

Cheshire West & Chester Council

## **Cheshire West and Chester Schools Forum**

**Monday 8 October 2018**  
**4.30pm – 6.30 pm**

To be held at

Queen's Park High School  
Queen's Park Road  
Handbridge  
Chester CH4 7AE

Refreshments will be available from 4pm

Schools Forum Clerk  
Children and Families  
Cheshire West and Chester Council  
Telephone 01244 972901



# Notes for members of the public

## **Cheshire West and Chester Schools Forum**

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## Agenda for Cheshire West and Chester Schools Forum 8 October 2018

1.	4.30	Introductions and apologies		
2.	4.35	Financial Training – brief overview	Natalie Cole	
3.	4.50	Minutes and matters arising of last meeting  3.1 To agree the minutes from part two of the meeting held 9 July 2018  3.2 Matters arising		Page 4-12
4.	5.00	Basic needs capital programme	Janine Smart	to follow
5.	5.15	Early Years Single Funding Formula 2019-2020 consultation	Sue Lawson	see separate document
6.	5.30	Final allocation of the Dedicated Schools Grant 2018-2019	Natalie Cole	Page 13-16
7.	5.45	Dedicated Schools Grant 2018-2019 Forecast Outturn at First Review	Natalie Cole	Page 17
8.	6.00	School Funding Arrangements 2019-2020	Natalie Cole	Page 18-24
9.	6.20	Any Other Business		
10.	6.30 Finish	Next meeting: Monday Queen's Park High School Monday 10 December 2018  Schools Forum and finance sub group meeting schedule and forward plan		Page 25-26

**Cheshire West and Chester  
Schools Forum  
8 October 2018**

**Agenda Item 3**

**Cheshire West and Chester Schools Forum, Queen's Park High School, Chester, 9  
July 2018**

**Present:**

Marie Allen  
Sue Anderson  
Hilary Berry  
David Charlton (Chair)  
David Curry  
Sarah Curtis  
Steve Dool  
Kate Docherty  
Kerry Forrester (sub for Ian  
Devereux Roberts)  
Carol Gahan  
Duncan Haworth  
Philip Hopwood  
Luci Jones  
Francis Kwateng  
Kath Lloyd  
Jason Lowe  
Mike McCann  
John Murray  
Andy Stewart  
Katie Tyrrie  
Sue Yates

**Representing:**

Academies - Special  
PVI  
CWAPH Chair  
Secondary headteachers  
Secondary headteachers  
Primary headteachers  
Academies - Primary/Secondary  
Primary headteachers  
Primary headteachers  
  
Primary governors  
Primary governors  
Special governors  
Academies - Primary/Secondary  
Primary governors  
Primary governors  
Academies - Primary/Secondary  
Special headteachers  
Academies - Primary/Secondary  
PRU  
Nurse headteacher  
Secondary headteachers

**Officers:**

Natalie Cole  
Charlotte Fenn (Clerk)  
Debbie Gittins  
Anna Jones  
Mark Parkinson  
Debbie Steele

**Official observers:**

**Observers/public:**

**1. Introductions and Apologies**

Apologies were received from Cheryl Bullen, Ian Devereux Roberts, John Freeman, Kathryn Magiera, Councillor Meardon, Sue Pearson (not reported at meeting), David Rowlands, Caroline Vile and Harry Ziman.

David Charlton welcomed the following new members to the meeting; Mike McCann, Headteacher Greenbank School, who had taken over from Sam Myers-Whittaker as CWASSH (Cheshire West Association of Special School Headteachers) Chair and special schools representative and Jason Lowe, Headteacher Tarporley High School and sixth form College, who had filled the Academies representative vacancy.

David also welcomed Debbie Steele to the meeting; Debbie would be taking over Debbie Gittins' role as SEN Senior Manager on her retirement.

David informed Forum that this would be his last meeting before his retirement; the Clerk would be seeking nominations for a chair, to be in place prior to the next meeting.

## **2. Minutes and Matters Arising of Last Meeting**

### **2.1 Minutes of the meeting held on 12 February 2018**

The minutes of the meeting held on 12 February 2018 were agreed as a correct record.

### **2.2 Matters Arising**

#### **2.2.1 Item 2.2.3 Item 7 Any Other Business - Academy Representative Vacancy (primary/secondary)**

David Charlton confirmed that the vacancy in question had now been filled by Jason Lowe, as reported above.

#### **2.2.2 Item 4 Special Educational Needs (SEN) Funding for Mainstream and Special Schools – Funding from the High Needs Block 2018-2019**

David Charlton drew Forum members' attention to the letter tabled from Mike McCann CWASSH Chair entitled 'Response from CWASSH to Schools Forum in relation to: Consultation of High Needs funding requirement for 2018-2019'. It was noted that all 10 Special Schools had supported the letter written by CWASSH.

Forum members were given the opportunity to comment on the CWASSH letter.

Duncan Haworth asked where the lack of support from CWASSH for the efficiency factor had left us regarding the High Needs overspend. Natalie Cole reported that the permitted - 1.5 per cent reduction had been applied to all special schools and the budget set, however this budget may be unachievable and officers were expecting an overspend. The only other option to reduce the overspend would have been a further reduction in the top up funding for mainstream schools.

Sue Yates asked for clarification from Mike McCann regarding what CWASSH saw as the next steps to resolving the high needs overspend. Mike McCann had no immediate solutions but responded that further clarification was required as to where the high needs pressures were, he was willing to work with the other Associations to look at what could be done.

