

## Bristol Schools Forum

DRAFT Agenda Tuesday 10<sup>th</sup> January 2017 at 5.45pm, City Hall, IP09

**NB – please note meeting starts at 6.15 but refreshments available from 5.45pm**

|   | Start | Item   | Action | Owner | Paper    |
|---|-------|--|--------|-------|----------|
| 1 | 6.15  | Welcome & Briefing   | A      | Chair |          |
| 2 | 6.20  | Forum standing business <ul style="list-style-type: none"> <li>▪ Apologies for Absence</li> <li>▪ Confirmation meeting is quorate</li> <li>▪ Appointment of new members</li> <li>▪ Notification of Vacancies</li> <li>▪ Declarations of Interest</li> <li>▪ Forum expenses</li> </ul>  | A      | Clerk | Verbal   |
| 3 | 6.25  | Minutes of meeting held on 22 <sup>nd</sup> November 2016 <ul style="list-style-type: none"> <li>• Corrections and approval</li> <li>• Matters arising not covered on agenda               <ul style="list-style-type: none"> <li>○ Structure (PJ)</li> <li>○ Evidence of impact (JG)</li> <li>○ Membership list (PJ)</li> </ul> </li> </ul> | A      | Chair | Attached |
| 4 | 6.30  | Correspondence   | I      | Chair |          |
| 5 | 6.35  | Budget Monitor   | I      | WW    | Attached |
| 6 | 6.45  | Schools Block Budget   | C/De   | WW    | Attached |
| 7 | 7.25  | High Needs Update  | C      | AJ    | Attached |
| 8 | 7:40  | EY Budget Planning   | C      | SJ    | Attached |
| 9 | 8:00  | Any Other Business <ul style="list-style-type: none"> <li>•</li> </ul>   |        |       |          |

(\* ) A = Admin, I = Information, De = Decision required, C = Consultation, Di = Discussion

**Clerk:** Billy Forsythe email: [billy.forsythe@bristol.gov.uk](mailto:billy.forsythe@bristol.gov.uk)

Tel: 011792 23947 Parkview Campus

**Chair:** Carew Reynell (contact via clerk)



**FUTURE MEETINGS – All at City Hall – First Floor Writing Room**

| Date                        | Items   |
|-----------------------------|---|
| 28 <sup>th</sup> March 2017 | <ul style="list-style-type: none"><li>• Capital programme</li><li>• High Needs Update</li></ul> |
| 23 <sup>rd</sup> May 2017   | <ul style="list-style-type: none"><li>• High Needs Update</li></ul>                             |
| 11 <sup>th</sup> July 2017  | <ul style="list-style-type: none"><li>• Financial Outturn</li><li>• High Needs Update</li></ul> |

# Bristol Schools' Forum

## Minutes of the meeting held on Tuesday 22<sup>nd</sup> November 2016 at 18.15 hrs at City Hall

**Present:**

|                       |  |
|-----------------------|--|
| Jamie Barry           | Headteacher, Parson Street Primary             |
| Ebrima Bojang         | Governor, Summerhill Academy                   |
| Victoria Boomer       | Headteacher, Oasis Academy John Williams       |
| Karen Brown           | Governor, St Mary Redcliffe & Temple           |
| Tim Browse            | Headteacher, Hillcrest Primary                 |
| Jo Butler             | Headteacher, Cotham School                     |
| Colin Butterworth     | Governor, Endeavour Academy Trust              |
| Emma Cave             | Governor, Claremont School                     |
| Graham Diles          | Deputy Headteacher, St Mary Redcliffe & Temple |
| Tracy Jones           | Headteacher, Bannerman Road Primary            |
| Tom Merchant          | Representative, Support Staff                  |
| Aileen Morrison       | Headteacher, St Matthias Park                  |
| Ruth Pickersgill      | Governor, Rosemary Nursery                     |
| Dan Reed              | Governor, Air Balloon Hill Primary             |
| Carew Reynell (Chair) | Governor, Henbury Secondary                    |
| Sarah Rupperecht      | Governor, Elmlea Junior                        |
| Marie Thomas          | Headteacher, Hartcliffe Nursery                |
| Christine Townsend    | Governor, Whitehall Primary                    |
| Michelle Wills        | Representative, Teaching Professionals         |
| Mark Worsley          | Governor Representative, Bishop Road Primary   |

**In attendance:**

|                 |  |
|-----------------|--|
| Billy Forsythe  | Clerk to Schools Forum                                   |
| Michele Farmer  | Service Director, Early Intervention & Targetted Support |
| Jayne Griffiths | Early Help Manager                                       |
| Paul Jacobs     | Service Director, Education & Skills                     |
| Sally Jaeckle   | Head of Early Years Services                             |
| Annette Jones   | Head of Specialist Education & Access                    |
| Wendy Welsh     | Corporate Finance  |
| Travis Young    | Corporate Finance  |

**Observers:**

Claire Pring (St Barnabus), Sid Ryan (Bristol Cables), Anne Sheridan (Corporate Finance)

| Item  | Action |
|---|--------|
| <b>1. Welcome and introductions</b>   |        |
| The Chair opened the meeting at 18:15. It was agreed that Item 9 on the agenda would take place immediately after Item 5. |        |

|   |           |
|---|-----------|
| <p><b>2. Forum standing business</b></p>  |           |
| <p><b>Apologies</b><br/>Received from Yvonne Craggs, Marian Curran, Alan Gould, Paul Holroyd, Mary-Jane Hinchliffe, Alistair Perry, Cedric Sanguignol, Wendy Weston, David Yorath,</p> <p>Clerk confirmed meeting was quorate.</p> <p>New member Ebrima Bojang was welcomed to the meeting.</p> <p>Paul Holroyd has resigned as Special Head representative and a new representative will be proposed from the schools. Paul was thanked for his work on the Forum.</p> <p>Expenses – BF reminded colleagues that parking expenses could be reclaimed from WW.</p>  |           |
| <p><b>3. Minutes of the meeting held on 27<sup>th</sup> October</b></p>   |           |
| <p>Minutes of the meeting were accepted as accurate. AJ advised her title was incorrect in the attendees.</p> <p>Matters arising: Item 6 – PJ advised the revised structure forms part of the Strategic Overview presentation. Item 8 – WW will circulate the modelling for Looked After Children,</p> <p>Item 9 – a generic letter to parents was discussed at the Inclusion Reference Group who agreed not to proceed. CR asked that the request from the Forum for a letter be actioned. AJ will take forward.</p>   |           |
| <p><b>4. Correspondence</b></p>   |           |
| <p>None.</p>  |           |
| <p><b>5. Strategic Overview</b></p>   |           |
| <p>PJ gave an overview of the current situation nationally relating to the Education White Paper and Green Paper. Locally the budget pressures on the Council are outlined in the Corporate Plan and the Mayor’s proposals to adopt a three tier model and encourage citizens to help themselves with targeted support. The LA will be providing less and this model will also apply to schools. The Education Support Grant has been reducing for some years and previously the LA has absorbed the drop with the net income from TWS mitigating. The Government plans to remove the grant in April and there are no plans to replace it.</p> <p>Some Councils have decided to withdraw from education, some have diminished their role. Bristol is passionate about being one of the leaders in the system to avoid fragmentation.</p> <p>PJ will issue an update on the proposed structure before the end of term. An appointment has been made to the Head of School Partnership role. The Excellence in Schools Group continues to meet to pull the different CPD strands across the City together and reduce overlap and duplication.</p> | <p>PJ</p> |

