't sure if this would be possible.

A recent Nursery World article stated that a number of mainly London local authorities have made cut backs. Service delivery levels have now been cut back to statutory duties only.

Nurseries are experiencing income deficits due to reduced funding, and for some this is forcing closure. We need to be able to prove this is the case, so central government can be challenged. JP feels the biggest pressure is being felt by the voluntary nurseries, with a number being taken over by schools or larger voluntary organisations.

MC informed the group that NDNA and their champagne nurseries campaign are trying to organise a national walkout which will have a huge impact. All agreed that campaigning of MP's needs to continue. The next funding review is in 2020, so there is another financial year to get through with the current funding rates and ever mounting financial pressure from other areas such as living wage and 3% pension increases. Unless there is a national walkout, the situation will remain as it is. It was felt that some MP's do not want to deal with any negative issues, but hopefully with regular campaigning, interest in this issue might increase.

ACTION: January 2019 meeting – All agreed that the main focus should be finance. JH to liaise with MT.

6.0 Childcare team update

AB informed the group that some members of her teams are now on secondments to other work areas. Two people are working with Troubled Families and one person is acting up as part of the Commissioning Team. As a result, AB is having to refocus the remaining team members work to statutory duties only.

There are 2 new directors in Wiltshire Council – Helen Jones, Joint Commissioning where AB's team sits, and Helene Hughes, School Effectiveness where Natalia Reyner's team sits.

ACTION: None

7.0 Workforce Development Update

SENCO training – Wiltshire College is involved in the delivery of this.

The focus of the Workforce strategy will be less around qualifications, and more around general CPD.

The group discussed an overall ongoing struggle with recruitment. Some providers have experienced people wanting mainly term time, school hours only with a reluctance to do wrap around hours. Also, due to the inequality in funding levels at primary, secondary and Early Years, providers are not able to offer the wages that they would like to and need to. School leavers aren't wanting to go into Childcare as a career as there isn't enough money, and with their higher levels of qualifications they are going into other fields. AB stated that the team have gone to some careers fairs in the past but there is currently no capacity to do so.

Temporary and permanent solutions put in place by some members of the group are growing their own, helping people in the community get their English and Maths GCSE's and then Level 2 whilst working in the provision on a voluntary basis for 16 hours, and offering split shifts.

Due to the army rebasing programme, AB has visited Germany and Windsor recently with some army parents expressing an interest in taking up childminding as a career. Information has been distributed to Newcastle, Germany and Windsor.

The Early Years Conference took place recently after a hiatus of several years. So far, feedback about the event (venue and speakers) has been good.

ACTION: None

8.0 Childcare Sufficiency

The main areas of concern across the county are Malmesbury, Sherston (due to a nursery closure), and the ongoing Army rebasing. MC asked why the nursery had closed, and AB said that they had chosen to close. AB and her team are working with partners in the area to ensure families have been able to find alternative childcare. No parental complaints have been received to date. *Since the meeting, MC has discovered recorded in a local newspaper that the Malmesbury and Sherston closures while voluntary were due to financial pressures of funding levels and being unable to recruit staff. We would like to thank the staff for their dedication.*

JP and TS raised concerns over an after school club in their area that recently closed with very short notice, and if the new proposed person who has been approached to take over is correctly registered with Ofsted. AB asked JP to provide her name as a contact and she will talk with them.

AB raised concern over the decline in Early Years Pupil Premium (EYPP) take up. Initial indications for Autumn 2018 is that take up is at 5% when the authority's target has been 20%. AI reported a decline in the number of parents applying via the Parent Declaration form as most now say they don't meet any of the eligibility criteria. The decline has certainly been since the introduction of Universal Credit and 30 hours. The Better Together funding has enabled some parents to get a job, and whilst probably not a huge wage, they are eligible for the 30 hours which cancels out any eligibility for EYPP on economic grounds. The group felt that there does appear to be an issue with the income thresholds for these funding streams that perhaps central government need to look at.

ACTION: None

9.0 Confirmed dates for future meetings

Date	Day	Time	Venue
11 January 2019	Friday	10.00 – 12.00	Lacock Room, County Hall, Trowbridge, BA14 8JN
10 May 2019	Friday	10.00 – 12.00	Lacock Room, County Hall, Trowbridge, BA14 8JN

10.0 Any other business

SH is experiencing a blanket block on references for new staff. The only information she seems to be given are the dates of employment; there is no further information given for safeguarding. AB and the group said that DBS checks will cover the safeguarding element, and ensure there is evidence of what has been done/tried to be done, i.e. obtaining references. AB mentioned that they could show that the new person has been asked if there is anything they would like to share from a safeguarding perspective by enabling them to divulge any information themselves and get them to sign it.

ACTION: None

Wiltshire Council

Schools Forum

17 January 2019

DEDICATED SCHOOLS BUDGET – SCHOOLS BLOCK UPDATE 2019-20 (Delegated Budget)

Purpose of the Report

1. To update schools forum on issues relating to the schools delegated budget for 2019-20 and the decisions that will need to be made as part of the budget setting process.

Main Considerations

2. As outlined in the funding settlement paper the DfE has allocated a schools block quantum to Wiltshire of £275.215 million. This includes funding of £2.217 million for the growth fund, based on the new growth formula, detailed in a separate paper.
3. Cabinet approved the funding formula for 2018-19 which confirmed that Wiltshire would move as close to the national funding formula (NFF) as possible. In doing so the Wiltshire formula replicated the formula factors in the national funding formula (NFF) as closely as possible. Formula factors were all fully funded at the published NFF values apart from the FSM6 Derivation factor, which was funded at a lower value for affordability reasons.
4. Modelling work is underway to calculate individual school budgets based on the agreed formula. Progress and an update will be brought to the meeting on 17th January 2019. There are a couple of key factors which could impact upon the affordability of the formula:
 - i. increase in Business Rates, due to significant changes in rateable values in the 2017-18 baseline with a reduction in the transition arrangements which has meant that several 'medium' sized schools have seen an increase of up to 17.5%).
 - ii. A number of growing schools are being funded on estimated numbers with the agreement of the ESFA. This means more pupils are being funded through the formula than were counted in the October 2018 census.
5. It is proposed that any shortfall in schools block funding (if required) will be funded through a reduction in FSM6 rates again. The rationale for reducing this factor rather than other factors is that schools forum felt that there is an element of double counting between this factor and the Pupil Premium Grant. The principle was agreed in 2018-19 but is subject to approval once again.
6. As in previous years it is also assumed that costs of the minimum funding guarantee (MFG) are met through limiting the increases to schools gaining from the formulaic changes. It is proposed that the MFG will be set at 0.5% to ensure that all schools gain by a minimum of a least 0.5% again in 2019-20, on their 'per pupil' funding. This option will be modelled amongst others and presented to schools forum alongside other options.

7. As in previous years funding for de-delegated services must be allocated through the formula but can then be de-delegated for maintained mainstream primary and secondary schools with schools forum approval. Schools forum agreed that it would consider proposals for 2019-20 at the January 2019 meeting. Services to be considered for de-delegation in 2019-20 are:
- HCSS Software Licence
 - Trade Union Facilities Costs
 - Maternity Costs
 - Ethnic Minority Achievement Service
 - Traveller Education Service
 - Behaviour Support Service

Proposals

8. Schools Forum is asked to note the report and the required decisions in relation to the schools delegated budget for 2019-20.

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Wiltshire Council

SCHOOLS FORUM

17 January 2019

Schools Revenue Funding 2019-20 - Funding Settlement & Budget Setting Process

Purpose of the Paper

1. To update Schools Forum on the schools revenue funding settlement and the budget setting process for 2019-2020.
2. The report will outline the funding settlement announced on 17th December 2018 and the impact on school budgets arising from the settlement. The report will also outline the decision making process for the 2019-20 budget.
3. Further detail on each of the funding blocks and the specific decisions required will be provided in separate papers on this agenda. A separate decision paper will also be provided so that decisions can be considered after all of the update reports have been discussed.

Main Considerations

School Revenue Funding Settlement 2019-2020

Dedicated Schools Grant 2019-20

4. DfE issued the revenue funding settlement for schools on 20 December 2018. The provisional Dedicated Schools Grant (DSG) allocation for Wiltshire Council is **£351.646m**. This is an increase of £9.148m compared with 2018-19. The increase reflects the impact of the increase to schools block funding for the national funding formula (NFF), the overall increase in the numbers of pupils to be funded from the schools block, and the full year effect of funding for the additional 15 hours entitlement to free child care for children of working parents and the application for the NFF for the High Needs Block.
5. The **Schools Block** has been calculated based on the NFF figures published in September 2018. The funding values published in September have been used to calculate a “primary unit of funding” (£3,849.15) and a “secondary unit of funding” (£4,885.94) for Wiltshire. These units of funding have been multiplied by the numbers of primary and secondary pupils from the October 2018 census to arrive at the schools block total for 2019-20.