Sue Yates, as a member of the high needs sub group, voiced her disillusionment that despite all the hard work the sub group had put into to coming up with options to address the overspend not all sectors had been willing to play their part, many schools, including her own had felt the impact of the recommendations that had been implemented. Mike pointed out that special schools were also under financial pressures as outlined in the CWASSH letter.

Kate Docherty, member of the high needs sub group, voiced her disappointment that they had reached this position and felt they were being 'held to ransom'. Sue Yates supported Kate's comments; the collegiate response from CWASSH did not reflect what had been

communicated as part of the high needs sub group discussions.

David Charlton acknowledged that high needs was an area that the Schools Forum would need to return to; it was noted that The Russett has been amenable to a greater cut than the -1.5 per cent but lower than the proposed cut, this may be something that could be looked at moving forward.

### **2.2.1 3. Any Other Business - Non-teaching staff pay award**

David Charlton reported that the rumours of a proposed pay raise, from 1 April, for some non-teaching pay scales of around 9% had in fact been a reality for some lower grade staff.

## **3. SIMS framework/contract update**

Mark Parkinson, Director of Education, provided a verbal update on behalf of Carolyn Davis, Senior Manager, Education Infrastructure.

Mark reminded Forum that a task and finish group had been set up some years ago to look at SIMS and other options but with limited success. The current SIMS contract, which was due to expire on 31 March 2019, had been procured through a Hertfordshire framework. It was noted that there may be an option to extend the current contract for 12 months through the Hertfordshire framework but officers were waiting for confirmation that was the case. If the contract could be extended then officers were proposing to take up that option as the current contract was still providing good value for money. If the contract could not be extended then officers would need to start a procurement process imminently and the first task would be to draw up a specification.

David Charlton sought views from Forum members as to whether they were happy to continue to 'piggyback' onto Hertfordshire's framework. The general consensus was that it would be prudent to extend the current contract.

Forum members asked how many schools currently do not use SIMS. Officers did not know the exact figure but would find out.

Mark advised the group that if they wanted to explore whether SIMS was the right system they would need to do so soon. They also needed to consider whether they would still get value for money if IT services had to support more than one system.

David suggested that, based on past experience, the process to get a specification for a new system could take two years.

David asked Forum members if they had any perception as to whether their schools would want to look at other systems. Hilary Berry felt that there would be a desire from primary schools to look at other systems. John Murray reported that secondary schools had looked at other options but had decided to stay with SIMS albeit if a little 'clunky'. Mike McCann confirmed that a number of special schools already used Arbor.

It was noted that a remote access online version of SIMS was due to come out shortly. Andy Stewart informed Forum that one of the key reasons for the PRU moving over to Arbor was that it could be accessed remotely.

It was agreed that a task and finish group be set up to work with officers to ensure that all essential and desirable requirements were captured in the specification. It was felt that a minimum of two members from each sector (excluding Academies as they did not benefit from the contract) with a mixture of SIMS and Arbor users would be appropriate. Sarah Curtis and Kerry Forrester volunteered to represent primary schools but suggested the inclusion of business managers with hands on experience of using the systems be included.

**Resolved that the Schools Forum** task the Clerk to liaise with Carolyn Davis, Senior Manager, Education Infrastructure regarding setting up the task and finish group and seeking representatives from CWASH, CWASSH and Business Managers.

#### **4. Reducing Inequalities – Improving Self-Regulation and Academic Resilience in Early Years**

Mark Parkinson introduced the paper as Sarah Lister, Manager - Early Years Team, was unable to attend the meeting. The report outlined a proposal to establish centrally retained Dedicated Schools Grant funding for a dedicated person to implement the Leuven scales.

Natalie Cole, Finance Manager, made reference to paragraph 13, which outlined how the post would be funded from an increase to the Early Years Block following an updated allocation which reflected the take up of the 30 hours extended entitlement. It was noted that the increase to central spend was still within the permitted limit.

Mark sought the reviews from Forum on the proposal. A number of concerns were raised by Forum members.

Sue Anderson was not convinced that, having just lost a number of consultants, the new post would help address the identified gap and suggested that there was a greater need for a special needs consultant rather than one looking at the Leuven scale. Sue also highlighted that the data in the report reflected last year's figures, new ones were due out on Monday and might show a different picture.

Kerry Forrester was concerned that we were just collecting more data when what was needed were interventions.

A number of Forum members supported suggestions that there was a need to refocus resources on special needs, oracy projects and SALT (Speech and Language Therapy).

David Charlton summed up the feeling of the Forum; colleagues were not unsympathetic to making an appointment but questioned if the post was focused on the right area and should be considered further by the Early Years reference group and the Early Years Strategy group before being brought back to Forum. Mark agreed to liaise with Sarah Lister to move this forward as requested.

**Resolved that the Schools Forum** task officers to present the proposal to the Early Years reference group and the Early Years Strategy group to seek their views before being brought back to Schools Forum for a final decision.

## **5. SEND Update on High Need Strategic Review and SEND Funding Audit Summary**

Debbie Gittins introduced the report which provided an update on the progress of the High Needs Strategic Review and a summary of the SEND Funding Audit.

Forum members' attention was drawn to appendix A and the high needs review timescales. It was noted that, due to the governance procedure, any proposed changes to numbers in provision or type of provision could not be implemented until 2020. It was noted that the High Needs review report would be brought to Schools Forum in due course.