|  |           |
|--|-----------|
| <p>Business options for the TwS model are being examined and will go to Council leadership to approve. Excellence in Schools Group will also review and agree.</p> <p>Q: How can we ensure the voice of the smaller Academies is heard in the Excellence in Schools Group?<br/>             A: It was agreed to have a balance of National MATs and local MATs from different parts of the City.</p> <p>Q: Will the reports and documents from Excellence in Schools be made public?<br/>             A: Bristol Learning City is developing an initial communication to update all schools. Legal advice was that Mayoral reports and decisions should be public but ordinary business decisions did not have to be. An annual report will go to Scrutiny.</p> <p>Q: is it clear if TwS profits go back to schools?<br/>             A: People Directorate have been covering a shortfall in ESG and using TwS income to mitigate. This is not documented and needs to be clarified.</p>  |           |
| <p><b>9. Early Help Project</b></p>  |           |
| <p>MF &amp; JG gave an update on the progress of the Early Help Project.</p> <p>JG stressed that the Project worked with whole families on a range of outcomes and also worked with Barnardos and Bristol Youth links. Many schools were dealing with children with difficult needs very well. Partnership Managers are visiting schools and working with them to make sure families are getting the support they need. Parenting support is key.</p> <p>JG advised there is an underspend of £280K and the proposal is for the Forum to agree this can be used to support a transition model as the Project closes.</p> <p>Discussion took place on the role of CCs and PRUs and the difficulty in getting direct CAMHS support.</p> <p>JG is meeting with Secondary Heads next week. It was acknowledged that the Secondary Heads see the safeguarding work as excellent but are not sure how much impact the other work has had.</p> <p>Q: The evidence of impact is not clear. Did the Project impact on real attendance at school?<br/>             A: JG to provide figures.</p> <p>Q: What will happen to the Family Support workers?<br/>             A: These are fixed term posts and will be deleted.</p> <p>CR proposed that the decision on the allocation of the underspend be considered as part of the budget proposal item on the agenda. The Forum agreed.</p> | <p>JG</p> |
| <p><b>6. High Needs Update</b></p>   |           |
| <p>AJ gave an update on the implication of the proposed measures.</p> <p>A School Safeguarding Audit has been very successful and the Team have been asked</p>   |           |

|  |                     |
|--|---------------------|
| <p>to develop an Inclusion Audit on the same lines. AJ will report back to Forum in January.</p> <p>The Bristol Inclusion Panel has been set up with Secondary heads and the Inclusion Team to reduce the cost of exclusions. The ALP hub has developed a solid partnership and is reducing the costs of block contacts. Similar work is underway with Primary Heads.</p> <p>Band funding has been reviewed by the Task &amp; Finish Group and changes made to the banding. AJ confirmed that the clawback does not refer to surpluses.</p> <p>Q: Is there a Terms of Reference document for the Inclusion group and a list of members?<br/>         A: A draft TOR has been written and is being agreed with the group. The Group is looking for representatives from SENCOs &amp; SBMs. AJ will issue TOR &amp; membership list.</p> <p>Q: What is the annual contribution for ALP?<br/>         A: Sec Heads contribute £7.5K per year</p> <p>Q: How can Special schools plan for the retrospective reduction in top up values as Management of Change (MOC) can take months?<br/>         A: Work on this started with Special schools in the summer and the decisions were made in September to get the budgets back in line.</p> <p>Q: Early Help are asking for £200K to plan for the transition so why are schools not getting any leeway or extra money to help plan for these top up changes?<br/>         A: The budget deficit was there and any delays would make it worse so the LA had to make a judgement call.<br/>         MF added that the money requested is not to manage the change but to keep the work going to support schools.</p> <p>Concerns were raised about the process of the top up panels and the lack of clear communication. The Learning Improvement Team were missed.</p> <p>AJ outlined the complex and robust nature of the top up panels to ensure the decisions were made equitably. There were teething problems with the administration and this is being addressed. Decisions should be with schools by the end of the week.</p> | <p>AJ</p> <p>AJ</p> |
| <p><b>7. Budget Planning</b></p>   |                     |
| <p>WW presented the report.</p> <p>Recommendations are</p> <ul style="list-style-type: none"> <li>a) Keep the formula factors for 17/18 the same as 16/17 as set out in 4.12</li> <li>b) Maintain deprivation factors at 16/17 levels</li> <li>c) Top slice ESG to offset reduction in DSG</li> </ul> <p>WW advised that the formula allocation was set out in Table 1:</p>  |                     |

|   |                               |
|---|-------------------------------|
| <p><b>EY Block</b><br/>Agreed</p> <p><b>High Needs Block</b><br/>There will be an overspend of £5m by end of next year.</p> <p>Q: Will this ever be addressed?<br/>A: This was previously vired from Schools Block but this could be locked in as part of the National funding formula so the deficit needs to be addressed now.</p> <p>Q: What is the time frame?<br/>A: The EFA could challenge and the LA would need to enter into an agreement to re-cover.</p> <p>Q: If this doesn't work could the Government take over the running of the Council?<br/>A: The High Needs deficit will not impact on the Council deficit and would be treated separately. Other core cities have lower costs and we need to work out how to live within our means.</p> <p>Q: Have all costs been looked at to reduce?<br/>A: Yes – Hospital Education, Resource Bases, staffing etc. This could be itemised in a future report.</p> <p>Q: Is the overspend related to People costs?<br/>A: No- it is the level of top ups.</p> <p>Forum expressed concern about the medium term implication of the High Needs deficit and asked for a further report on how the reduction can be achieved. Forum is not agreeing that the LA can transfer money at this point.</p> <p><b>Schools Block</b><br/>Discussion took place on AWPU and deprivation and whether it was right to reduce AWPU or look at deprivation.</p> <p>If AWPU is reduced the Minimum Funding Guarantee will rise to ensure no school loses more than 1.5%. However some schools rely on AWPU as they do not get any deprivation funding.</p> <p>The reduction coupled with the new apprentice levy will hit some schools very hard.</p> <p>Concern was raised that any topslice in the ESG could be a double reduction for Academies.</p> <p>Forum asked for a report on DSG, ESG &amp; TwS with greater detail. Also a review of whether we need to keep funding for falling rolls in the current climate. The Early Help underspend should also be considered.</p> <p>Forum agreed to defer the decision to the next meeting. The next planned meeting will be after the DfE deadline for the LA to present the budget. Agreed to bring the meeting forward. BF to check for earlier dates in January and advise Forum. <b>NB Forum date moved to 10<sup>th</sup> January 2017.</b></p> | <p>AJ</p> <p>WW</p> <p>BF</p> |
|---|-------------------------------|

**8. De-delegation**

CR outlined the votes that needed to be taken following the consultation. Secondary schools voted last year not to de-delegate Behaviour Support so this should not have been included this year.

BF advised the members present who were eligible to vote – GD & KB for maintained Secondary schools; TB, DR, CT & MW for maintained Primaries.

Voting was as follows:

**PRIMARY**

|    | Budget Area to de-delegate       | For | Against |                            |
|----|----------------------------------|-----|---------|----------------------------|
| 1  | Premises & Employee insurance    | 4   | 0       |                            |
| 2  | Maternity Cover                  | 4   | 0       |                            |
| 3  | Schools in Financial Difficulty  | 4   | 0       |                            |
| 4  | Trade Union Facility Time        | 4   | 0       |                            |
| 5  | Roving health & Safety Reps      | 4   | 0       |                            |
| 6  | Behaviour Improvement Team       | 0   | 3       | De-delegation not approved |
| 7  | Education Psychology             | 4   | 0       |                            |
| 8  | FSM Assessment                   | 4   | 0       |                            |
| 9  | Targeted Support Primary Schools | 0   | 4       | De-delegation not approved |
| 10 | Teach & Learning Consultants     | 4   | 0       |                            |

**SECONDARY**

|   | Budget Area to de-delegate    | For | Against |
|---|-------------------------------|-----|---------|
| 1 | Premises & Employee insurance | 2   | 0       |
| 2 | Maternity Cover               | 2   | 0       |
| 3 | Trade Union Facility Time     | 2   | 0       |
| 4 | Roving health & Safety Reps   | 2   | 0       |
| 5 | Behaviour Improvement Team    | N/A | N/A     |
| 6 | Education Psychology          | 2   | 0       |
| 7 | FSM Assessment                | 2   | 0       |

**10. AOB**

None

The meeting closed at 20:25hrs

**Bristol Schools Forum**  
**DSG Budget Monitor 2016/17**

|                         |                   |
|-------------------------|-------------------|
| <b>Date of meeting:</b> | 10th January 2017 |
| <b>Time of meeting:</b> | 6.15 pm           |
| <b>Venue:</b>           | City Hall         |

**1. Purpose of report**

- 1.1 To update the Schools Forum on the projected expenditure of the Dedicated Schools Grant (DSG) for 2016/17.

**2. Recommendation**

- 2.1 To note the report.