6. The split of funding between the blocks is as follows:

	<u>2018-19</u>	<u>2019-20</u>	<u>Increase</u>
Schools Block	267,857,676	275,215,164	7,357,488
Central Services Block	2,514,851	2,570,343	55,492
High Needs Block	45,079,033	47,091,825*	2,012,792
Early Years Block	27,046,848	26,768,825	-278,023
TOTAL FUNDING	342,498,409	351,646,157	9,147,749

* - Includes the additional £1.128m announced in December 2018 to support children with SEN

7. Pupil numbers have increased in each phase, as per the table below:

	<u>2018-19</u>	<u>2019-20</u>	<u>Increase</u>
Primary	38,218	38,233	15
Secondary	24,471	24,883	412
TOTAL	62,689	63,116	427

8. The **Central Schools Services block** (CSSB) has been calculated according to the new national funding formula for the CSSB. October 2018 pupil numbers have been multiplied by a unit value of £31.63 and a headcount of 63,116. Funding for agreed historic commitments has then been added to that total.
9. The **High Needs block** has been allocated as per the baselines notified to local authorities in September 2018. These baselines are calculated according to the national funding formula for high needs, 50% of which is allocated according to historic spend. The basic entitlement amount reflects the numbers of pupils in special schools has been updated to reflect the October 2018 census and the import/export adjustment. The funding also includes the additional £1.128m awarded to Wiltshire as part of the **'new funding to support children with Special Educational Needs'** announced on the 16th December 2018.
10. The **Early Years block** reflects the hourly rates announced for 2019-20 and an estimate of the full year effect of the entitlement to an additional 15 hours of childcare for children of working parents which came in to effect in September 2017. Again, Wiltshire remains on the funding floor for the early years national funding formula. It should be noted that the early years block will be updated during the 2019-20 financial year to reflect the January 2019 and January 2020 early years census data. In the current year, this has had a negative impact on the value of the early years block as take up of places has been lower than estimated in the initial settlement.

11. The funding regulations do allow for a transfer of funding between the schools block and the high needs block within the DSG. As previously reported to schools forum, local authorities have the flexibility to move up to 0.5% from the schools block to the high needs block with the agreement of schools forum. A transfer of an amount above 0.5% would require the specific approval of the Secretary of State through the submission of a 'Disapplication Request'. A Disapplication request was made in December 2018, based upon Schools Forums request and this has been re-confirmed as still standing in January 2019.

School Improvement Monitoring and Brokering Grant

12. Following the removal of the Education Services Grant at the end of August 2017, the new School Improvement Monitoring and Brokering Grant was introduced. The purpose of the grant is to allow local authorities to continue to monitor performance of maintained schools, broker school improvement provision, and intervene as appropriate. Funding has been set £50m nationally for the academic years 2017-18 and 2018-19.
13. Notification has been received that this grant will continue for the financial year 2019-20 although funding is allocated, based upon an academic year. Wiltshire's allocation for the 2017-18 academic year was £505,295 and is projected to be £515,995 for the 2018-19 academic year.

Budget Setting Process 2019-20

14. Local authorities are required to submit the proposed delegated budget for schools in their areas to the Education and Skills Funding Agency (ESFA) by 21st January 2019. The ESFA are required to confirm the formula is compliant with the regulations and will then confirm budgets to academies during February 2019. The LA will need to notify maintained schools of their budget shares by the end of February 2019.
15. In terms of setting the budgets for schools for 2019-20, the amount of funding available for distribution to schools will be calculated as follow:

DSG Schools Block Allocation	275,215,164
Less: Growth Funding	x,xxx,xxx
Less: Transfer to High Needs Block	x,xxx,xxx
Total available for School Funding	xxx,xxx,xxx

16. The update reports will show that many of the decisions in relation to individual funding blocks will impact on the affordability, or otherwise, of other proposals and this will be important to take in to account when considering the final decision paper.

De-Delegation

17. There are a number of budgets currently included in the local formula that maintained primary and/or secondary schools can agree to de-delegate so that they continue to be provided centrally. De-delegation cannot be applied to amounts delegated to academies or to special schools. Schools Forum has previously agreed they would take this decision on behalf of schools.
18. There are a number of outcomes that could flow from the proposals to delegate the budgets. These include:
 - a) Maintained schools agree that budgets should be de-delegated and retained centrally with services provided to all maintained schools;
 - b) Schools agree that budgets should be delegated and schools make/purchase their own provision / cluster provision as appropriate;
19. Under scenario (a) the LA would be able to retain a level of service to provide to maintained schools.
20. Under scenario b the LA would not be able to continue to deliver a service unless there is sufficient buy back on a fully traded basis from schools (maintained or academy) to enable retention of sufficient staff.
21. Delegation of budgets can only be through the formula factors, with the final methodology being determined using factors in the proposed formula for 2019-20.
22. For those services currently de-delegated schools forum is asked to consider whether that should continue for 2019-20. Decisions must be taken annually and no announcement regarding the future of de-delegation has been made, beyond 19-20.
 - HCSS Software Licence
 - Trade Union Facilities Costs
 - Maternity Costs
 - Ethnic Minority Achievement Service
 - Traveller Education Service
 - Behaviour Support Service
23. Approval for de-delegation is by the relevant phase members of Schools Forum

Proposal

24. Schools Forum is asked to note the report.
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Wiltshire Council

School's Forum

17 January 2019

Allocation of Funding for Pupil Growth 2019-20

Purpose of the Report

1. To seek agreement on the methodology for allocating funding for pupil growth from the school's block growth fund in 2019-20.
2. To seek agreement on the amount of funding to be allocated for pupil growth.

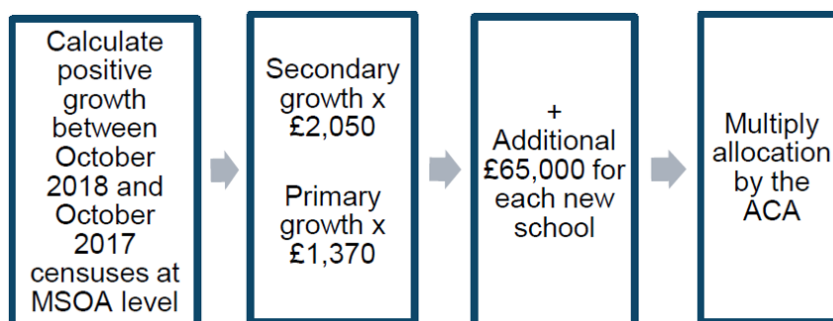
Background

3. Wiltshire currently operates a growth fund and Schools Forum agreed to a number of criteria for the allocation of funding for pupil growth in previous years. The current growth fund criteria has previously been confirmed as being fully compliant by the Education and Skills Funding Agency (ESFA).
4. There has been a change in the methodology for funding local authorities for growth, however this has not changed the way in which growth funding is allocated locally to schools.

New Funding Methodology

5. Growth allocations for 2019-20 will be based on pupil data from the October 2018 census and the October 2017 census.
6. Funding is now allocated to local authorities based on the actual growth in pupil numbers they experienced the previous year. This ensures that over time local authorities are funded on the basis of the actual growth they experience (on a lagged basis), rather than being based upon historic spending decisions.
7. The DfE measure growth within local authorities at **middle layer super output area** (MSOA)¹ level. MSOAs are used as these are small enough geographical areas to detect 'pockets' of growth within local authority areas. Growth is measured by counting the increase in pupil numbers in each MSOA in the local authority between the October 2017 and October 2018 censuses. Only positive increases in pupil numbers will be included, so positive growth in one area, and negative growth in another, will not be denied growth funding.
8. In Wiltshire, growth is measured by separating the county into 62 MSOA's with an average of 4 schools in each MSOA area.

9. For each local authority, the growth factor allocates:
- £1,370 for each primary 'growth' pupil
 - £2,050 for each secondary 'growth' pupil, and
 - £65,000 for each brand new school that opened in the previous year.
10. The DfE have set these values by looking at the amount spent on growth across all local authorities in 2017-18.
11. The DfE do not expect local authorities to use these rates in their local arrangements for funding growth. The growth factor in the national funding formula is a proxy for overall growth costs at local authority level, and not at the level of individual schools. Local authorities will generally allocate growth funding using a local arrangement as there is no national method adopted for allocating growth funding. Therefore, schools forum should therefore continue to make decisions about growth funding locally as they do now.
12. In line with other elements of the national funding formula, the hybrid area cost adjustment (ACA) will be applied to growth allocations to reflect the variation in labour market costs across the country. (For Wiltshire, the uplift is 1.007%)
13. For the purposes of calculating the amount allocated to Wiltshire for the 2019-20 year, the diagram below sets out the funding stream.