Debbie confirmed that the SEND funding audit report had been sent to all schools. Forum members' attention was drawn to the SEND review website link [www.thesendreview.com](http://www.thesendreview.com) included in the report which gave access to a School self-review of SEN site created by a London consortium. Local Area inspections are resulting in high number of letters of action being issued to Local Authorities and this may increase the focus on SEND in school inspections, therefore schools may wish to consider using the London self-review tool.

Forum members acknowledged that the report was very comprehensive and would have a positive impact if SENCOs were reflecting on and using the recommendations, but questioned whether the report would have filtered down to SENCOs.

Forum members reflected on the best way to ensure the report was shared with SENCOs and agreed it should be promoted through the Headteacher Associations.

Debbie flagged that currently the LA had no direct access to SENCO's however an exercise mapping SENCO networks was currently being undertaken, which was due to be completed by September.

It was noted that there were two SENCO networks being set up through teaching school alliances, one of which Sarah Curtis was involved with ; Sarah and Debbie agreed to liaise regarding promoting the report through the networks.

Mark reminded colleagues that the LA had provided training for SENCOs previously, though not all SENCOs attended, however the LA was not planning to repeat this training as funds were being used for other projects. However 'train the trainer' initiatives focusing on EHC plans and person centred outcomes would be of value.

### **Resolved that the Schools Forum:**

- i. note the contents of the High Needs Strategic Review briefing update, in particular the timescales of any actions arising from the review recommendation;
- ii. task Headteachers Association's with promoting the recommendations in the SEND funding audit; and
- iii. task officers to promote the recommendations in the SEND funding audit through the SENCO networks.

## **6. DSG 2017-2018 final outturn**

Natalie Cole took Forum members through the paper which reported on the 2017-2018 final outturn position for the centrally held DSG budget and outlined proposals as to how the underspend be allocated.

Natalie drew Forum members' attention to a number of variances not evident at the Third Review which resulted in a more favourable outturn position than previously forecasted, outlined in paragraph 4(v).

Mark Parkinson provided further details regarding the work on transitions by CWEIB and the Exclusions task group referred to in the proposals under paragraph 9.

It was noted that transition was a recurring theme identified by CWEIB and a project outline was to be worked up. The exclusions task group had been triggered following Forum discussions around the amount of funding allocated to the Bridge. The group had met twice, so far, and were looking at, amongst other things, how to avoid exclusions, why some pupils struggled to cope at school, interventions and identifying actions.

It was noted that the willingness for all schools to take on board any actions identified was key to this initiative.

The groups' membership comprised representatives from schools (thought no special reps currently) and various services including CIN (Children in Need), Karen Cove, Early Help and Prevention, Michaela Bridge, Exclusions & Education Access and Natalie Cole, Finance.

Forum members were reminded that the LA had to have in place provision for excluded pupils i.e. the PRU or they could face legal challenges.

#### **Resolve that the Schools Forum:**

- i. note the final outturn on the 2017-2018 centrally held DSG; and
- ii. endorse the planned allocation and retention of the unspent reserve as recommended by The Schools Forum Finance Sub Group and detailed in paragraph 10 (vote unanimous).

#### **7. Financial year 2017-2018 analysis of schools balances (including Academies)**

Natalie Cole introduced the paper which provided the final outturn position of maintained schools in the Borough for the 2017-2018 financial year and academy balances for the latest reported position for the 2016-2017 academic and financial year accounts.

Natalie highlighted the comment in paragraph 13 that these were balances held at a defined point in time and do not represent the financial viability of academies and in the absence of further context, do not explain the way an academy is operating or represent future spending plans or pressures.

It was noted that the overall position showed an increase in balances, this was mainly due to three schools converting to academies, one of which was in deficit.

Francis Kwateng raised concerns over the plight of small schools in deficit and asked how they could be helped out of a deficit position.

Officers responded that options were limited, funds could not be moved between schools nor could a deficit be written off; schools needed to increase pupil numbers, operate on a better structure, consider federations and sharing resources. Their first challenge was to balance the budget in year, which some schools were struggling to do, before reducing the deficit. Small schools had the added pressure put on them by parents, governors and the community to keep them open. It was noted that academisation would not resolve the issue unless they became part of a MAT (Multi Academy Trust) where resources could be moved between schools.

Forum were informed that there was a small schools working group, facilitated by Hilary Berry, who were planning to set up a conference in autumn to share best practice.

Forum members commented that the high number of carry forwards, over the bench mark threshold of five and eight per cent, made it difficult to claim schools were underfunded and undermines the current political agenda and questioned what could be done. There seemed to be a lack of parity between academies and maintained schools being held to account. Questions were also raised as to how aware governing bodies were of excessive carry forwards.

It was noted that schools with consistence carry forwards were more of a concern than one-offs. The forward plans for schools that held excess balances over the bench mark threshold for the last three years were being reviewed by officers. Headteacher's of schools projecting sustained balances going forward would be written to in the autumn and officers agree to copy in the Chair of Governors.

**Resolved that the Schools Forum** note the outturn position and movement in balances for both schools and academies and the mechanisms in place to support schools with deficit balances.

#### **8. Annual review of Schools Forum membership, constitution and terms of reference – including sub group membership**

David Charlton introduced the report which reviewed the Schools Forum's membership, constitution and terms of reference to ensure that the composition of the Schools Forum was compliant with the regulations.

Forum members' attention was drawn to the revised membership in table 1. The current pupil ratio warranted a reduction of secondary representatives by one and a corresponding increase in academy representatives. It was noted that David Charlton's secondary vacancy would not be filled but an academy representative would be sought by the clerk in due course.