**3. Financial Implications**

- 3.1 The current 2016/17 DSG forecast as at 30th November 2016 is as follows:

Table 1

|                                    | Budget<br>£000 | Forecast Outturn<br>(November 2016)<br>£000 | Projected Variance<br>Over/(under)spend<br>£000 |
|------------------------------------|----------------|---|---|
| SB Admissions                      | 461            | 461   | 0   |
| SB Centrally Retained              | 5,522          | 4,349                                       | (1,173)   |
| SB Formula                         | 97,252         | 97,252                                      | 0   |
| <b>Schools Block</b>               | <b>103,235</b> | <b>102,062</b>                              | <b>(1,173)</b>                                  |
| EY Single Funding Formula          | 19,757         | 19,699                                      | (58)  |
| EY Contingency                     | 1,757          | 2,414                                       | 657   |
| EY 2 Year Old Funding              | 3,955          | 3,955                                       | 0   |
| EY Pupil Premium (EYPP)            | 279            | 279   | 0   |
| EY Additional Support Services     | 868            | 861   | (7)   |
| EY Portage                         | 324            | 305   | (18)  |
| EY SEN Top up                      | 750            | 750   | 0   |
| EY Staffing                        | 2,071          | 1,975                                       | (96)  |
| EY Small capital works             | 746            | 785   | 39  |
| <b>Early Years Block</b>           | <b>30,507</b>  | <b>31,024</b>                               | <b>517</b>                                      |
| HN Commissioned Services           | 3,326          | 3,072                                       | (254)   |
| HN Core Place Funding              | 11,471         | 11,252                                      | (218)   |
| HN Staffing                        | 1,033          | 723   | (310)   |
| HN Top Up                          | 20,093         | 21,964                                      | 1,871   |
| HN Placements                      | 5,367          | 6,797                                       | 1,430   |
| HN Pupil Support                   | 873            | 1,472                                       | 598   |
| HN Schools In Financial Difficulty | 400            | 400   | 0   |
| HOPE Virtual School                | 496            | 467   | (28)  |
| HN 15/16 Overspend carried forward | (1,894)        | 0   | 1,894   |
| <b>High Needs Block</b>            | <b>41,164</b>  | <b>46,147</b>                               | <b>4,983</b>                                    |
| <b>Total</b>                       | <b>174,907</b> | <b>179,233</b>                              | <b>4,327</b>                                    |

- 3.2 During 2016/17 the amount of DSG allocated by the Department for Education, (DfE), is updated to take account of updated census figures and any transfers of schools to Academy status. Appendix A provides the revised DSG allocations for Bristol City Council.
- 3.3 There is a projected underspend on the Schools Block centrally retained expenditure due to the growth fund. Appendix B shows the growth fund spend detailed by sector and category and the use of the Falling Rolls fund.
- 3.4 The projected overspend on Early Years is due to demands made on the contingency budget. The contingency budget is required to fund demand fluctuations during the year as a result of census data. A response is awaited from the DfE with regards to a query raised regarding their interpretation of data submitted to them which could potentially result in further funding being allocated for 2016/17.
- 3.5 The forecast overspend on the High Needs block of £3.09m, plus £1.9m carried forward from 2015/16, is described in more detail in the Update on High Needs report. That report also outlines the Local Authority's proposed mitigating actions in order to address the growing demands placed on the limited High Needs resource.
- 3.6 Overall, there is a projected overspend of £4.3m on the DSG for the 2016/17 financial year. Any overspend at the year end will have to be carried forward to 2017/18 in accordance with the DfE guidelines. Therefore for the remainder of the financial year it is important that efforts are made to reduce the level of overspend that is likely to be carried forward.

## **Appendix A - 2016/17 Dedicated Schools Grant Update**

### **Background**

The DfE make amendments to the DSG during the year and inform the LA of these changes. These changes are generally due to updated data received by the EFA following completion of various returns. The LA must inform the Schools Forum of these changes and the S.151 Officer must sign a certificate, stating that the Schools Forum have been informed of the original DSG as at 1 April 2016, and the updated figures.

### **Updated DfE Funding Allocations for 2016/17**

Table 2 on the following page shows the changes to the DSG from the original funding allocations to the revised figures as at November 2016.

The Schools Block figures have not changed.

The Early Years Block value has been updated for figures in the Early Years January 2016 census. There has been a decrease in the Number on Roll of 162, which when multiplied by the Early Years per pupil rate of £5,787.81 results in a decrease of funding of £937k. The reduction in numbers has also impacted the Pupil Premium, which is down £269k.

The 2 year old allocation to the Early Years Block was also reduced, as a result of 97 fewer children. This resulted in a reduction of funding of £467k.

The High Needs Block has decreased by £251k to reflect updated data from the EFA regarding High Needs places funded directly by them.

The deductions for the academy recoupments has increased by £168k for those schools that have become academies since the original 2016/17 DSG funding was announced in December 2015.

Table 2

|   | Per Pupil<br>£ | Original Pupil No's | Updated Pupil No's Nov-16 | Non-Recoupment Academies Transfer<br>£,000 | DfE Original Allocations<br>£,000 | DfE Funding Changes Nov-16<br>£,000 | DfE Revised Allocations Nov-16<br>£,000 |
|---|----------------|---------------------|---------------------------|--|-----------------------------------|-------------------------------------|---|
| Schools Block (Maintained & Recoupment Academies) | 4,754.72       | 50,599              | 50,599                    | 0  | 240,584                           | -                                   | 240,584                                 |
| Early Years Block                                 | 5,787.81       | 4,523               | 4,361                     |  | 26,178                            | (937)                               | 25,241                                  |
| High Needs Block                                  | N/A            |                     |                           |  | 43,303                            | -                                   | 43,303                                  |
| 2 year old entitlement                            | 4,816.50       | 818                 | 721                       |  | 3,940                             | (467)                               | 3,473                                   |
| Indicative Early Years Pupil Premium              |                |                     |                           |  | 548                               | (269)                               | 279                                     |
| NQT   |                |                     |                           |  | 73                                | -                                   | 73                                      |
| <b>Total DSG before Recoupment</b>                |                |                     |                           |  | <b>314,626</b>                    | <b>(1,673)</b>                      | <b>312,953</b>                          |
| Academy Recoupment (paid direct by EFA)           |                |                     |                           |  | (133,383)                         | (168)                               | (133,551)                               |
| High Needs Deductions (paid direct by EFA)        |                |                     |                           |  | (4,413)                           | (251)                               | <b>(4,664)</b>                          |
| <b>Total DSG after Recoupment</b>                 |                |                     |                           |  | <b>176,830</b>                    | <b>(2,092)</b>                      | <b>174,738</b>                          |

**Appendix B – 2016/17 Growth Fund and Falling Roll Fund Allocations**

Table 3

| <u>Growth Fund: Category of spend</u>         | £         |
|---|-----------|
| 2016-17 Planned Primary Growth                | 1,598,796 |
| New Schools - Start-Up & Post Opening Funding | 231,750   |
| In-year Bidding Pot                           | 13,611    |
| Academy Recoupment - April-August 2016        | 687,274   |
| Additional Payments                           | 43,427    |
|   | 2,574,859 |
| Original budget                               | 3,000,000 |
| Additions (recoupment adjustment for growth)  | 687,274   |
| Revised budget                                | 3,687,274 |
| Total commitment/anticipated spend            | 2,574,859 |
| Variance                                      | 1,112,415 |

| <u>Falling Roll Fund</u>           | £       |
|------------------------------------|---------|
| In-year Bidding Pot (two schools)  | 360,000 |
|                                    | 360,000 |
| Original budget                    | 400,000 |
| Additions                          | 0       |
| Revised budget                     | 400,000 |
| Total commitment/anticipated spend | 360,000 |
| Variance                           | 40,000  |

**Bristol Schools Forum**  
**Dedicated Schools Grant Schools Block 2017/18**

|                         |                               |
|-------------------------|-------------------------------|
| <b>Date of meeting:</b> | 10 <sup>th</sup> January 2017 |
| <b>Time of meeting:</b> | 6.15 pm                       |
| <b>Venue:</b>           | City Hall                     |

### **1. Purpose of report**

- 1.1 To enable Schools Forum to determine the use of the 2017/18 Schools Block of the Dedicated Schools Grant (DSG).