The Wiltshire allocation for 2019-20 has been calculated as below:

Funding 2019-20	Primary	Secondary	New School	ACA Uplift
Growth in Pupils	562.5	666.5	1	1.007
Rate	£ 1,370	£ 2,050	£ 65,000	
Amount	£ 770,625	£ 1,366,325	£ 65,000	£ 2,201,950
Uplift	£ 5,419	£ 9,607	£ 457	£ 15,483
TOTAL	£ 776,044	£ 1,375,932	£ 65,457	£ 2,217,433

Main Considerations

14. The growth funding forms part of the local authority's schools block of funding. For 2019-20, growth funding has been allocated using a new formulaic approach, based upon lagged growth data. With regard to allocating funding from the growth fund, the requirements are that:
- a) can be used only for the purposes of supporting growth in pre-16 pupil numbers to meet basic need
 - b) to support additional classes needed to meet the infant class size regulations
 - c) to meet the costs of new schools
 - d) the fund must be used consistently for the benefit of both maintained schools and academies
 - e) any funds remaining at the end of the financial year will form part of the overall DSG surplus or deficit balance.
 - f) local authorities will be required to produce criteria on which any growth funding is to be allocated. These should provide a transparent and consistent basis (with differences permitted between phases) for the allocation of all growth funding. The criteria should both set out the circumstances in which a payment could be made and provide a basis for calculating the sum to be paid
 - g) local authorities will need to propose the criteria and size for the growth fund to Schools Forum and gain its agreement on both the criteria and size of the fund, before growth funding is allocated.

Historical Position

15. Schools Forum has historically agreed an annual budget of £1m to be retained for funding pupil growth and has operated successfully within this funding envelope. In the financial year 2019-20 it is proposed to increase the budget to the £1.2m level.

Affordability

16. During 2019-20, there will be two a new Primary Schools opening, one in Ludgershall and one in Amesbury. Both schools are due to open in September 2019. The growth fund continues to support new primary schools with diseconomy costs based upon specific Pupil/Teacher ratios for 7 years or until the school is full. (for full details – see para. 24). The new schools which have opened since 2014 are Castle Mead Primary Academy, Wellington Primary Academy, Ridgeway Farm Primary Academy and St Peter's C of E Primary Academy.

17. The Basic Need Class Expansion for additional classes is still to be confirmed with colleagues in the School places team. However, growth is being experienced across both the primary and secondary sectors and schools are being expanded to accommodate the growth.
18. The Infant Class Size increases are still to be confirmed for 2018-19, but as the number of primary pupils continues to grow across Wiltshire, the funding factor will continue to be used to support schools seeing rapid growth in infant pupil numbers.
19. The total Growth Fund requirement for 2019-20 is anticipated to come within the proposed budget of £1.2m
20. The local authority has successfully secured £0.75m of funding from the MOD's Education Support Fund to support the preparations and recruitment in schools directly affected by the MOD's Army Re-basing programme. This will help to ensure that our Wiltshire schools are not dis-advantaged as a result of the programme.
21. In addition, the ESFA have confirmed that funding will be made available for the affected schools and that growth between the October 2018 and October 2019 censuses will be funded for the pupils arriving in Summer 2019 at the schools directly affected by the MOD's Army Re-basing programme. The funding will be applied equitably to both maintained and academy schools. An adjustment to Wiltshire's DSG funding in respect of the growth will be applied and the funding paid directly to Wiltshire's growth fund.
22. Given the uncertainty over exact returning pupil numbers and the parental choice over schools, it is not possible to accurately pinpoint the impact upon individual schools. There may be schools in the areas surrounding Salisbury Plain which are impacted upon, but until pupils have settled into schools, the full impact will not be known until the October 2019 census.

Proposed Criteria

23. The proposed criteria for funding pupil growth within the local Wiltshire funding formula in 2019-20 are as follows:

New School Allowance (unchanged from 2013-14):

24. Schools receive funding in advance of pupils arriving in the school, based on the result of the pupil teacher ratio rounded up to the nearest next whole number. The PTRs used are 26.5:1 for KS1 & 27.5:1 for KS2 + 1.1. The topped up element to the next whole number is arrived at by multiplying the result by the salary of a teacher on the top point of the teacher's main scale + on-costs. This element will apply until the first year group has left the school or until the school is full.

25. In addition the costs of a head teacher and 10 hours admin support will be available one "old" term before opening. 55% of the Basic Flat Rate will be available two "old" terms before opening. In the first year of opening the school will also receive 34% of the Basic Flat Rate, 17% in the second & 8.5% in the third year after opening. (The Basic Flat Rate is currently £110,000, the NFF rate as agreed in 2018-19).
26. New schools may also receive an estimate of the new pupil intake for the forthcoming academic year. This approach will be in place for the number of years equal to the number of year groups at the school. The initial estimate may be changed at a later date (but no later than the end of Term 6) to more accurately reflect the likely new intake, with the agreement of the school.

Class Expansion for Basic Need (unchanged from 13-14):

27. Where a school is expanded to provide additional classes to meet a basic need for places identified by the LA, from the month of opening for the remainder of the financial year only the school will receive $7/12\text{ths}^* \times 30 \times$ relevant AWPU for each additional class. Where a full class may not be needed then the school would receive $7/12\text{ths} \times$ estimate of increased September intake \times relevant AWPU. The definition of "expanded" is that a building project or addition of a mobile classroom has taken place.

* - For Academy schools the funding is paid for 12/12ths as it relate to their funding year.

Infant Class Size Increases:

28. This is payable to a Primary School with infant classes which is required to set up an additional class in the Autumn term as required by the infant class size regulations, and the school cannot accommodate all of its additional Reception and Key Stage 1 pupils in classes of 30 or less, i.e. the total number of pupils in the 3 year groups exceeds a multiple of 30. Where the total increase in NOR between the two October census dates is greater than 13 and necessitates that an extra class would be required, then additional funding is allocated per additional class.

29. Schools Forum needs to approve the above criteria for application in 2019-20.

Proposal

30. It is proposed that:

- a) Schools Forum approve the criteria for allocating pupil Growth Fund in 2019-20.

- b) Schools Forum agree that the budget for the Growth Fund is set at a maximum of £1.2m for 2019-20, with the remaining £1.0m being returned to the schools block for allocation.

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Wiltshire Council

Early Years Reference Group
11th January 2019

Schools Funding Working Group
8th January 2019

Schools Forum
18th January 2019

DEDICATED SCHOOLS GRANT – EARLY YEARS BLOCK UPDATE 2019-20

Purpose of the Report

1. To update the working groups and schools forum on issues related to the early years block for 2019-20 and the decisions that will need to be made as part of the budget setting process for 2019-20.
2. The operational guidance for the early years block confirms that schools forums must be consulted on changes to local early years funding formulae, including agreeing central spend, although the final decision rests with the local authority.

Main Considerations

3. The provisional early years block settlement for 2019-20 is £26.769 million and comprises the following elements:

	PTE (where applicable)	£ million
3 & 4 year old funding	9,781	23.972
2 year old funding	835	2.531
Disability Access Fund		0.123
Early Years Pupil Premium		0.143
Total “Initial” or provisional allocation for 2019-20		26.769

4. The allocations for the free entitlement for 3 and 4 year olds, and for 2 year olds are based on the January 2018 census and will be updated during the 2019-20 financial year for the January 2019 and January 2020 censuses. Early indications based on the autumn pupil count are that take up is lower than estimated by the DfE and it is likely that Wiltshire’s DSG settlement will be amended downwards in order to reflect this.
5. The *operational guidance for early years entitlements: local authority funding of providers 2019-20* was published in November 2018. The **key points** on local authority funding of providers are that local authorities:
 - should set a single funding rate (including the same base rate and supplements) for both entitlements for 3 and 4 year olds (that is, both the universal 15 hours, and the additional 15 hours for working parents)
 - must plan to pass on at least 95% of their 3 and 4 year old funding directly to providers to deliver the 3 and 4 year old entitlements
 - may request that the 95% requirement be disapplied in specific, exceptional circumstances