Forum members' were referred to page 20, table 2 and the revised finance sub group membership changes (three governors - primary, secondary, special reduced to two governors). The removal of the requirement of a special governor to attend was done for practical reasons as there was only one special governor on the Forum. Duncan Haworth

would remain on the sub group and the clerk was requested to contact governor representatives not present at the meeting and seek a secondary representative.

A correction was noted to appendix 4 High Needs sub group membership; Kate Docherty was down as CWAPH Chair where as it should have read 'Kate Docherty or CWAPH Chair.

Forum reviewed the current High Needs sub group membership and agreed the following changes/additions:

Mike McCann or Alison Ashley (sub)  
Francis Kwateng  
CWAPH chair - observer  
Katie Tyrie - observer

**Resolved that the Schools Forum:**

- i. note the changes to the Schools Forum's members; and
- ii. agree the proposed changes to the Schools Forum finance sub-group membership

**9. Directed revisions to schemes for financing schools**

Natalie Cole introduced the report which provided an update to the Schools Forum on the Directed Revisions to Schemes for Financing Schools issued by the Department for Education (DfE) in March 2018 which were to be incorporated in the Cheshire West and Chester Scheme.

Forum members' attention was drawn to paragraph 6-8 and the updates to the guidance. It was noted that in respect of the guidance in paragraph 6, reflecting changes on balances of closing schools, CWAC did not have school closures only academy conversations.

Natalie informed Forum members that the change in guidance to allow a de-delegated budget for early retirement and redundancy costs to be created (paragraph 7-8) had been discussed with the finance sub group but there was no willingness to pursue this option given the complexities involved in agreeing contributions and managing requests against the budget.

**Resolved that the Schools Forum:**

- i. approve the revisions to the scheme to be reflected in the updated Scheme published July 2018; and
- ii. did not wish to pursue the option to allow a de-delegated budget for early retirement and redundancy costs to be created.

**10. f40 National funding formula (NFF) briefing paper**

David Charlton introduced the item. David had hoped Councillor Meardon, who was a member of the f40 committee, would have been present at Forum to provide further information but had been unable to attend.

Forum members were urged to read the paper as it 'opened ones eyes' to the challenges schools would face moving forward under the NFF, including what little leverage the LA would have to make schools inclusive.

## **11. Any Other Business**

### **11.1 Fixed Penalty Notices (FPN)**

Francis Kwateng sought clarification regarding how the funds received from FPN fines were used and requested that the paper work be reviewed as currently it was excessive.

Officers responded that the fines contributed towards the costs of processing the FPNs including legal representation. Concerns regarding the paper work would be passed onto the appropriate department.

### **11.2 Speech/Presentation - Schools Forum Chair**

John Murray spoke on behalf of the Schools Forum and reflected on David's significant contribution to schools over his 10 year tenure ship as Schools Forum Chair and presented David with a leaving gift.

David thanked colleagues and reflected on how the role of Chair and the Forum had changed over the years.

## **12. Next meeting**

Next meeting 8 October 2018.

## **Agenda Item 6**

### **Final Allocation of the Dedicated Schools Grant for 2018-2019**

#### **Purpose of the report**

1. To report to the Forum the final allocation of the Dedicated Schools Grant (DSG) for 2018-2019 as published by the Education and Skills Funding Agency in July 2018, highlighting the changes from the draft allocation used in budget setting for this financial year.

#### **Recommendations**

2. The Schools Forum is asked to note the amendments to the DSG allocation for the high needs and early years funding blocks and the adjustments to centrally held budgets for 2018-2019.

#### **Background**

3. In December 2017, the Education and Skills Funding Agency (ESFA) announced the details of the DSG funding settlement for the 2018-2019 financial year. This was the basis for setting the schools budget share and centrally held budgets for 2018-2019 and were agreed at the January 2018 Forum.
4. In July 2018, the ESFA published revised DSG allocations for all local authorities to reflect changes in high needs commissioned places, early years census data and academy recoupment. It is a requirement for local authorities to discuss the published DSG allocation with the Schools Forum in confirming that the grant has been used in support of schools.

#### **Changes to the Allocation**

5. The indicative DSG allocation available in January 2018 for the local authority was £258.779m. A table detailing this calculation which was presented to the Schools Forum in January 2018 is included in Appendix A.
6. Table 1 below shows in summary the changes to the Local Authority's allocation since January 2018. The net change to the allocation is a increase of £0.942m giving a revised allocation of £259.721m. Adjustments have been made to the amount of academy recoupment following three conversions on 1 March 2018 and three conversions on 1 May 2018 and gave a net decrease of £5.353m to the funding held by the Local Authority. A temporary adjustment of £0.860m relating to the final early years funding from 2017-2018 has been made to the allocation, however this was accounted for in 2017-2018. Details of individual amendments are then included in Table 2 in paragraph 7.

Table 1 Summary of change to the final DSG allocation

	Indicative January 2018 £m	Final 2018 £m	July Change £m
DSG Allocation	258.779	259.721	0.942
Less deductions for high needs places	(2.894)	(2.882)	0.012
Less academy recoupment	(53.251)	(58.604)	-5.353
Temporary funding adjustments		0.860	0.860
<b>Net DSG allocation</b>	<b>202.633</b>	<b>199.095</b>	<b>-3.538</b>

7. In order to maintain the integrity of the budgets set on the indicative allocations, adjustments have been made to budgets in accordance with the reason for the change in the allocation. For example, the increase in funding due to lower pupil numbers on the early years census has been adjusted with a budget increase to the early years budget for place funding. The actions that have been taken for each adjustment are shown in Table 2 below.