### **2. Recommendation**

- 2.1 That Forum approves a Growth Fund budget of £3.0m, as in previous years.
- 2.2 That Forum establishes a budget of £0.4m to meet the anticipated cost of increases in school non-domestic rates bills in 2017/18, funded from the budget previously held for Falling Rolls.
- 2.3 That Forum approves Centrally Retained budgets within the Schools Block at the same cash values as for 2016/17 (£1.896m), (as per Table 2).
- 2.4 That Forum approves the allocation of the sum added by the DfE to the Schools Block for Local Authority (LA) retained duties (£15 per pupil) for these purposes.
- 2.5 That Forum (maintained school representatives) approves the de-delegation of £51.47 per pupil from maintained school formula allocations, to maintain specific services previously funded from the general duties element of ESG.
- 2.6 That Forum decides whether to allocate the uncommitted one-off sum of £280k in the Early Intervention budget
- i) to facilitate the transition of cases from Early Intervention to schools
  - or ii) to help to offset the cumulative High Needs overspending.
- 2.7 That Forum notes the formula values set out in Appendix A.

### **3. Background**

- 3.1 The LA must consult the Schools Forum on the use of DSG. In particular, the Forum is responsible for deciding on:
- the choice of formula factors;
  - de-delegations;
  - the level of centrally retained expenditure;
  - any Growth or Falling Rolls funds.
- 3.2 The LA must consult on its proposals for any transfers between blocks and for the financial values to be attached to formula factors.
- 3.3 At previous meetings, Forum has decided which factors to use in the funding formula for 2017/18. Therefore, this report covers the other issues. Since the November meeting of the Forum:
- issues raised at that meeting have been considered;
  - the final DfE Operational Guide to Schools Revenue Funding 2017/18 has been reviewed; and
  - final figures for 2017/18 DSG have been received.
- 3.4 It should also be noted that the DfE has confirmed its intention to implement a new National Funding Formula from 2018/19. A workshop on the implications of this, including transitional arrangements, will take place on 24th January 2017 at 6.15pm at City Hall.

### **Growth Fund, Falling Rolls and non-domestic rates**

- 3.5 A national revaluation of non-domestic rates will come into effect on 1st April 2017. It is anticipated that this will result in an overall increase in costs for Bristol schools, but with differential effects between schools. However, details are not yet known and therefore cannot be built into 2017/18 formula allocations.
- 3.6 In previous years, in-year variations in rates bills have been met by allocations from centrally-held Schools Block funds. However, the impact in 2017/18 is expected to be much greater. It is therefore proposed that a provision of £0.4m is established to meet increased costs, to mitigate any differential effect between schools.
- 3.7 It is proposed that this is financed by deleting the centrally-held budget for Falling Rolls (£0.4m in previous years). It is thought unlikely that any schools will qualify under the Falling Rolls scheme in 2017/18.
- 3.8 It is proposed that a provision of £3.0m is retained for the Growth Fund, as in previous years. An amended Growth Fund scheme was recently

approved by Forum. An underspending is projected for 2016/17, as numbers in the primary sector have stabilised, but growth in the secondary sector is now anticipated. If there is an underspending in 2017/18, it will be set against the cumulative High Needs overspending, as is proposed for 2016/17.

## Central services and ESG

3.9 As previously reported, the DfE is drastically reducing the level of ESG paid to LAs. For 2017/18, funding for services supporting schools will be available from the following sources:

- the Centrally Retained budgets historically financed through the Schools Block (£1.896m);
- an allocation for retained LA duties, which has been added to the Schools Block at £15 per pupil (maintained schools and academies: estimated £0.843m);
- transitional general duties funding at £20 per pupil (maintained only; estimated £0.465m);
- a new School Improvement Grant, allocated on the basis of the number of maintained schools (estimated at £0.050m);
- a possible allocation from a national Strategic School Improvement Fund - details awaited.

3.10 It is estimated that this funding will fall £1.197m short of the amount spent on supporting schools in 2016/17. The Local Authority has been reducing costs through re-shaping services, reducing staffing costs and developing the traded offer for schools. The net income from Traded with Schools provides one mitigation to this shortfall. It is clear that the introduction of the National Funding Formula will mean that services additional to statutory core will have to be traded from 2018/19. However, Bristol is keen to secure a 'safe' transition by working in partnership with schools to develop new ways of working. The proposals in this paper would reduce further the funding for central education services but provide a phased transition. The DfE has proposed that further sums may be 'de-delegated' from maintained school formula allocations, to support the transition to new models of service delivery.

3.11 Details of 2016/17 spending on supporting schools are set out in Table 1.

## Table 1

| <b>Service Area</b>                               | <b>Funding<br/>£</b> |
|---|----------------------|
| Early Years sufficiency & quality duties (not CC) | 898,530              |
| School Partnerships: Sufficiency & quality duties | 366,670              |
| Education Psychology                              | 128,190              |
| SEN Parent Support/Mediation                      | 466,531              |
| Special Schools sufficiency & quality             | 53,310               |
| Attendance  | 44,630               |
| Fair Access                                       | 330,177              |
| HR (statutory)                                    | 70,700               |
| Finance (statutory)                               | 5,000                |
| Governors (statutory)                             | 81,650               |
| SACRE   | 21,000               |
| Equalities  | 8,570                |
| IT (statutory returns etc)                        | 44,890               |
|   | 35,000               |
| <b>TOTAL</b>                                      | <b>2,554,848</b>     |

3.12 It is proposed that the Centrally Retained elements of the Schools Block are set at the same cash values as in 2016/17, as shown in Table 2.

Table 2

| <u>Centrally Retained elements</u> | <u>£m</u>    |
|------------------------------------|--------------|
| Admissions                         | 0.461        |
| Licences                           | 0.247        |
| Schools Forum                      | 0.023        |
| Combined Services                  | 0.599        |
| Prudential Borrowing               | 0.566        |
| <b>Sub-total</b>                   | <b>1.896</b> |
| Growth                             | 3.000        |
| Falling Rolls / NNDR               | 0.400        |
| <b>Total centrally retained</b>    | <b>5.296</b> |

- 3.13 It is proposed that the sum added by the EFA to the DSG Schools Block allocation for LA retained duties is kept by the LA and used in support of services formerly funded by the ESG.
- 3.14 In addition, it is proposed that de-delegation of a sum of £51.47 from maintained school formula allocations is approved by Forum, specifically to finance these services above the statutory minimum. This would fund, for example, the core offer from school improvement, education welfare and inclusion. An urgent consultation with maintained schools is being undertaken, the results of which will be reported to the Forum.
- 3.15 If the amount of School Improvement grant the LA receives is substantially greater than the minimum £50k, then the LA would refund to maintained schools an element of the de-delegated budgets received.

### **Early Intervention**

- 3.15 It has previously been reported that £280k remains uncommitted from the one-off money allocated by Forum for Early Intervention. Use of this money would ease the transition of cases from the Early Intervention project to schools. Alternatively, the money could be set against the cumulative High Needs spending.

## **4. Financial Implications**

- 4.1 The Schools Block settlement for 2017/18 is £244.1m. Fully utilizing this for formula funding and the proposals set out above results in the formula values set out in Appendix A. Appendix B shows the formula allocation for 2016/17.
- 4.2 Table 3 shows the formula allocation which maximizes the affordable AWPU.

Table 3

|  | £           |
|--|-------------|
| Schools Block settlement 2017/18       | 244,116,899 |
| Full cost of formula                   | 237,971,899 |
| Balance remaining                      | 6,145,000   |
| Less:                                  |             |
| Growth Fund                            | (3,000,000) |
| Provision for NNDR (was Falling Rolls) | (400,000)   |
| Topslice for central spend             | (1,900,000) |
| Topslice for centrally retained duties | (845,000)   |
| Balance remaining                      | 0           |

- 4.3 This approach is in line with the direction of travel towards the National Funding Formula whereby the DfE is seeking to maximize the funding attributed to pupil led factors.