- must now use a universal base rate for all types of provider in their local 3 and 4 year old formula, including for Maintained Nursery Schools
 - may continue to use 'lump sums' to distribute additional funding to Maintained Nursery Schools
 - must use a deprivation supplement in their local 3 and 4 year old formula, and any other supplements used must fall within one of the allowable categories
 - must not channel more than 10% of their funding for 3 and 4 olds through funding supplements
 - must provide a Special Educational Needs Inclusion Fund (SENIF) for 3 and 4 year olds
 - must pass on Early Years Pupil Premium (EYPP) in full to providers for eligible 3 and 4 year olds
 - must pass on Disability Access Fund (DAF) funding in full to providers for eligible 3 and 4 year olds
6. The DfE will monitor compliance with these requirements. Wiltshire is already compliant with the requirements of the formula, and the SEN Inclusion Fund, and there are no current circumstances where a disapplication of the 95% requirement is being recommended.
7. There are no pass through requirements for the 2 year old funding and no requirements for compulsory supplements. Local authorities are encouraged to fund providers for the entitlement for disadvantaged 2 year olds on the basis of a flat hourly rate for all providers. Wiltshire is compliant with this approach and passes through 100% of the 2 year old funding to providers.
- 8. Main changes from 18/19 Guidance are;**
- authorities must use a universal base rate for all types of provider, including Maintained Nursery Schools, in their local three and four year old formula (but will continue to be able to fund Maintained Nursery Schools through additional lump sums)
 - clarification of the rules on the use of the quality – system leadership – supplement – Wiltshire does not currently use quality as a funding supplement.

Early Years Single Funding Formula

9. The DSG settlement including an “initial” allocation for Early Years announced in December 2018 confirms the hourly rate that Wiltshire will be funded at as £4.30 per hour for the 3 and 4 year old entitlements. These rates are unchanged from 2017-18 and 2018-19 and Wiltshire remains on the funding floor for the early years national funding formula.
10. The current rates for providers in Wiltshire, agreed by schools forum in January 2018, are as follows:

Hourly rate	2018/19
Deprivation	£0.40
Rurality	£0.52
Basic Hourly Rate	£4.16

11. Whilst DfE funding rates have not increased, modelling based on 2018-19 spend indicates that the estimated spend on supplements will be lower than that assumed in calculating the base rate for 2018-19. If the calculation for 2019-20 is updated to reflect the current levels of spend on supplements it is recommended that the base rate should be set at £4.18 per hour in 2019-20 assuming the average annual take up trend continues.
12. Historical trends show that on average, take up rates are less than 100%. An average across 2015/16 – 2017/18 was 96.97% take up. If we were to apply this to the estimated spend for 3& 4-year-old funding above, we could estimate the following:

Type of Spend	PTE
Per DfE PTE	9,781
Reduce by Wiltshire average take up rate 96.97%	9,485

13. In light of the high needs block funding pressures it is unlikely that schools forum will not be able to allocate any of the high need block funding to support early years expenditure. It is proposed therefore that the rate for 3 and 4 year olds is not raised on the basis that early years inclusion support funding will be fully funded from early years block and that the 19/20 take up rates will reflect historical trends.
14. The DfE guidance is clear that local authorities should target SEN Inclusion Funds at children with lower level or emerging SEN. Children with more complex needs and those in receipt of an Education, Health and Care Plan (EHCP) continue to be eligible to receive funding via the high needs block of the DSG.
15. This paper proposes that the High Needs block contribution is withdrawn and the total budget is funded from the early years block.
16. Schools Forum will need to consider the budget pressures on all DSG blocks and may look to reconsider the current funding position of the SEN inclusion fund. This would impact on the affordable hourly rate for providers and this has been modelled.
17. Please refer to Appendix 1 for detailed modelling of the additional funding level scenarios as requested by the Early Years Reference Group at their meeting of the 11th January 2018. Please note that rurality and deprivation have been re-aligned in all scenarios based on 18/19 trends although actual allocations for both deprivation and rurality will be unknown until March when the idaci report is available.
18. Please refer to Appendix 2 for the calculations of compliance with the % pass through. All scenarios are compliant.
19. The under allocation in provisional budgets above would be added back to the general budget for 3 & 4 year olds, mitigating the risk of the DfE's lagged year adjustment for census data.

2 Year Old Funding

20. The hourly rate for 2 year olds in Wiltshire has been confirmed as £5.32 for 2019-20. As in previous years it is proposed that the full hourly rate be passed on to providers delivering provision to 2 year olds.

Disability Access Fund

21. 3 and 4 year olds will be eligible for the fund if they meet the following criteria:

- The child is in receipt of child disability living allowance and;

- The child receives free early education
22. 4 year olds in primary school reception classes are not eligible for DAF funding.
 23. Settings of 3 and 4 year olds eligible for the DAF will be entitled to receive a one off payment of £615 per year. Children do not have to take up the full 570 hours of early education they are entitled to in order to receive DAF.
 24. Early years providers are ultimately responsible for identifying eligible children and local authorities must check that DAF eligibility requirements are met.
 25. The DAF is payable as a lump sum once a year per eligible child. If a child is splitting their entitlement between two or more providers then parents should be asked to nominate the main setting. If a child receiving DAF moves from one setting to another within a financial year the new setting is not eligible to receive DAF for this child within the same financial year. There is no change in allocated funding for 2019-20.

Early Years Pupil Premium

26. Ringfenced Funding continues to be allocated through the early years block for the early years pupil premium (EYPP). The EYPP allocation has increased from £0.110 million to £0.123 million for 2019-20 and it is proposed to increase the budget in line with the funding level.

Early Years Reference Group View

27. It is important for Schools Forum to understand that this report has been reviewed following the Early Years Reference Group on 11th January 2018 and a second proposal added which, the local authority can support. The group's view is that the Early Years Inclusion Fund continue to be majority funded by the High Needs Block and the rate be increased to £4.26. The local authority has done further modelling as requested as per Appendices 1 and 2 and unfortunately, the financial risks cannot be mitigated against at these levels when the High Needs Block is under such pressure and Schools Forum are being asked to approve the transfer as described in the High Needs Block Update 2019/20 report. If however, Schools Forum consider they would prefer not to change the High Needs Block contribution to the Early Years Inclusion Fund or, consider an equal split then it needs to be understood that the balance would need to be added to the transfer from Schools Block.

Proposals

28. Schools Forum is asked to note the update on the early years block and provide views on the proposals in relation to the early years single funding formula and percentage pass through to providers:
 - a. Local Authority preferred proposal – to increase the rate of 3 & 4 year old funding from £4.16 per hour to £4.18 per hour and for the early years block to fully fund the Early Years Inclusion Fund. This will leave headroom to cover; increased take up, military family return to Wiltshire, planned new housing and parental preference changes of £0.358 million or, 154 PTE.
 - b. Alternative proposal – to increase the rate of 3 & 4 year old funding from £4.16 per hour to £4.20 per hour and for the early years block to fully fund the Early Years Inclusion Fund. This will leave headroom to cover; increased take up, military family return to Wiltshire, planned new housing and parental preference changes of £0.250 million or, 104 PTE.