Table 2 Adjustments to DSG allocation January 2018 to July 2018

Funding Block	Description of Adjustment	Adjustment £m	Budget adjustment actioned
Early Years block	Universal three and four year old funding - increase to 2018-2019 baseline funding due to pupil numbers increasing from January 2017 to January 2018 census.	0.002	Increase in centrally held Early Years budget for place funding
Early Years block	Extended three and four year old funding - increase to 2018-2019 baseline funding due to pupil numbers increasing from estimate to January 2018 census.	1.578	Increase in centrally held Early Years budget for place funding
Early Years Block	Correction to 2017-2018 funding for seven months of increase in pupil numbers in January 2018 census	0.860	Accounted for in 2017-18, no adjustment to budget in 2018-19
Other – 2 year old funding	Decrease in two year old funding from actual participation recorded in January 2018 census	-0.267	Decrease in centrally held budget for 2 year old place funding
Other – Early Years Pupil Premium	Increase to reflect actual take up from previous estimate	0.024	Increase in centrally held budget for early years pupil premium claims

Funding Block	Description of Adjustment	Adjustment £m	Budget adjustment actioned
Other – Supplementary nursery school funding	Increase to reflect increase in January 2018 census	0.006	Allocated to nursery school
High Needs Block	Adjustment for outcomes to high needs change process	0.012	Increase in high needs places budget
High Needs Block	Import/export adjustment for high needs places in other authorities	-0.402	Decrease in high needs budgets across 16-25, special schools, non-maintained special schools and mainstream
Schools Block	Academy recoupment for conversion of six primary schools	-5.353	Adjustments reflected in Schools Block funding in line with agreed school funding formula budgets.
<b>TOTAL</b>		<b>-3.538</b>	

### Next Steps

- The revised allocations and adjusted budgets will form the basis of reporting for the remainder of 2018-2019.

## Appendix A

### Extract from report to Schools Forum January 2018

#### Indicative DSG 2018-2019

<b>DSG Allocation Block</b>	Pupil Numbers	Amount per pupil £	Allocation £000
<b>Schools Block</b>			
Schools Block Unit of Funding			
Primary unit of funding	27,116	3,999	108,427
Secondary unit of funding	17,311	5,003	86,610
Funding of growth and premises			3,906
	<b>44,427</b>		<b>198,943</b>
<b>High Needs Block</b>			
Based on historic spend			
NFF			37,427
0.5% cash increase			215
Pupil number increase			105
			<b>37,747</b>
<b>Early Years Block</b>			
three and four year old free entitlement	3,031	4,085	12,382
Maintained nursery supplement			86
Disability access funding		615	74
Additional 15 hours	916	4,085	3,743
			<b>16,273</b>
<b>Central School Services Block</b>			
Ongoing responsibilities	44,427	40	1,776
Historic commitments			1,265
			<b>3,041</b>
<b>Additions to DSG</b>			
Two year olds	528	5,016	2,649
Early years pupil premium			125
<b>Total DSG Allocation</b>			<b>258,779</b>

## **Agenda Item 7**

### **Dedicated Schools Grant (DSG) 2018-2019 Forecast Outturn at First Review**

#### **Purpose of the Report**

1. The purpose of the report is to provide an update on the financial forecast outturn position for 2018-2019 for centrally held DSG as reported at the First Review. This is based on the position at July 2018.

#### **Recommendations**

2. The Forum is asked to note the First Review position on the DSG.

#### **Forecast Outturn**

3. The forecast outturn position for the centrally held DSG is a net overspend of £0.4m. This net forecast position includes the following key variances:-
  - There is a forecast overspend of £0.3m on 16-25 top up payments to FE colleges. This is due to an in year reduction in the DSG funding following the import/export adjustment of the high needs block.
  - Additionally there are increased forecast costs for placements at Independent and Non Maintained Special Schools of £0.3m which is partially offset by a forecast underspend of £0.2m on children placed in other Authority's schools.
  - Savings arising from staffing vacancies across the Education service are forecast at £0.1m.
  - The de-delegated schools budget, which is traditionally ring-fenced to maintained schools, is forecast to overspend by £56k. This is due to a higher forecast spend on the maternity leave contingency for primary schools.
4. On the assumption that the de-delegated balances are earmarked carry forwards for 2019-2020, the forecast net overspend for 2018-2019 is £0.35m, which is largely due to increased demand for SEN. Officers will continue to monitor the financial position and seek ways to mitigate the impact across all areas of the DSG, but Schools Forum should note that, in the first instance, this will be a call on the unapplied DSG carry forward from 2017-2018. In addition, the future year impact of any ongoing budget pressure arising this year will also need to be factored into the 2019-2020 budget, which will be presented for consideration in December.

#### **Next Steps**

5. To review the forecast DSG outturn position as part of the Second Review.

## **Agenda Item 8**

### **School Funding Arrangements for 2019-2020**

#### **Purpose of the Report**

1. The purpose of the report is to provide Schools Forum with details on the school funding arrangements for 2019-2020 following the publication by the Department for Education (DfE) in July 2018. The report also details the impact on Cheshire West and Chester and proposals for consulting with schools and Schools Forum on the arrangements for 2019-2020.