## 5. Glossary of Terms

|      |                             |
|------|-----------------------------|
| DfE  | Department for Education    |
| DSG  | Dedicated Schools Grant     |
| ESG  | Education Services Grant    |
| LA   | Local Authority             |
| MFG  | Minimum Funding Guarantee   |
| NNDR | National Non Domestic Rates |

Local Authority Funding Reform Proforma

APPENDIX A DSG SCHOOLS BLOCK SCHOOL FORMULA VALUES  
SCHOOLS FORUM 10th JANUARY 2017

|            |                  |
|------------|------------------|
| LA Name:   | Bristol, City of |
| LA Number: | 801              |

Pupil Led Factors

| 1) Basic Entitlement<br>Age Weighted Pupil Unit (AWPU) | Reception uplift                                     | No                       | Pupil Units                |                                    | 0.00  |            | Total        | Proportion of total pre MFG funding (%) | Notional SEN (%)         |                            |
|--|--|--------------------------|----------------------------|------------------------------------|---|------------|--------------|---|--------------------------|----------------------------|
|  | Description  | Amount per pupil         | Pupil Units                |                                    | Sub Total   |            |              |   | Primary Notional SEN (%) | Secondary Notional SEN (%) |
|  | Primary (Years R-6)                                  | £2,927.16                | 35,479.00                  |                                    | £103,852,563  |            | £176,517,294 | 43.93%                                  | 10.00%                   |                            |
|  | Key Stage 3 (Years 7-9)                              | £4,175.98                | 10,666.00                  |                                    | £44,541,010   |            |              | 18.84%                                  | 10.00%                   |                            |
|  | Key Stage 4 (Years 10-11)                            | £4,403.97                | 6,386.00                   |                                    | £28,123,721   |            |              | 11.90%                                  | 10.00%                   |                            |
| 2) Deprivation   | Description  | Primary amount per pupil | Secondary amount per pupil | Eligible proportion of primary NOR | Eligible proportion of secondary NOR                          | Sub Total  | Total        | Proportion of total pre MFG funding (%) | Primary Notional SEN (%) | Secondary Notional SEN (%) |
|  | FSM % Primary  | £243.86                  |                            | 6,386.61                           |   | £1,557,446 | £23,775,709  | 10.06%                                  | 10.00%                   |                            |
|  | FSM % Secondary                                      |                          | £270.00                    |                                    | 3,161.00  | £853,480   |              |   | 10.00%                   | 10.00%                     |
|  | IDACI Band F   | £349.29                  | £349.29                    | 4,364.22                           | 2,115.55  | £2,263,344 |              |   | 10.00%                   | 10.00%                     |
|  | IDACI Band E   | £419.15                  | £419.15                    | 3,615.28                           | 1,746.59  | £2,247,442 |              |   | 10.00%                   | 10.00%                     |
|  | IDACI Band D   | £558.87                  | £558.87                    | 1,992.76                           | 1,077.28  | £1,715,752 |              |   | 10.00%                   | 10.00%                     |
|  | IDACI Band C   | £698.59                  | £698.59                    | 3,032.07                           | 1,527.44  | £3,185,217 |              |   | 10.00%                   | 10.00%                     |
|  | IDACI Band B   | £838.30                  | £838.30                    | 5,675.52                           | 2,738.46  | £7,053,478 |              |   | 10.00%                   | 10.00%                     |
| IDACI Band A   | £1,397.17  | £1,397.17                | 2,340.74                   | 1,166.02                           | £4,899,551  | 10.00%     |              |   | 10.00%                   |                            |
| 3) Looked After Children (LAC)                         | Description  | Primary amount per pupil | Secondary amount per pupil | Eligible proportion of primary NOR | Eligible proportion of secondary NOR                          | Sub Total  | Total        | Proportion of total pre MFG funding (%) | Primary Notional SEN (%) | Secondary Notional SEN (%) |
|  | LAC X March 16                                       |                          | £0.00                      |                                    | 270.92  | £0         | £3,203,485   | 0.00%                                   |                          | 0.00%                      |
| 4) English as an Additional Language (EAL)             | EAL 2 Primary  | £800.00                  |                            | 3,399.12                           |   | £2,719,295 |              | 1.36%                                   | 0.00%                    |                            |
|  | EAL 2 Secondary                                      |                          | £1,200.00                  |                                    | 403.49  | £484,190   |              | 0.00%                                   | 0.00%                    | 0.00%                      |
| 5) Mobility  | Pupils starting school outside of normal entry dates | £0.00                    | £0.00                      | 544.60                             | 422.80  | £0         |              |   | 0.00%                    | 0.00%                      |
| 6) Prior attainment                                    | Description  | Weighting                | Amount per pupil           | Percentage of eligible pupils      | Eligible proportion of primary and secondary NOR respectively | Sub Total  | Total        | Proportion of total pre MFG funding (%) | Primary Notional SEN (%) | Secondary Notional SEN (%) |
|  | Low Attainment % new EFSP                            | 100.00%                  | £700.00                    | 39.63%                             | 11,445.38   | £8,011,766 | £12,008,875  | 5.08%                                   | 100.00%                  |                            |
|  | Low Attainment % old FSP 73                          |                          |                            | 14.97%                             |   |            |              |   |                          |                            |
|  | Secondary low attainment (year 7)                    | 48.02%                   |                            | 22.80%                             |   |            |              |   |                          |                            |
| Secondary low attainment (years 8 to 11)               |  | £1,000.00                | 23.62%                     | 3,997.11                           | £3,997,109  |            |              |   | 100.00%                  |                            |

Other Factors

| Factor  | Lump Sum per Primary School (£) | Lump Sum per Secondary School (£)                       | Lump Sum per Middle School (£) | Lump Sum per All-through School (£)               | Total (£)   | Proportion of total pre MFG funding (%) | Notional SEN (%) |        |  |
|---|---------------------------------|---|--------------------------------|---|-------------|---|------------------|--------|--|
| 7) Lump Sum   | £125,000.00                     | £125,000.00   |                                |   | £15,875,000 | 6.72%                                   | 20.00%           | 20.00% |  |
| 8) Sparsity factor  | £0.00                           | £0.00   | £0.00                          | £0.00   | £0          | 0.00%                                   | 0.00%            | 0.00%  |  |
| Please provide alternative distance and pupil number thresholds for the sparsity factor below. Please leave blank if you want to use the default thresholds. Also specify whether you want to use a tapered lump sum for one or both of the phases. |                                 |   |                                |   |             |   |                  |        |  |
| Primary distance threshold (miles)  |                                 | Primary pupil number average year group threshold       |                                | Fixed or tapered sparsity primary lump sum?       | Fixed       |   |                  |        |  |
| Secondary distance threshold (miles)  |                                 | Secondary pupil number average year group threshold     |                                | Fixed or tapered sparsity secondary lump sum?     | Fixed       |   |                  |        |  |
| Middle schools distance threshold (miles)   |                                 | Middle school pupil number average year group threshold |                                | Fixed or tapered sparsity middle school lump sum? | Fixed       |   |                  |        |  |
| All-through schools distance threshold (miles)  |                                 | All-through pupil number average year group threshold   |                                | Fixed or tapered sparsity all-through lump sum?   | Fixed       |   |                  |        |  |
| 9) Fringe Payments  |                                 |   |                                |   | £0          | 0.00%                                   |                  |        |  |

|   |       |                     |   |                    |
|---|-------|---------------------|---|--------------------|
| 10) Split Sites   |       | £548,866            | 0.23%                                   |                    |
| 11) Rates   |       | £2,500,746          | 1.06%                                   |                    |
| 12) PFI funding   |       | £1,966,482          | 0.83%                                   |                    |
| 13 ) Exceptional circumstances (can only be used with prior agreement of EFA)   |       |                     |   |                    |
| Circumstance  |       | Total (£)           | Proportion of total pre MFG funding (%) | Notional SEN (%)   |
| Additional lump sum for schools amalgamated during FY16-17  |       | £0                  | 0.00%                                   | 20.00%   20.00%    |
| Additional sparsity lump sum for small schools  |       | £0                  | 0.00%                                   |                    |
| Exceptional Circumstance3   |       | £0                  | 0.00%                                   |                    |
| Exceptional Circumstance4   |       | £0                  | 0.00%                                   |                    |
| Exceptional Circumstance5   |       | £0                  | 0.00%                                   |                    |
| Exceptional Circumstance6   |       | £0                  | 0.00%                                   |                    |
| <b>Total Funding for Schools Block Formula (excluding MFG Funding Total) (£)</b>                                      |       | <b>£236,396,457</b> | <b>100.00%</b>                          | <b>£35,213,175</b> |
| 14) Minimum Funding Guarantee (MFG is set at -1.5%)   |       | £3,466,096          |   |                    |
| Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)                       |       | Yes                 |   |                    |
| Capping Factor (%)  | 0.01% | Scaling Factor (%)  | 100.00%                                 |                    |
| Total deduction if capping and scaling factors are applied  |       | -£1,890,654         |   |                    |
|   |       | Total (£)           | Proportion of Total funding(%)          |                    |
| MFG Net Total Funding (MFG + deduction from capping and scaling)  |       | £1,575,442          | 0.66%                                   |                    |
| High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved) |       |                     |   |                    |
| Additional funding from the high needs budget   |       | £0.00               |   |                    |
| Growth fund (if applicable)   |       | £3,000,000.00       |   |                    |
| Falling rolls fund (if applicable)  |       | £0.00               |   |                    |
| <b>Total Funding For Schools Block Formula</b>  |       | <b>£237,971,899</b> |   |                    |
| <b>% Distributed through Basic Entitlement</b>  |       | <b>74.67%</b>       |   |                    |
| <b>% Pupil Led Funding</b>  |       | <b>91.16%</b>       |   |                    |
| <b>Primary: Secondary Ratio</b>   |       | <b>1 : 1.29</b>     |   |                    |
| Total funding for schools block formula contains funding from outside of the 2017-18 Schools Block allocation?        |       | No                  |   |                    |