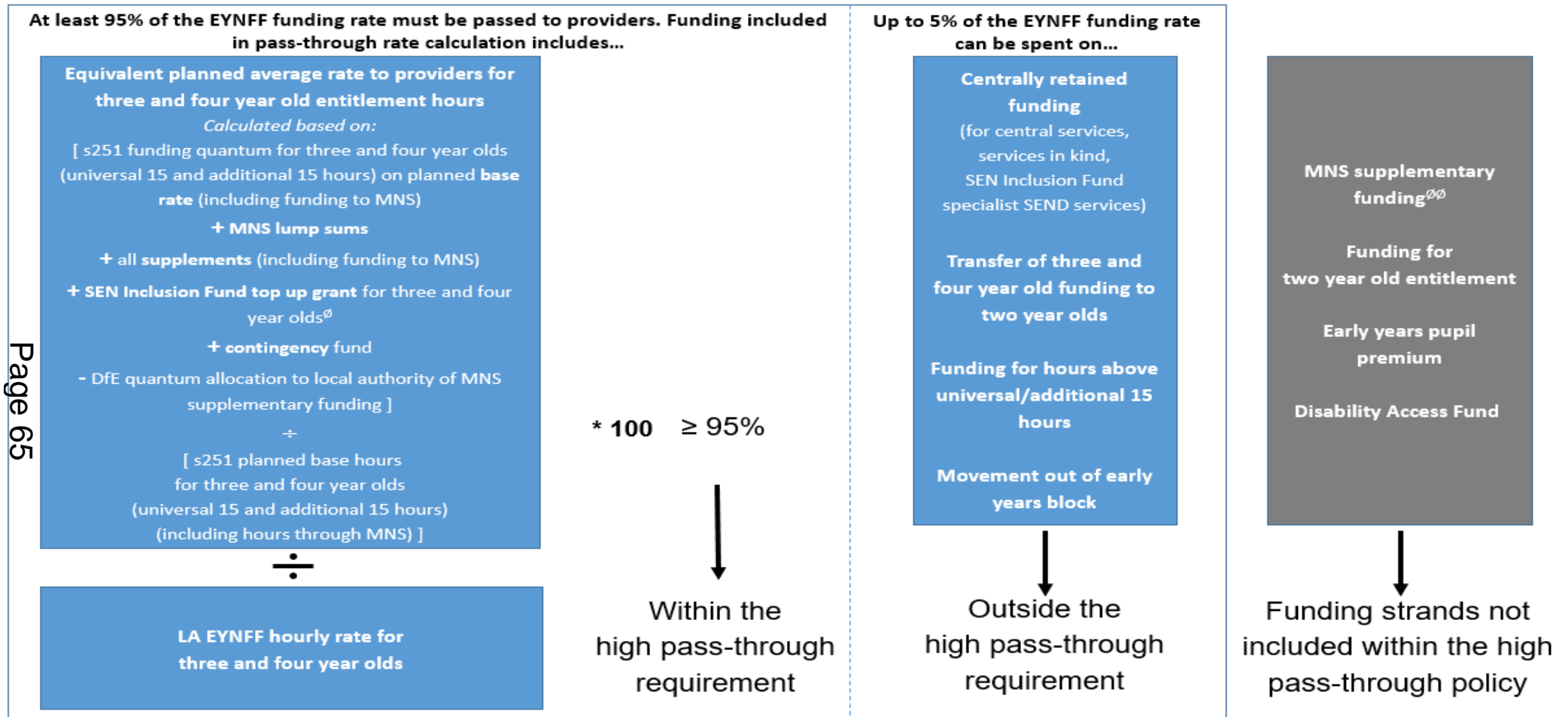
Report Author: Marie Taylor, Interim Head of Finance, Childrens Services

Tel: 01225 712539 - 13 January 2019

e-mail: marie.taylor@wiltshire.gov.uk

Appendix 3

Extract from DfE guidance: Passporting Compliance



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[∅] SEN Inclusion Fund must be established by combining an amount from either one or both of their early years block and high needs block.

^{∅∅} DfE allocated MNS supplementary funding quantum to local authority. Only the MNS funding from the EYNFF allocation is considered within the pass-through rate calculation.

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Appendix 1

Hourly Rate Increase Table with a reduced level of funding for rurality based on 18/19 trends

Type of Spend	PTE (where applicable)	a. Increase of £0.02 per hour to £4.18 – no other changes bar rurality reduction	b. Increase of £0.04 per hour to £4.20 - no other changes bar rurality reduction	c. Increase of £0.06 per hour to £4.22 – no other changes bar rurality reduction	d. Increase of £0.08 per hour to £4.24 – no other changes bar rurality reduction
Free Entitlement 3 and 4 Year Olds	9781 x 15 x 38 x £4.30	23,973,231	23,973,231	23,973,231	23,973,231
Deprivation*	As per 18/19 trend	- 220,000	- 220,000	- 220,000	- 220,000
Rurality*	As per 18/19 trend	- 10,000	- 10,000	- 10,000	- 10,000
EY - Inclusion Support Funding	No change	- 110,000	- 110,000	- 110,000	- 110,000
	Central Teams	- 421,600	- 421,600	- 421,600	- 421,600
		23,211,631	23,211,631	23,211,631	23,211,631
Hourly Rate		£ 4.18	£ 4.20	£ 4.22	£ 4.24
Affordable Hours		9,742	9,696	9,650	9,604
Budget Estimate		22,596,578	22,704,696	22,812,814	22,920,931
Average Take Up 96.97%		9484	9484	9484	9484
Contingency PTE		- 615,053	- 506,935	- 398,817	- 290,700
Contingency PTE		258	212	166	120
Deprivation*	As per 18/19 trend	220,000	220,000	220,000	220,000
Rurality*	As per 18/19 trend	10,000	10,000	10,000	10,000
EY - Inclusion Support Funding	No HNB funding	110,000	110,000	110,000	110,000
Free Entitlement 2 Year Olds	Formula = 835 x 15 hours x 38 weeks x £5.32.	2,530,730	2,530,730	2,530,730	2,530,730
Free Entitlement Team & ICT		191,000	191,000	191,000	191,000
Early Learning & Development Team		59,700	59,700	59,700	59,700
Early Years & Childcare Team		170,900	170,900	170,900	170,900
<i>Subtotal centrally held</i>		421,600	421,600	421,600	421,600
Disability Access Fund		123,000	123,000	123,000	123,000
Early Years Pupil Premium		143,000	143,000	143,000	143,000
Overall TOTAL		26,154,908	26,263,026	26,371,144	26,479,261
DfE Allocation (Initial)		26,768,724	26,768,725	26,768,726	26,768,726
Over / Under allocation		-613,816	-505,699	-397,582	-289,465

Hourly Rate Increase Table with a reduced level of funding for rurality based on 18/19 trends and withdrawal of the HNI

Type of Spend	PTE (where applicable)	e. Increase of £0.02 per hour to £4.18 – changes are rurality reduction & withdrawal of HNB funding for EYIF	f. Increase of £0.04 per hour to £4.20 - changes are rurality reduction & withdrawal of HNB funding for EYIF	g. Increase of £0.06 per hour to £4.22 – changes are rurality reduction & withdrawal of HNB funding for EYIF	h. Increase of £0.08 per hour to £4.24 – changes are rurality reduction & withdrawal of HNB funding for EYIF
Free Entitlement 3 and 4 Year Olds	9781 x 15 x 38 x £4.30	23,973,231	23,973,231	23,973,231	23,973,231
Deprivation*	As per 18/19 trend	- 220,000	- 220,000	- 220,000	- 220,000
Rurality*	As per 18/19 trend	- 10,000	- 10,000	- 10,000	- 10,000
EY - Inclusion Support Funding	No HNB funding	- 367,300	- 367,300	- 367,300	- 367,300
	Central Teams	- 421,600	- 421,600	- 421,600	- 421,600
		22,954,331	22,954,331	22,954,331	22,954,331
Hourly Rate		£ 4.18	£ 4.20	£ 4.22	£ 4.24
Affordable Hours		9,634	9,588	9,543	9,498
Budget Estimate		22,596,578	22,704,696	22,812,814	22,920,931
Average Take Up 96.97%		9484	9484	9484	9484
Contingency PTE		- 357,753	- 249,635	- 141,517	- 33,400
Contingency PTE		150	104	59	14
Deprivation*	As per 18/19 trend	220,000	220,000	220,000	220,000
Rurality*	As per 18/19 trend	10,000	10,000	10,000	10,000
EY - Inclusion Support Funding	No HNB funding	367,300	367,300	367,300	367,300
Free Entitlement 2 Year Olds	Formula = 835 x 15 hours x 38 weeks x £5.32.	2,530,730	2,530,730	2,530,730	2,530,730
Free Entitlement Team & ICT		191,000	191,000	191,000	191,000
Early Learning & Development Team		59,700	59,700	59,700	59,700
Early Years & Childcare Team		170,900	170,900	170,900	170,900
Subtotal <i>centrally held</i>		421,600	421,600	421,600	421,600
Disability Access Fund		123,000	123,000	123,000	123,000
Early Years Pupil Premium		143,000	143,000	143,000	143,000
Overall TOTAL		26,412,208	26,520,326	26,628,444	26,736,561
DfE Allocation (Initial)		26,768,724	26,768,725	26,768,726	26,768,726
Over / Under allocation		-356,516	-248,399	-140,282	-32,165

Hourly Rate Increase Table with a reduced level of funding for rurality based on 18/19 trends and equal split of EY & I