#### **Recommendations**

2. The Forum is asked to note the report, in particular the steps that have been taken by the Finance Sub Group to commence consultation with schools. A separate consultation document with schools and Schools Forum has been published prior to the 8 October meeting and Forum is asked to consider this document for discussion and recommendation at the meeting.

#### **Background**

3. In 2018-2019 the government introduced a National Funding Formula (NFF) for schools which replaced the previously historic basis for distributing Dedicated Schools Grant (DSG) funding for local authorities. It is the government's intention to move to a hard national funding formula for schools under which school allocations would be determined nationally without any local authority involvement. However, as the formula represents significant change and some elements are still yet to be addressed, and a 'soft' approach will be implemented until 2021-2022. Under a soft formula, local authorities will continue to determine, in conjunction with their schools and Schools Forum, the formula which will distribute the total funding to maintained schools and academies.

#### **NFF arrangements for schools and high needs for 2019-2020**

4. In July 2018, the DfE published arrangements for schools and high needs funding for 2019-2020 financial year. The operational guidance includes details on allocations for all funding blocks except for the early years block which is due in the autumn.
5. The structure of the NFF in 2019-2020 is not changing. Some elements of the formula are being updated and there are also some small technical improvements being made. In 2019-2020, the NFF will again set notional allocations for each school, which will be aggregated, and used to calculate the total schools block received by each local authority.

6. The DfE have published illustrative local authority and school level allocations for the schools block, high needs block and central school services block. These include the actual Primary Units of Funding and Secondary Units of Funding that will be used to calculate local authorities' actual schools block allocations in December 2018 (see appendix A). The provisional allocations for the high needs and central school services blocks will be further updated in December 2018. Spending plans beyond 2019-2020 for all blocks will be subject to the next spending review.

### **Changes to Schools Block Funding allocations**

7. The following areas of the NFF are being updated in 2019-2020, in line with the approach and commitments set out previously. These are:
- The minimum per pupil funding levels for secondary schools will increase to £4,800 and the minimum per pupil funding level for primary schools will increase to £3,500. A new minimum per pupil level for Key Stage 4-only schools of £5,100 will be introduced along with a change to Key Stage 3 levels in middle schools.
  - The funding floor will increase to ensure that all schools will attract at least a 1% gain per pupil against their 2017-2018 baselines.
  - The gains cap will increase to 6.09% per pupil against 2017-2018 baselines so that underfunded schools can gain a further 3% on top of the 3% they gained in 2018-2019.
  - The primary low prior attainment (LPA) factor value is being adjusted from £1,050 in 2018-19 to £1,022 to reflect the increasing cohort arising from changes made to the Early Years Foundation Stage Profile in 2013. The total proportion of spend on primary LPA is being maintained.
  - Funding for premises factors will continue to be based on the amount that local authorities planned to spend in the previous year plus an inflationary uplift for PFI. The long-term approach to premises factors in the NFF is being considered.

### **Growth funding allocations**

8. In 2018-2019, growth funding was allocated to local authorities based on what they had planned to spend on growth and falling rolls in 2018-2019. In 2019-2020, a formulaic approach to allocating growth funding to local authorities will be implemented to ensure that this funding is distributed fairly and consistently using the following approach:
- Growth allocations for 2019-2020 will be based on pupil data from the October 2018 census (and are therefore not yet reflected in the illustrative allocations but will be provided in the December indicative allocation).
  - Funding will be allocated to local authorities based on the actual growth in pupil numbers they experienced the previous year measured at middle layer super output area (MSOA)<sup>1</sup> level. MSOAs are small areas to enable 'pockets' of growth within local authorities to be identified. The increase in pupil numbers in each MSOA in the local authority between the two most recent October censuses will be counted. Only positive increases in pupil numbers will be included, so a local

authority with positive growth in one area, and negative growth in another, will not be denied growth funding.

- For each local authority, the growth factor will allocate £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. Local authorities are not expected to use these rates in their local arrangements for funding growth and allocations will not be made available at school level. Local authorities should continue to make decisions about growth funding locally as they do now and will continue to have the ability to 'top slice' their overall schools block funding to fund pupil number growth.

### **Changes to High Needs Block Funding allocations**

9. The basic structure of the high needs national funding formula in 2019-2020 is not changing. The allocation will be updated for changes in pupil numbers and their movement between local authorities (captured by the basic entitlement factor update and import/export adjustment). In addition, the funding floor will increase so all authorities will attract at least a 1% gain against their 2017-2018 baselines. The gains cap will increase to 6.09% compared to 2017-2018 baselines so that underfunded local authorities can gain a further 3% on top of the 3% they gained in 2018-2019 however this does not apply to Cheshire West and Chester as we did not gain from the NFF.

### **Hospital education**

10. In 2018-2019, local authorities were funded for hospital education on the basis of their planned spending in 2017-2018, plus a 0.5% uplift. The provisional high needs allocations for 2019-2020 will increase that uplift to 1% over 2017-2018 baselines. The DfE intention going forward is to combine local authority spending data with NHS data to develop a new, formulaic hospital education factor in the NFF, which better responds to the number of patients needing education. Options are to be consulted on in the autumn and changes could then be introduced to the final high needs allocations for 2019-2020. Any changes would not result in local authorities seeing a reduction in the hospital education factor amounts included in the provisional high needs allocations for 2019-2020.

### **Post 16**

11. Further changes on post 16 funding are to be communicated in the autumn including a proposal to replace element 1 funding with a flat rate instead of using the national post 16 funding formula.