Local Authority Funding Reform Proforma

APPENDIX B DSG SCHOOLS BLOCK FORMULA VALUES  
SCHOOLS FORUM 10th JANUARY 2017

|            |                  |
|------------|------------------|
| LA Name:   | Bristol, City of |
| LA Number: | 801              |

Pupil Led Factors

| 1) Basic Entitlement<br>Age Weighted Pupil Unit (AWPU)        | Reception uplift                                     | No                       | Pupil Units                |   |   | 0.00         | Total      | Proportion of total pre MFG funding (%) | Notional SEN (%)         |                            |         |        |
|---|--|--------------------------|----------------------------|---|---|--------------|------------|---|--------------------------|----------------------------|---------|--------|
|   | Description  | Amount per pupil         | Pupil Units                |   | Sub Total   | Primary      |            |   | Secondary                |                            |         |        |
|   | Primary (Years R-6)                                  | £2,937.00                | 34,325.58                  |   | £100,814,228  | £171,023,932 | 43.93%     | 10.00%                                  |                          |                            |         |        |
|   | Key Stage 3 (Years 7-9)                              | £4,191.00                | 10,084.00                  |   | £42,262,044   |              |            | 10.00%                                  |                          |                            |         |        |
|   | Key Stage 4 (Years 10-11)                            | £4,420.00                | 6,323.00                   |   | £27,947,660   |              |            | 10.00%                                  |                          |                            |         |        |
| 2) Deprivation  | Description  | Primary amount per pupil | Secondary amount per pupil | Eligible proportion of primary NOR                    | Eligible proportion of secondary NOR                          | Sub Total    | Total      | Proportion of total pre MFG funding (%) | Primary Notional SEN (%) | Secondary Notional SEN (%) |         |        |
|   | FSM % Primary  | £250.00                  |                            | 6,623.49  |   | £1,655,871   |            |   | £23,775,709              | 10.36%                     | 10.00%  |        |
|   | FSM % Secondary                                      |                          | £276.80                    |   | 3,192.37  | £883,647     |            |   |                          |                            |         | 10.00% |
|   | IDACI Band 1   | £423.50                  | £423.50                    | 4,233.87  | 2,003.32  | £2,641,449   |            |   |                          |                            | 10.00%  | 10.00% |
|   | IDACI Band 2   | £508.20                  | £508.20                    | 3,410.22  | 1,696.39  | £2,595,181   |            |   |                          |                            | 10.00%  | 10.00% |
|   | IDACI Band 3   | £677.60                  | £677.60                    | 4,869.72  | 2,554.13  | £5,030,402   |            |   |                          |                            | 10.00%  | 10.00% |
|   | IDACI Band 4   | £847.00                  | £847.00                    | 5,481.61  | 2,538.37  | £6,792,926   |            |   |                          |                            | 10.00%  | 10.00% |
|   | IDACI Band 5   | £1,016.40                | £1,016.40                  | 1,577.86  | 783.97  | £2,400,569   |            |   |                          |                            | 10.00%  | 10.00% |
| IDACI Band 6  | £1,694.00  | £1,694.00                | 702.85                     | 345.36  | £1,775,664  | 10.00%       | 10.00%     |   |                          |                            |         |        |
| 3) Looked After Children (LAC)                                | Description  | Primary amount per pupil | Secondary amount per pupil | Eligible proportion of primary NOR                    | Eligible proportion of secondary NOR                          | Sub Total    | Total      | Proportion of total pre MFG funding (%) | Primary Notional SEN (%) | Secondary Notional SEN (%) |         |        |
|   | LAC X March 14                                       |                          | £0.00                      |   | 249.91  | £0           |            |   | £2,959,545               | 0.00%                      | 0.00%   |        |
| 4) English as an Additional Language (EAL)                    | EAL 2 Primary  | £800.00                  |                            | 3,167.36  |   | £2,533,888   | £2,959,545 | 1.29%                                   |                          |                            | 0.00%   |        |
|   | EAL 2 Secondary                                      |                          | £1,200.00                  |   | 354.71  | £425,657     |            |   | 0.00%                    |                            |         |        |
| 5) Mobility   | Pupils starting school outside of normal entry dates | £0.00                    | £0.00                      | 1,576.23  | 885.03  | £0           |            | 0.00%                                   | 0.00%                    | 0.00%                      |         |        |
| 6) Prior attainment   | Description  | Weighting                | Amount per pupil           | Percentage of eligible Y1-3 and Y4-6 NOR respectively | Eligible proportion of primary and secondary NOR respectively | Sub Total    | Total      | Proportion of total pre MFG funding (%) | Primary Notional SEN (%) | Secondary Notional SEN (%) |         |        |
|   | Low Attainment % new EFSP                            | 100.00%                  | £700.00                    | 42.31%  | 10,275.02   | £7,192,515   |            |   | £11,141,441              | 4.85%                      | 100.00% |        |
|   | Low Attainment % old FSP 73                          |                          |                            | 15.31%  |   |              |            |   |                          |                            |         |        |
| Secondary pupils not achieving (KS2 level 4 English or Maths) |  | £1,000.00                |                            | 3,948.93  | £3,948,926  |              | 100.00%    |   |                          |                            |         |        |

Other Factors

| Factor  | Lump Sum per Primary School (£) | Lump Sum per Secondary School (£)                       | Lump Sum per Middle School (£) | Lump Sum per All-through School (£)               | Total (£)   | Proportion of total pre MFG funding (%) | Notional SEN (%) |        |  |
|---|---------------------------------|---|--------------------------------|---|-------------|---|------------------|--------|--|
| 7) Lump Sum   | £125,000.00                     | £125,000.00   |                                |   | £15,875,000 | 6.92%                                   | 20.00%           | 20.00% |  |
| 8) Sparsity factor  | £0.00                           | £0.00   | £0.00                          | £0.00   | £0          | 0.00%                                   | 0.00%            | 0.00%  |  |
| Please provide alternative distance and pupil number thresholds for the sparsity factor below. Please leave blank if you want to use the default thresholds. Also specify whether you want to use a tapered lump sum for one or both of the phases. |                                 |   |                                |   |             |   |                  |        |  |
| Primary distance threshold (miles)  |                                 | Primary pupil number average year group threshold       |                                | Fixed or tapered sparsity primary lump sum?       |             | Fixed                                   |                  |        |  |
| Secondary distance threshold (miles)  |                                 | Secondary pupil number average year group threshold     |                                | Fixed or tapered sparsity secondary lump sum?     |             | Fixed                                   |                  |        |  |
| Middle schools distance threshold (miles)   |                                 | Middle school pupil number average year group threshold |                                | Fixed or tapered sparsity middle school lump sum? |             | Fixed                                   |                  |        |  |
| All-through schools distance threshold (miles)  |                                 | All-through pupil number average year group threshold   |                                | Fixed or tapered sparsity all-through lump sum?   |             | Fixed                                   |                  |        |  |
| 9) Fringe Payments  |                                 |   |                                |   | £0          | 0.00%                                   |                  |        |  |
| 10) Split Sites   |                                 |   |                                |   | £505,313    | 0.22%                                   |                  |        |  |