Type of Spend	PTE (where applicable)	i. Increase of £0.02 per hour to £4.18 – changes are rurality reduction & equal split of HNB funding for EYIF	j. Increase of £0.04 per hour to £4.20 – changes are rurality reduction & equal split of HNB funding for EYIF	k. Increase of £0.06 per hour to £4.22 – changes are rurality reduction & equal split of HNB funding for EYIF	l. Increase of £0.08 per hour to £4.24 – changes are rurality reduction & equal split of HNB funding for EYIF
Free Entitlement 3 and 4 Year Olds	9781 x 15 x 38 x £4.30	23,973,231	23,973,231	23,973,231	23,973,231
Deprivation*	As per 18/19 trend	- 220,000	- 220,000	- 220,000	- 220,000
Rurality*	As per 18/19 trend	- 10,000	- 10,000	- 10,000	- 10,000
EY - Inclusion Support Funding	Split HNB/EY	- 183,650	- 183,650	- 183,650	- 183,650
	Central Teams	- 421,600	- 421,600	- 421,600	- 421,600
		23,137,981	23,137,981	23,137,981	23,137,981
Hourly Rate		£ 4.18	£ 4.20	£ 4.22	£ 4.24
Affordable Hours		9,711	9,665	9,619	9,574
Budget Estimate		22,596,578	22,704,696	22,812,814	22,920,931
Average Take Up 96.97%		9484	9484	9484	9484
Contingency PTE		- 541,403	- 433,285	- 325,167	- 217,050
Contingency PTE		227	181	135	90
Deprivation*	As per 18/19 trend	220,000	220,000	220,000	220,000
Rurality*	As per 18/19 trend	10,000	10,000	10,000	10,000
EY - Inclusion Support Funding	No HNB funding	183,650	183,650	183,650	183,650
Free Entitlement 2 Year Olds	Formula = 835 x 15 hours x 38 weeks x £5.32.	2,530,730	2,530,730	2,530,730	2,530,730
Free Entitlement Team & ICT		191,000	191,000	191,000	191,000
Early Learning & Development Team		59,700	59,700	59,700	59,700
Early Years & Childcare Team		170,900	170,900	170,900	170,900
Subtotal centrally held		421,600	421,600	421,600	421,600
Disabilty Access Fund		123,000	123,000	123,000	123,000
Early Years Pupil Premuim		143,000	143,000	143,000	143,000
Overall TOTAL		26,228,558	26,336,676	26,444,794	26,552,911
DfE Allocation (Initial)		26,768,724	26,768,725	26,768,726	26,768,726
Over / Under allocation		-540,166	-432,049	-323,932	-215,815

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Appendix 2 - Modelling - Compliance with Pass through over each scenario

Calc	Line	Description	Amount 18/19	a. Increase of £0.02 per hour to £4.18 – no other changes bar rurality reduction	b. Increase of £0.04 per hour to £4.20 - no other changes bar rurality reduction	c. Increase of £0.06 per hour to £4.22 – no other changes bar rurality reduction	d. Increase of £0.08 per hour to £4.24 – no other changes bar rurality reduction	e. Increase of £0.02 per hour to £4.18 – changes are rurality reduction & withdrawal of HNB funding for EYIF	f. Increase of £0.04 per hour to £4.20 – changes are rurality reduction & withdrawal of HNB funding for EYIF	g. Increase of £0.06 per hour to £4.22 – changes are rurality reduction & withdrawal of HNB funding for EYIF	h. Increase of £0.08 per hour to £4.24 – changes are rurality reduction & withdrawal of HNB funding for EYIF	i. Increase of £0.02 per hour to £4.18 – changes are rurality reduction & equal split of HNB funding for EYIF	j. Increase of £0.04 per hour to £4.20 - changes are rurality reduction & equal split of HNB funding for EYIF	k. Increase of £0.06 per hour to £4.22 – changes are rurality reduction & equal split of HNB funding for EYIF	l. Increase of £0.08 per hour to £4.24 – changes are rurality reduction & equal split of HNB funding for EYIF
A	1	Anticipated budget for base rate (including funding to MNS) for 3 and 4 year olds	£23,231,526	23,211,631	23,211,631	23,211,631	23,211,631	22,954,331	22,954,331	22,954,331	22,954,331	23,137,981	23,137,981	23,137,981	23,137,981
	2	Anticipated budget for MNS lump sums for 3 and 4 year olds	£0												
	3	Anticipated budget for supplements for 3 and 4 year olds: Deprivation (including funding to MNS)	£220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000
	4	Anticipated budget for supplements for 3 and 4 year olds: Quality (including funding to MNS)	£0												
	5	Anticipated budget for supplements for 3 and 4 year olds: Flexibility (including funding to MNS)	£0												
	6	Anticipated budget for supplements for 3 and 4 year olds: Rurality (including funding to MNS)	£25,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	7	Anticipated budget for supplements for 3 and 4 year olds: EAL (including funding to MNS)	£0												
	8	Anticipated budget for 3 and 4 year old SEN inclusion fund (top up grant element)	£110,000	110,000	110,000	110,000	110,000	367,300	367,300	367,300	367,300	367,300	183,650	183,650	183,650
	9	Anticipated budget for 3 and 4 year old contingency	£0												
		Subtotal =	£23,586,526	23,551,631	23,551,631	23,551,631	23,551,631	23,551,631	23,551,631	23,551,631	23,551,631	23,551,631	23,551,631	23,551,631	23,551,631
B		DfE initial quantum allocation to local authority of MNS supplementary funding	£0												
C	11	Planned total base rate hours for universal 15 and additional 15 hours for 3 and 4 year olds	5,583,378	5,575,170	5,575,170	5,575,170	5,575,170	5,575,170	5,575,170	5,575,170	5,575,170	5,575,170	5,575,170	5,575,170	5,575,170
D	12	Equivalent average rate to providers for entitlement hours for 3 and 4 year olds = (A-B) / C = (lines 1+2+3+4+5+6+7+8+9 - 10) / (line 11)	£4.22	£4.22	£4.22	£4.22	£4.22	£4.22	£4.22	£4.22	£4.22	£4.22	£4.22	£4.22	£4.22
E	13	LA EYNFF hourly rate for 3 and 4 year olds (published alongside this document, or in DSG tables in future)	£4.30	£4.30	£4.30	£4.30	£4.30	£4.30	£4.30	£4.30	£4.30	£4.30	£4.30	£4.30	£4.30
F	14	Test of meeting requirement F = (D / E) * 100 = ((line 12) / (line 13))*100	98.14%	98.24%	98.24%	98.24%	98.24%	98.24%	98.24%	98.24%	98.24%	98.24%	98.24%	98.24%	98.24%

Note

This is a test to ensure there are sufficient funds available after any central teams and activities are funded from 3 & 4 year old grant
 Since the overall sub- total in A is unchanged across all scenarios, the equivalent average rate to providers is £4.22 per hour which, includes the higher rates for rurality and deprivation

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Wiltshire Council

Schools Forum

17 January 2019

DEDICATED SCHOOLS BUDGET – CENTRAL SCHOOLS SERVICES BLOCK UPDATE **2019/20**

Purpose of the Report

1. To update schools forum on issues relating to the Central Schools Services Block (CSSB) budget for 2019-20 and the decisions that will need to be made as part of the budget setting process.

Main Considerations

2. As outlined in the funding settlement paper the DfE has allocated a CSSB of £2.570 million for Wiltshire. This has been calculated using the national funding formula for the CSSB which applies a unit rate of £31.63 to the pupil numbers from the October 2018 census. Funding for agreed historic commitments is then added to the amount of funding generated by the formula to give the overall total CSSB. Wiltshire has been allocated £0.574m for historic commitments based on those commitments agreed as eligible in 2018-19.
3. The DfE are clear in their guidance historic commitments will begin to be reduced from 2020/21 the financial year.
4. The CSSB brings together:
 - funding previously allocated through the retained duties element of the Education Services Grant (ESG)
 - funding for ongoing central functions, such as admissions, previously top-sliced from the schools block
 - residual funding for historic commitments, previously top-sliced from the schools block
5. The duties included within the CSSB are listed in Appendix 1 to this report.
6. The decisions that schools forum are required to make in relation to the central schools block are listed below. These are in relation to the duties that local authorities have towards all schools.

Approval required	Services covered
<p>Section A</p> <p>Schools forum approval is not required (although they should be consulted)</p>	<ul style="list-style-type: none"> • central licences negotiated by the Secretary of State
<p>Section B</p> <p>Schools forum approval is required on a line-by-line basis</p>	<ul style="list-style-type: none"> • back pay for equal pay claims • remission of boarding fees at maintained schools and academies • places in independent schools for non-SEN pupils • admissions • servicing of schools forum • contribution to responsibilities that local authorities hold for all schools • contribution to responsibilities that local authorities hold for maintained schools (voted on by relevant maintained school members of the forum only) • de-delegated services from the schools block (voted on by the relevant maintained school members of the forum only)
<p>Section C</p> <p>Historic Commitments:</p> <p>Schools forum approval is required on a line-by-line basis. The budget cannot exceed the value agreed in the previous funding period and no new commitments can be entered into</p>	<ul style="list-style-type: none"> • capital expenditure funded from revenue – projects must have been planned and decided on prior to April 2013 so no new projects can be charged • contribution to combined budgets – this is where the schools forum agreed prior to April 2013 a contribution from the schools budget to services which would otherwise be funded from other sources • existing termination of employment costs (costs for specific individuals must have been approved prior to April 2013 so no new redundancy costs can be charged) • prudential borrowing costs – the commitment must have been approved prior to April 2013

7. Local authorities can fund services previously funded from the general funding rate of the ESG (for maintained schools only) from maintained school budget shares, with the agreement of maintained school members of the schools forum.