### **Transfers between funding blocks**

12. The 99.5% schools block ring-fence will be maintained in 2019-2020 to ensure that the vast majority of schools block funding allocated to local authorities is passed directly to primary and secondary schools. Local authorities will have some flexibility to transfer funding to other areas, particularly high needs, where there is a strong local rationale for doing so. These transfers will continue to be limited to 0.5% of

local authorities' total schools block and will require the agreement of the schools forum and consultation with all local schools.

### **Overall deficits on local authorities' DSG accounts**

13. With effect from 2019-2020, the DfE intends to tighten 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. A report will be required from any local authority that has a DSG deficit of more than 1% as at 31 March 2019. This report will need to be discussed with the schools forum. Further consultation will be held during the autumn of 2018 about the implementation of these new rules. Cheshire West and Chester do not currently have a deficit balance and this would need to reach £2.5m before the 1% deficit would need to be reported.

### **Changes to Central School Services block allocations**

14. This block allocation comprises of formula funding for ongoing central LA commitments and protected funding for historic commitments. Funding for historic commitments in 2019-2020 will be allocated at the same level as in 2018-2019, with the expectation that spending will continue to reduce over time. From 2020-2021, the DfE expect to start to reduce the historic commitments element where authorities' expenditure has not reduced. This is so as not to maintain significant differences in funding indefinitely between local authorities, where these differences reflect historic decisions. Historic commitments in Cheshire West and Chester are the annually agreed combined budgets and prudential borrowing costs.

### **Approach to setting the Schools Block funding formula**

15. To continue to support a smooth transition to the hard formula, local authorities will continue to determine local formulae in 2019-2020 and 2020-2021 in consultation with local schools.
16. In 2018-2019, the DfE have reported that there has been considerable movement in local formulae towards the schools national funding formula. 73 local authorities have moved every one of their factor values in their local formulae closer to the national funding formula, with 41 mirroring the national funding formula factor values almost exactly. This was the case in Cheshire West and Chester with all of the formula values being matched exactly to the NFF. Following the decision to continue to release historic protection afforded to some schools through the Minimum Funding Guarantee, the Local Authority were also able to set a slightly higher Basic Entitlement value to the NFF and distribute more funding to all schools. 62 local authorities have set their minimum funding guarantee at 0.5%, meaning all schools in that area will gain in cash terms per pupil compared to 2017-2018, and 112 local authorities have brought in a minimum per pupil funding factor, mirroring its introduction in the national funding formula. Appendix B shows the current 2018-2019 formula values used in Cheshire West and Chester (CWAC) against the proposed NFF values for the Borough for 2019-2020.
17. The following changes will apply for the 2019-2020 formula

- The minimum funding guarantee (MFG) for schools will continue, and local authorities continue to have the flexibility to set a local MFG between minus 1.5% and plus 0.5% per pupil.
- As an alternative to MFG, a new funding floor factor will be introduced to enable local authorities to mirror the increase of 1% per pupil against 2017 -2018 baselines. However, local authorities needing to manage affordability in the context of changing pupil characteristics, high needs budget transfers or growth funding top slices should continue to use MFG to pass on gains to schools.
- Local authorities will no longer be able to set a primary weighting for low prior attainment because all results have been assessed under the new framework and there is therefore no longer a need to use a weighting. Secondary low prior attainment weightings from changes to KS2 however will carry forward to account for the differing assessments. This weighting will be confirmed in the autumn and local authorities will not be able to change the weighting, but will be able to adjust their secondary LPA unit value as in previous years.

### **Meeting of the Schools Forum Finance Sub Group**

18. The funding announcement was discussed with the Finance Sub Group of the Schools Forum on 18 September. In October 2017, a consultation was held with schools on the proposal to move the local funding formula in line with the NFF to be consistent with the direction of travel of central government. There are no proposals to reverse this decision and therefore the consultation required with schools for the next financial year will be limited to the changes and recurring annual decisions only.
19. Following consideration by the Schools Forum Finance Sub Group, the consultation will cover only four aspects of the formula: Minimum Funding Guarantee (MFG) protection, Minimum per Pupil Factor, transfer to high needs block, de-delegation of funding for maintained schools. This will therefore be a brief consultation in comparison to previous years and will be held for 24 September to 5 October 2018. Responses from the consultation will be presented to Schools Forum at the meeting of 8 October for a recommendation to be made to Cabinet at the November meeting.

### **Next steps**

20. The consultation with all schools and the Schools Forum on the proposals for 2019-2020 will take place at the beginning of October in order to gain Officer and Member approval on the principles of the school funding formula before the end of term. Final allocations for the 2019-2020 will not be received until December 2018 with the final funding formula to be agreed and submitted to the ESFA in January 2019.