|   |       |                    |                     |   |                    |
|---|-------|--------------------|---------------------|---|--------------------|
| 11) Rates   |       |                    | £2,250,825          | 0.98%                                   |                    |
| 12) PFI funding   |       |                    | £1,882,747          | 0.82%                                   |                    |
| 13) Sixth Form  |       |                    | £0                  | 0.00%                                   |                    |
| 14 ) Exceptional circumstances (can only be used with prior agreement of EFA)   |       |                    |                     |   |                    |
| Circumstance  |       |                    | Total (£)           | Proportion of total pre MFG funding (%) | Notional SEN (%)   |
| Additional lump sum for schools amalgamated during FY15-16  |       |                    | £87,500             | 0.04%                                   | 20.00%   20.00%    |
| Additional sparsity lump sum for small schools  |       |                    | £0                  | 0.00%                                   | 0.00%              |
| Exceptional Circumstance3   |       |                    | £0                  | 0.00%                                   | 0.00%              |
| Exceptional Circumstance4   |       |                    | £0                  | 0.00%                                   | 0.00%              |
| Exceptional Circumstance5   |       |                    | £0                  | 0.00%                                   | 0.00%              |
| Exceptional Circumstance6   |       |                    | £0                  | 0.00%                                   | 0.00%              |
| <b>Total Funding for Schools Block Formula (excluding MFG Funding Total) (£)</b>                                      |       |                    | <b>£229,502,013</b> | <b>100.00%</b>                          | <b>£33,813,906</b> |
| 15) Minimum Funding Guarantee (MFG is set at -1.5%)   |       |                    | £3,471,462          |   |                    |
| Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)                       |       |                    | Yes                 |   |                    |
| Capping Factor (%)  | 0.42% | Scaling Factor (%) | 100.00%             |   |                    |
| Total deduction if capping and scaling factors are applied  |       |                    | -£1,909,063         |   |                    |
|   |       |                    | Total (£)           | Proportion of Total funding(%)          |                    |
| MFG Net Total Funding (MFG + deduction from capping and scaling)  |       |                    | £1,562,398          | 0.68%                                   |                    |
| High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved) |       |                    | £0.00               |   |                    |
| Additional funding from the high needs budget   |       |                    | £3,000,000.00       |   |                    |
| Growth fund (if applicable)   |       |                    | £400,000.00         |   |                    |
| Falling rolls fund (if applicable)  |       |                    |                     |   |                    |
| <b>Total Funding For Schools Block Formula</b>  |       |                    | <b>£231,064,412</b> |   |                    |
| <b>% Distributed through Basic Entitlement</b>  |       |                    | <b>74.52%</b>       |   |                    |
| <b>% Pupil Led Funding</b>  |       |                    | <b>91.02%</b>       |   |                    |
| <b>Primary: Secondary Ratio</b>   |       |                    | <b>1 : 1.30</b>     |   |                    |

## Appendix A

## Forecast Outturn for 2016/17 and 2017/18

| Description                                | 2016/17<br>Revised Budget | 2016/17<br>Forecast<br>Outturn | Draft Variance | 2016/17 Comments   | 2017/18<br>Forecast<br>Outturn | 2017/18 Comments   |
|--|---------------------------|--------------------------------|----------------|--|--------------------------------|--|
|  | £000                      | £000                           | £000           |  | £000                           |  |
| Core Place funding                         | 11,471                    | 11,252                         | (218)          | This is based on EFA places on a lagged basis  | 11,470                         |  |
| Top up (Bristol Schools)                   | 18,895                    | 20,482                         | 1,587          | Savings made in year from reduction to top up were £2.2m however November top up panel increased spend by £700k  | 20,833                         | This is a straightline forecast for 2017/18 demonstrating a worst case scenario and includes all agreed mitigating actions and £1m growth for top up panels (figures are pro rata where appropriate)         |
| OLA Top Up                                 | 1,198                     | 1,482                          | 284            | Determined by OLA through agreements   | 1,481                          |  |
| GFE Top Up                                 | 948                       | 1,725                          | 777            | Direct relationship to ALP placements made following perm exclusion and requirement to fund element 2 placements, we are seeking an additional £500k funding from EFA for 2016/17 pressure | 1,725                          | We are seeking an additional 317 places at GFE colleges in 2017/18 to deal with lag funding and to manage growth. A request for an additional £1.9m in 17/18 was made though has not been agreed by the EFA. |
| Placements                                 | 4,776                     | 6,187                          | 1,411          | Pressures on pre 16 placements, pressures on post 16 and spot purchases for ALP pressures from perm exclusion primary (south) and BIT panel  | 6,187                          | Mitigating actions during 2017/18 forecast are to review all contracts with providers and individual placements and contributions to social care   |
| ALN commissions & Block Contracts          | 2,420                     | 2,181                          | (239)          | Offsetting spot purchase spend   | 2,181                          | As part of mitigating actions in 2017/18, target reduction of 10% through review   |
| Commissioned contracts (inc de-delegation) | 906                       | 890                            | (16)           |  | 890                            | As part of mitigating actions in 2017/18, target reduction of 10% through review   |
| SEN Equipment & Therapies                  | 517                       | 463                            | (54)           |  | 461                            | As part of mitigating actions in 2017/18, target reduction of 10% through review   |
| Schools in Financial Difficulty            | 400                       | 400                            | 0              |  | 400                            |  |
| ALN/Hope Virtual school Staffing           | 1,528                     | 1,247                          | (281)          |  | 1,416                          | As part of mitigating actions in 2017/18, target reduction of 10% through realignment of teams   |
| <b>Total</b>                               | <b>43,058</b>             | <b>46,309</b>                  | <b>3,251</b>   |  | <b>47,044</b>                  |  |

|  |        |  |
|--|--------|--|
|  | £000   |  |
| <b>Estimated outturn for 2016/17</b>                   | 46,309 |  |
| Budget 2016/17 including £1.5m move from schools block | 43,058 |  |
| Forecast overspend for 2016/17                         | 3,251  | prior to mitigating actions this would have been £5.8m |
| Overspend carry forward from 2015/16                   | 1,894  |  |
| Est outturn overspend 2016/17                          | 5,145  |  |

|  |              |                     |
|--|--------------|---------------------|
|  | £000         |                     |
| <b>Projected position at outturn for 2017/18</b> | 47,044       |                     |
| Estimated outturn for 2017/18                    | 47,044       |                     |
| Budget 2017/18                                   | 45,199       | notified allocation |
| Forecast overspend for 2017/18                   | 1,845        |                     |
| Overspend carry forward from 2016/17             | 5,145        |                     |
| <b>Est outturn overspend 2017/18</b>             | <b>6,990</b> |                     |

**NB: Please note this forecast does not include growth for GFE placements, a request was made to the EFA for an additional 317 placements however this has been declined. This may cause an additional pressure of £1.1m in financial year 2017/18 and requires further work with the EFA and Colleges**

**Bristol Schools Forum**  
**High Needs Block Update**

|                         |                               |
|-------------------------|-------------------------------|
| <b>Date of meeting:</b> | 10 <sup>th</sup> January 2017 |
| <b>Time of meeting:</b> | 6.15 pm                       |
| <b>Venue:</b>           | City Hall                     |

**1. Purpose of report**

1.1 To update Schools Forum on the implementation of measures to reform the approach to Top Up funding and other High Needs spend.

**2. Recommendations**

- 2.1 To note the current budget forecast for the High Needs budget for 2016/17
- 2.2 To review the outline options to address the on going pressure on the budget and agree further work to finalise the budget for 2017/18.
- 2.3 To seek Forum's view on reducing the MFG protection for special schools in order to contribute further to necessary savings.
- 2.4 To request the Inclusion Reference Group carries out further analysis of the options agreed for further consideration above.

**3. Background**

- 3.1 There have been growing pressures on the Top Up budget in recent years. The key pressures have been:
  - More children than anticipated have been identified as meeting the criteria for Top Up, and at higher bandings;
  - Increased unit costs in special schools as a result of more stringent Ofsted requirements and to meet increasing demand;
  - An historic substantial increase in permanent exclusions, mainly in the secondary sector, resulting in the need for extra high-cost Alternative Provision;
  - New statutory responsibility for post-16 and post 19 -25 Top Up was transferred without any new resource and represent increasing funding risks currently.
- 3.2 At the end of the 2015/16 financial year, the Top Up budget had overspent £4.6m. Following some mitigation from underspends elsewhere in the Dedicated Schools Grant, a deficit of £1.9m has been carried forward into this financial year. We continue to face two challenges:
  - To reduce the in year spend to within the budget available

- To repay the overspend from last year.