8. The relevant maintained schools members of the schools forum (primary, secondary, special and pupil referral units (PRUs), should agree the amount the local authority will retain.

a. If the local authority and schools forum are unable to reach a consensus on the amount to be retained by the local authority, the matter can be referred to the Secretary of State.

9. Local authorities should set a single rate per 5 to 16 year old pupil for all mainstream maintained schools, both primary and secondary; in the interests of simplicity, this should be deducted from basic entitlement funding.
10. Many schools forums have agreed a top slice of schools funding to meet this shortfall. Wiltshire's schools have benefitted from taken the decision to treat the reduction in ESG funding as part of the general austerity reductions when setting the Council's medium term financial plan. This has allowed the Council to fund business plan objectives and local priorities. The Council has deliberately selected to offer a level of protection for our school effectiveness services and have managed to avoid seeking approval from Schools Forum to date because the DfE have provided an alternative transitional grant. The DfE have recently confirmed that the school improvement monitoring and brokering grant will continue in financial year 2019 to 2020 although funding levels have not yet been provided. Should this grant be removed or significantly reduced, the situation will need to be reviewed.
11. There are no proposals to fund services for maintained schools only contained within this report.

Section A – Central Licences

12. The cost of licences for 2019-20 for Wiltshire has been set at £0.373m (net of VAT) by the DfE. This is an increase on 2018/19 of £0.014 million with an increase in allocation of CSSB of £0.055 million.

Section B – Centrally Provided Services

13. Schools forum approval is required on a line by line basis for this group of services which are funded from central schools block. The table below shows each line and the proposed budget.
14. The limitation on increases to centrally held spend has been removed from the budgets for admissions and servicing of schools forums. It is therefore proposed to apply salary inflation to the budget for the admissions team. This is affordable within the overall CSSB allocation.

	2018/19 Budget	2019/20 Budget
Services previously funded by the retained rate of the ESG:		
Education welfare service	189,850	189,850
Asset management	177,066	177,066
Statutory/ Regulatory duties	638,084	638,084
Admissions	411,000	411,000
Servicing of schools forum	3,000	3,000

Section C – Historic Commitments

15. In 2017-18 the DfE supplementary guidance on the funding and reporting of historic commitments within central DSG. The guidance also detailed the evidence that Schools Forum required on each item in order to approve the spend:

- a. **Minutes from the schools forum prior to 1st April 2013** – schools forum should have agreed the commitment prior to 2013
- b. **Proof that the commitment extended at least as far as the 2018-19 financial year.** Evidence can include reports which indicated an end date in to 2018-19 or beyond, or where the commitment has no specific end date.
- c. **Where budgets relate to non-staffing costs, there must be a contractual commitment** (such as a PFI agreement or lease agreement) which extends in to the relevant financial year.
- d. **Schools forum papers and minutes that show that approval has been granted for the financial year.** The forum is expected to approve each spending line annually. It is important that schools forums have sufficient information to be able to make an informed decision

16. Having considered the guidance and the available evidence, the commitments agreed by schools forum for 2018-19 and therefore funded within the CSSB allocation for 2019-20 are as follows:

Item	Amount £m	Meets Definition?	Required Evidence available?
Funding for LAC Personal Education Plans - Schools Forum decision December 2007 to support PEPs for Looked After Children from 2008/09 financial year as required under "Care Matters". Allocation based on original estimate of £500 per LAC and managed by Virtual Head Teacher. PPG Plus now also supports PEPs <i>and so this funding was reduced to £103,000 in 2018/19 -top sliced and allocated to the High Needs block.</i>	0.233	Yes	Yes
Child Protection in Schools Adviser - Schools Forum decision January 2006 to support an additional member of staff within Children's Social Care to provide support and advice to schools enabling them to meet their responsibilities under Every Child Matters agenda following the cessation of Safeguarding Children's Grant	0.041	Yes	Yes
Prudential Borrowing Schools forum decision to support approx. £3m capital financing for 13 year period	0.300	Yes	Yes
Total	0.574		

17. Assuming the proposed budget is accepted by schools forum, an amount of £0.334m is therefore estimated to transfer to fund high needs pressures.

Proposals

1. Schools Forum is asked to note the report and the required decisions in relation to the central schools block budget for 2019-20. These will be considered fully in the decisions paper.

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163.3. We have included references to the relevant schedules in the 2018 (No. 2) Regulations.

Statutory and regulatory duties

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> • Director of children’s services and personal staff for director (Sch 2, 15a) • Planning for the education service as a whole (Sch 2, 15b) • Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 2, 22) • Authorisation and monitoring of expenditure not met from schools’ budget shares (Sch 2, 15c) • Formulation and review of local authority schools funding formula (Sch 2, 15d) • Internal audit and other tasks related to the authority’s chief finance officer’s responsibilities under Section 151 of LGA 1972 except duties specifically related to maintained schools (Sch 2, 15e) • Consultation costs relating to non-staffing issues (Sch 2, 19) • Plans involving collaboration with other LA services or public or voluntary bodies (Sch 2, 15f) • Standing Advisory Committees for Religious Education (SACREs) (Sch 2, 17) • Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21) 	<ul style="list-style-type: none"> • Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 2, 57) • Budgeting and accounting functions relating to maintained schools (Sch 2, 74) • Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2, 58) • Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 59) • Internal audit and other tasks related to the authority’s chief finance officer’s responsibilities under Section 151 of LGA 1972 for maintained schools (Sch 2, 60) • Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 61) • Investigations of employees or potential employees, with or without remuneration to work at or for schools under the direct management of the headteacher or governing body (Sch 2, 62) • Functions related to local government pensions and administration of teachers’ pensions in relation to staff working at maintained schools under the

Responsibilities held for all schools	Responsibilities held for maintained schools only
	<p>direct management of the headteacher or governing body (Sch 2, 63)</p> <ul style="list-style-type: none"> • Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 76) • HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition or organisation of staff (Sch 2, 64); determination of conditions of service for non-teaching staff (Sch 2, 65); appointment or dismissal of employee functions (Sch 2, 66) • Consultation costs relating to staffing (Sch 2, 67) • Compliance with duties under Health and Safety at Work Act (Sch 2, 68) • Provision of information to or at the request of the Crown relating to schools (Sch 2, 69) • School companies (Sch 2, 70) • Functions under the Equality Act 2010 (Sch 2, 71) • Establish and maintaining computer systems, including data storage (Sch 2, 72) • Appointment of governors and payment of governor expenses (Sch 2, 73)

Table 9a: Central services responsibilities held by local authorities (statutory and regulatory duties)

Education welfare

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> • Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20) • School attendance (Sch 2, 16) • Responsibilities regarding the employment of children (Sch 2, 18) 	<ul style="list-style-type: none"> • Inspection of attendance registers (Sch 2, 79)

Table 9b: Central services responsibilities held by local authorities (education welfare)

Asset management

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> • Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions (Sch 2, 14a) • General landlord duties for all buildings owned by the local authority, including those leased to academies (Sch 2, 14b) 	<ul style="list-style-type: none"> • General landlord duties for all maintained schools (Sch 2, 77a & b (section 542(2)) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have: <ul style="list-style-type: none"> • appropriate facilities for pupils and staff (including medical and accommodation) • the ability to sustain appropriate loads • reasonable weather resistance • safe escape routes • appropriate acoustic levels • lighting, heating and ventilation which meets the required standards • adequate water supplies and drainage • playing fields of the appropriate standards • General health and safety duty as an employer for employees and

Responsibilities held for all schools	Responsibilities held for maintained schools only
	<p>others who may be affected (Health and Safety at Work etc. Act 1974)</p> <ul style="list-style-type: none"> • Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012)

Table 9c: Central services responsibilities held by local authorities (asset management)

Central support services

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> • No functions 	<ul style="list-style-type: none"> • Clothing grants (Sch 2, 53) • Provision of tuition in music, or on other music-related activities (Sch 2, 54) • Visual, creative and performing arts (Sch 2, 55) • Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 56)

Table 9d: Central services responsibilities held by local authorities (central support services)

Premature retirement and redundancy

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> • No functions 	<ul style="list-style-type: none"> • Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 2, 78)

Table 9e: Central services responsibilities held by local authorities (premature retirement and redundancy)

Monitoring national curriculum assessment

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> No functions 	<ul style="list-style-type: none"> Monitoring of National Curriculum assessments (Sch 2, 75)