## Appendix A Illustrative 2019-2020 DSG allocations compared to final 2018-2019

DSG Allocation Block	Final 2018-2019			Illustrative NFF allocation 2019-2020 (Sep 2018)			Change to 2018-2019 £000
	Pupil Numbers	Amount per pupil £	Allocation £000	Pupil Numbers	Amount per pupil £	Allocation £000	
<b>Schools Block</b>							
Primary unit of funding	27,116	3,999	108,427	27,116	4,009	108,719	292
Secondary unit of funding	17,311	5,003	86,610	17,311	5,034	87,147	538
Funding of growth and premises			3,906			3,894	-13
	<b>44,427</b>		<b>198,943</b>	<b>44,427</b>		<b>199,760</b>	<b>817</b>
<b>High Needs Block</b>							
2017-18 baseline			37,427				
0.5% growth			215				
Adjusted pupil numbers			105				
In year adjustments			-401				
			<b>37,346</b>			<b>37,752</b>	<b>406</b>
<b>Early Years Block</b>							
three and four year old free entitlement	5,053	2,451	12,384	5,053	2,451	12,384	
Maintained nursery supplementary			89	0	0	89	
Disability access funding		615	65	0	615	65	
Extended hours	2,171	2,451	5,321	2,171	2,451	5,321	
Two year olds	792	3,010	2,382	792	3,010	2,382	
Early years pupil premium			149	0	0	149	
			<b>20,391</b>			<b>20,391</b>	<b>0</b>
<b>Central School Services Block</b>							
Ongoing responsibilities	44,427	40	1,776	44,427	39	1,732	-44
Historic commitments			1,265			1,265	0
			<b>3,041</b>			<b>2,997</b>	<b>-44</b>
<b>Total DSG allocation</b>			<b>259,721</b>			<b>260,900</b>	<b>1,179</b>

## Appendix B 2018-2019 local formula values compared to 2019-2020 NFF values

Funding Factors	2018-19 CWAC formula values £	2019-20 NFF values £
Basic per-pupil funding		
Age Weighted Pupil Unit (AWPU): Primary	2,756.78	2,746.99
Age Weighted Pupil Unit (AWPU): Secondary - KS3	3,876.75	3,862.65
Age Weighted Pupil Unit (AWPU): Secondary - KS4	4,401.61	4,385.81
Minimum per pupil funding level	Primary £3,300 Secondary £4,500	Primary £3,500 Secondary £4,800
Additional needs funding		
Deprivation		
Current FSM top up (Pupils currently claiming FSM at the last census): Primary	441.57	441.57
Current FSM top up (Pupils currently claiming FSM at the last census): Secondary	441.57	441.57
FSM6 (Any pupil that has ever claimed FSM in the past 6 years): Primary	541.92	541.92
FSM6 (Any pupil that has ever claimed FSM in the past 6 years): Secondary	787.79	787.79
Income Deprivation Affecting Children Index (IDACI) band F: Primary	200.71	200.71
IDACI band F: Secondary	291.03	291.03
IDACI band E: Primary	240.85	240.85
IDACI band E: Secondary	391.39	391.39
IDACI band D: Primary	361.28	361.28
IDACI band D: Secondary	516.83	516.83
IDACI band C: Primary	391.39	391.39
IDACI band C: Secondary	561.99	561.99
IDACI band B: Primary	421.50	421.50
IDACI band B: Secondary	602.14	602.14
IDACI band A: Primary	577.05	577.05
IDACI band A: Secondary	812.88	812.88
Low prior attainment: Primary	1,053.74	1,025.64
Low prior attainment: Secondary	1,555.52	1,555.52
English as an additional language: Primary	516.83	516.83
English as an additional language: Secondary	1,389.93	1,389.93
School led funding		
Lump sum: Primary	110,391.60	110,391.60
Lump sum: Secondary	110,391.60	110,391.60
Sparsity: Primary	25,089.00	25,089.00
Sparsity: Secondary	65,231.40	65,231.40

**Cheshire West and Chester  
Schools Forum  
8 October 2018**

**Agenda Item 10**

**Schedule of meetings 2018-2019**

**Schools Forum** – all meetings 4.30pm – 6.30pm (refreshments at 4pm) unless otherwise stated

<b>Date</b>	<b>Venue</b>	<b>Proposed agenda</b>
Monday 10 December 2018	Queen's Park High School tbc	<ul style="list-style-type: none"> <li>• DSG 2018-2019 Forecast Outturn at Mid Year Review</li> <li>• Initial Planning for DSG Allocations for 2019-2020 and Budget Setting</li> </ul>
Monday 14 January 2019	Queen's Park High School tbc	<ul style="list-style-type: none"> <li>• Combined Budgets and Miscellaneous Expenditure</li> <li>• DSG Allocations for 2019-2020 and Budget Setting</li> <li>• Draft of 2019-2020 School Funding Formula for January submission</li> <li>• De-delegation – Proposals for 2019-2020</li> </ul>
Monday 11 February 2019	Queen's Park High School tbc	<ul style="list-style-type: none"> <li>• Early Years funding formula for February submission</li> <li>• Special Educational Needs (SEN) Funding for Mainstream and Special Schools – Funding from the High Needs Block 2019-2020</li> <li>• Central Spend budgets 2019-2020</li> <li>• DSG 2018-2019 Forecast Outturn at Third Review</li> </ul>
Monday 8 July 2019	Queen's Park High School tbc	<ul style="list-style-type: none"> <li>• School funding arrangements –national data comparison 2019-2020</li> <li>• School funding arrangements for 2020-2021</li> <li>• Directed revisions to schemes for financing schools</li> <li>• DSG 2018-2019 outturn</li> <li>• Financial year 2018-2019 analysis of schools balances (including Academies)</li> <li>• Basic needs capital programme</li> <li>• Annual review of Schools Forum membership, constitution and terms of reference</li> </ul>

**Schools Forum finance sub group – all meetings 2pm – 4pm unless otherwise stated.**

Tuesday 16 October 2018	Nicholas House G2
Tuesday 20 November 2018	Nicholas House G2
Tuesday 18 December 2018	tbc
Tuesday 22 January 2019	tbc
Tuesday 18 June 2019	tbc