Table 9f: Central services responsibilities held by local authorities (monitoring national curriculum assessment)

Therapies

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> No functions 	<ul style="list-style-type: none"> This is now covered in the high needs section of the regulations and does not require schools forum approval

Table 9g: Central services responsibilities held by local authorities (therapies)

Other ongoing duties

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> Licences negotiated centrally by the Secretary of State for all publicly funded schools (Sch 2, 8); this does not require schools forum approval Admissions (Sch 2, 9) Places in independent schools for non-SEN pupils (Sch 2, 10) Remission of boarding fees at maintained schools and academies (Sch 2, 11) Servicing of schools forums (Sch 2, 12) Back-pay for equal pay claims (Sch 2, 13) Writing to parents of year 9 pupils about schools with an atypical age of admission, such as UTCs and 	<ul style="list-style-type: none"> No functions

Responsibilities held for all schools	Responsibilities held for maintained schools only
studio schools, within a reasonable travelling distance ¹⁰ (Sch 2, 23)	

Table 9h: Central services responsibilities held by local authorities (other ongoing duties)

Historic commitments

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> • Capital expenditure funded from revenue (Sch 2, 1) • Prudential borrowing costs (Sch 2, 2(a)) • Termination of employment costs (Sch 2, 2(b)) • Contribution to combined budgets (Sch 2, 2(c)) 	<ul style="list-style-type: none"> • No functions

Table 9i: Central services responsibilities held by local authorities (historic commitments)

¹⁰Funding for this duty was previously delivered to local authorities via a s.31 grant. Additional funding was added to the CSSB baseline for this from 2018 to 2019.

Wiltshire Council

Schools Forum

17 January 2019

DEDICATED SCHOOLS BUDGET – HIGH NEEDS BLOCK UPDATE 2019-20

Purpose of the Report

1. To update schools forum on issues related to the high needs block for 2019-20 and the decisions that will need to be made as part of the budget setting process for 2019-20.

Main Considerations

2. As outlined in the paper on the funding settlement for 2019-20 the high needs block allocation for Wiltshire in 2019-20 is £47.092 million. The high needs block has been calculated according to the new national funding formula for high needs. As previously reported to schools forum, Wiltshire is on the funding floor for the high needs NFF and therefore has received the minimum increase.
3. In terms of decision making for the high needs block the guidance on schools forum powers and responsibilities states that all central spend on high needs block provision is decided by the local authority. This would include decisions on top up values. Because of the interdependencies of decisions across all of the funding blocks, decisions on high needs are being presented alongside those that schools forum is required to make on all of the other blocks.

Projected Demand on High Needs Block

4. An initial estimate of pressures on the high needs block for 2019-20 is summarised in the following table:

	£m
High Needs Block Allocation 2018-19	45.007
Additional Pressure to meet current Spend levels (based on December 2018 forecast overspend over and above additional HNB funding announcement)	3.331
Tbc – Early Years Inclusion Funding withdrawal of funding	(0.357)
Estimated Demography & Contract Inflation (NPA, ISS, ISP and FE places)	0.982
Increased Special School & Resource Base Planned Places 2019/20 (<i>not funded from the growth fund</i>)*	0.630
Development Fund	0.000
Estimated demand on high needs block 2019-20	49.593
High needs allocation 19/20	47,092
Add: Central Block transfer to HNB*	0.334
Add: Surplus Growth Fund 19/20 to HNB	1.000
Add: Schools Funding transfer to HNB	1.200
<i>} total 0.8%**</i>	
Total available	49.626
Estimated Surplus/(Shortfall) 2019-20	0.033

* *Extra High Needs Places – 10 in mainstream schools, 56 in special schools, including 32 at Springfields (south), 16 at Downlands and 8 at Rowdeford*

In the January 2018 report a shortfall of £1.6 million was recognised but not addressed. It is therefore imperative that this is now addressed.

5. This estimate includes the following assumptions:
 - a. Top up levels and Named Pupil Allowances remain unchanged from 2018-19 levels.
 - b. Demand for placements in independent special schools (ISS) and independent specialist providers (ISPs) Named Pupil Allowances (NPAs) and top ups is based on SEN planning demography of 3%.
 - c. Contract inflation is added to Independent Special School Fees as per the framework agreements in place of 2.97%.
 - d. Numbers of places for special schools, resource bases and enhanced learning provision (ELP) increase following the place number review.
 - e. That the split of funding for the early years inclusion support fund is removed and is fully funded from the early years block
 - f. There are no ringfenced allocations for developments in 2019-20. Any developments would need to be managed from existing resources.
 - g. That there is a transfer as follows
 - i. Central Block to High Needs Block*
 - ii. Schools Funding to High Needs Block of 0.8%**
 - h. The local authority makes a one-off contribution to Schools Funding of £1.3 million assuming the transfer in (f) above is approved. The Director of Finance will recommend this to Members in the next budget monitoring report. This can be used to reduce the DSG deficit balance and remove the requirement to make good this deficit as the first call on the 19/20 allocation.
6. In order to balance the budget a number of options will need to be considered. Some potential options are highlighted in the following paragraphs.
7. **High Needs Block Working Group Actions** – as described in the December 2018 update and on-going work as per verbal update elsewhere on the agenda.
8. **Top Up Values** – the biggest area of spend within the high needs block is expenditure on top up values. Top up values are assumed to increase by 3% demography in 2019-20 but as an alternative to the transfer from Schools Funding, a proposal could be made to reduce values. The risk associated with this proposal is that this reduction would increase the pressure further on school budgets. The pressure could be mitigated with a part year reduction i.e. two terms paid at 90%, one term paid at 100%.
9. **Named Pupil Allowances** – another large area of spend within the high needs block is expenditure on NPAs. Top up values are assumed to increase by 3% demography in 2019-20 but as an alternative to the transfer from Schools Funding, a proposal could be made to reduce values. The risk associated with this proposal is that this reduction would increase the pressure further on school budgets. The pressure could be mitigated with a part year reduction i.e. two terms paid at 90%, one term paid at 100%.
10. **Early Years Inclusion Support Fund** – the guidance on early years funding requires councils to have an inclusion support fund in place to support pupils with high needs in early years settings. This support can be funded from the high needs block, as currently happens in Wiltshire, or from the early years block. If the current level of inclusion support fund was met from the early years block then this would reduce costs to the high needs block by £0.357m. The impact on the early years block would be to reduce the underspend in early years. Note that whilst central spend on high needs provision is a local authority decision, central spend on the early years block is determined by schools forum.

11. **Movement of funding from schools block** – the operational guidance allows for local authorities to move up to 0.5% from schools block to high needs block with the approval of schools forum or to formally request a transfer over 0.5% to the Secretary of State. At the December meeting, Schools Forum agreed to fund up to 1% (approximately £2.6 million.) This would release additional for high needs spend but would reduce the funding available to distribute to schools in the mainstream formula. Despite the additional funding announced in December, it is proposed that 0.8% be transferred which will allow high needs funding to be made available in 2019/20 whilst the SEN consultant works with schools and the local authority to model options.
12. **Little Extras Monies** - Schools Forum discussed the “little extras” monies being used to replace the transfer at the December meeting. The ready reckoner provided by the DfE is estimating higher capital contributions than originally thought and so capital items Heads previously thought would need to come from revenue funding can be badged against this funding. It is anticipated this release of revenue will help the transfer be more manageable for schools but it is not proposed these higher sums reflect the total transfer to the High Needs Block as previously mooted.
13. **Local Authority Financial Contributions** – the local authority is committed to the fair funding of schools and has agreed the following
 - a. Earmarked funding as part of the FACT programme for 19/20 for a SEN consultant to look at High Needs Block.
 - b. Use of revenue funding in 2018/19 to fund a separate SEN specialist consultant to look at SEN transitional and planning which will have a positive impact on High Needs. This work started in November.
 - c. £19 million capital budget to build a new Special School & Centre of Excellence in the north of the County – this is funded from borrowing at an annual cost to the revenue account of £0.970 million.
 - d. On the assumption that Schools Forum agree to transfer 0.8% from Schools funding to the High Needs Block the Director of Finance will propose that Members make a one-off contribution of £1.3 million to the DSG deficit reserve account. This will prevent a further top slice from 2019/20 funding, as per the operational guidance.

DSG Reserve

14. The current forecast overspend on the School Funding reserve is £1.497m. The local authority contribution of £1.3 million will reduce this to a £0.197million deficit which is within acceptable levels.

Proposals

15. Schools Forum is asked to note the pressures on the high needs block and the potential options to reduce the shortfall against high needs budgets. These will be considered fully in the decisions paper.

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