In the light of these challenges, the Schools Forum supported recommendations from the Local Authority in March 2016 and June 2016 to apply immediate reductions in the funding allocation for individual Top Up allocations in mainstream schools and Special Schools. It should be noted that the mitigations agreed have made a significant impact on the budget alignment however it is clear that this is not enough

### **Progress on mitigating actions previously agreed:**

3.3 Establish an Inclusion Reference group: This group last met on December 13<sup>th</sup> and considered two key areas:

- Inclusion Audit: This is being piloted in 31 schools with positive initial feedback. The Reference group agreed to roll this out to all schools in the new year with a six week completion window. This will support schools in self evaluation and provide information to determine strategy going forward The Reference would review the summary outcomes of the Audit and make recommendations.
- Top Up: The process and outcome of latest round of top up applications was reviewed. Feedback from schools and local authority officers was considered and key recommendations include:
  - Ensure greater consistency and clarity around funding expectations
  - Agree proforma paperwork to support support consistency of information from schools and aid decision making
  - Provide training for panel members (school and LA staff) ahead of panel process

4. Develop model for area based specialist leaders of education in Inclusion to build system capacity

5. Reducing Exclusions: Alternative provision block contracts and a quality assurance framework has been put in place since July 2016. A new panel system for secondary schools (BIP- Bristol Inclusion Panel) for considering young people at risk of exclusion has been introduced and a new charging system has been agreed when exclusions occur. The target reduction in permanent exclusions was set at 75% by the end of the academic year 2017. In Terms 1 and 2 last academic year, there were 37 secondary exclusions. This Term 1 and 2, there has been 5 with 4 of these being from out of area schools. The Fair access protocol has supported more young people moving back into mainstream education and we have also

seen an increase in school to school negotiated transfers. The use of Alternative Provision remains high, however the LA is seeking agreement with secondary schools to contribute funding annually towards these costs rather than the one off payments originally agreed. Although income is achieved for placements made via the Panel there are also a number of placements made by the SEN and PFA teams outside of this process for pupils who have Education, Health and Care plans where there is no specialist provision available or the most appropriate provision is Alternative learning. There are currently 23 active SEN placements with a current annual cost of £310k.

- 3.6 Work is progressing with Primary colleagues to pilot a similar approach at Primary level and 3 Early Intervention Bases (EIB's) have been set up as part of the re-commissioning plan to support young people who may be at risk of exclusion. There is one base in each area currently. The re-commissioning plan identified the need for 2 bases in North and East/Central and 3 in South. Work will start in January to identify additional pilot opportunities, this will need to include options for financing the EIB's. This current academic year has seen a significant increase in primary permanent exclusions (14) with 9 of these from south schools. This is adding pressure to the pilot EIB's and to additional spend in the HNB (c£110,000 at this point).
- 3.7 Band funding: The first top up round of this academic year has taken place and there were over 350 applications for top up. Top up applications requested additional spend of £1,629,500 against the HNB. Robust decision making was applied through joint school and LA review including finance – which resulted in an additional £600k being committed from the High Needs block following the November top up panels.

#### **Options for further mitigations:**

- 3.8 The financial forecast below indicates that the current forecast is an in-year overspend of £3.2m in addition to the deficit carry forward from 2015/16 of £1.9m. This gives a likely total deficit of c£5.1m at the end of this year, with a further deficit projected for 2017/18 (see Appendix A). This is clearly not a sustainable position. The DfE's proposed National Funding Formula will reduce the scope for transferring resources between the High Needs and Schools Blocks. It appears that the national formula will increase funding by about £0.8m, which will not be sufficient to cover the projected overspending.
- 3.9 On the basis of information about action being taken by other authorities, the following further mitigations could be considered:

- Agreeing any underspends across the three funding Blocks should be used to reduce the High Needs deficit. For example, we are currently forecasting an underspend on this year's Growth Fund.
  - Top slice the 2017/18 High Needs Block to pay off all or a proportion of the deficit from 2016/17. This would require reductions to budgets allocated to each High Needs budget lines including services such as Sensory Support Service , Bristol Autism Team, Youth Offending Team, Alternative Learning Provision Hub and HOPE Virtual School.
  - Develop options for reducing the Top Up spend for 2017/18, by applying further reductions for special schools. This could include applying to the DfE for a disapplication to suspend the Minimum Funding Guarantee for Special Schools to allow cuts to be made quicker. Any application to do this has to be made at the time of setting the schools budget. Hence, recommendation 2.3 above.
  - Review Resource base model to reduce costs and apply from April 2017.
  - Review the funding for all Alternative Provision to further increase the charging to the host school and reduce the drain on the High Needs block.
  - Review all pre and post 16 Independent placements and contributions to joint funding placements.
  - Review decision making and commissioning arrangements for ALP and placements
  - Jointly commission and fund with partner agencies
  - Further lobby the EFA re GFE placement funding.
- It is accepted that any further mitigations will need further work. It is recommended that the **Inclusion Reference Group** reviews these options at their next meeting on **26<sup>th</sup> January 9.30 – 11.00am at City Hall.**

#### **4. Financial Implications**

- 4.1 The latest budget forecast for this financial year is shown in Appendix A. This shows that the forecast overspend for 2016/17 is now £3.251m. This has increased by £733k from the previous forecast due to £592k additional top up costs, GFE top up £110k, placements £523k offset by decreases in ALN commissioning (£88k), ALN staffing (£178k) and Core Place funding (£218k).
- 4.2 In 2017/18, it is anticipated that there will be a further pressure on the High Needs block of £1.9m for the additional 371 GFE places that were requested from the EFA but have not been agreed. The element 2 for each of these is £6k, and the places are also likely to generate a further £1m demand in top up. Further work is required to review this in more detail.

## 5. Glossary of Terms

|      |  |
|------|--|
| LA   | Local Authority                          |
| SEND | Special Educational Needs and Disability |
| PRU  | Pupil Referral Unit                      |
| AP   | Alternative Provision                    |

DR

## **Bristol Schools Forum**

### **The implications of the Early Years National Funding Formula for Bristol**

|                         |                               |
|-------------------------|-------------------------------|
| <b>Date of meeting:</b> | 10 <sup>th</sup> January 2017 |
| <b>Time of meeting:</b> | 6.15 pm                       |
| <b>Venue:</b>           | City Hall                     |

#### **1. Purpose of report:**

- 1.1 This paper is to inform Schools Forum of the implications of the Early Years National Funding Formula for Bristol. Consultation on the local EYNFF will take place in January 2017

#### **2. Recommendation**

- 2.1 That Schools Forum notes the changes to Early Years funding for Free Early Education and Childcare arising from the new Early Years National Funding Formula.
- 2.2 The Schools Forum notes the proposed consultation process.

#### **3. Background**

- 3.1 Local Authorities will continue to be funded for early years provision for eligible two year olds and three and four year olds through the early years block in the Dedicated Schools Grant.
- 3.2 From April 1st 2017, Bristol funding rates for providers will be calculated according to the new early years national funding formula, announced on 1st December 2016.
- 3.3 The new formula allocates funding for the existing 15 hour early education entitlement for three and four year olds and, from September 1st 2017, will include the additional 15 hours for three and four year old children of eligible working parents. The funding rates for both the existing 15 hour entitlement and the additional 15 hour entitlement are the same.
- 3.4 Funding for Free Early Education for eligible Two Year Olds is already allocated on a formulaic basis. The current formula will be retained with an uplift to the hourly rate.
- 3.5 There are currently no changes to the Early Years Pupil Premium.

- 3.6 The main changes to the new Early Years National Funding Formula are:
- A minimum amount of funding to be passed through to Local Providers – 93% in 2017/18 and 95% from 2018/19.
  - A local universal base rate for all types of provider, set by the Local Authority.
  - Supplementary funding for Maintained Nursery Schools for the duration of this parliament.
  - New categories for mandatory and discretionary supplements that can be used. The total value of all supplements cannot exceed 10%.
  - The introduction of a disability access fund for three and four year olds receiving early education and in receipt of the child disability living allowance.
  - A requirement for Local Authorities to establish a special educational needs (SEN) inclusion fund for children with lower level or emerging SEN. Children with more complex needs and those in receipt of Education, Health and Care Plans (EHCP) will continue to be funded from the High Needs Block.
- 3.7 The new Early Years National Funding Formula continues to allow LAs to have the ability to use funding supplements. Supplements are amounts of funding which are given in addition to the base rate to reflect local needs or policy objectives. There are two categories of supplements that can be used mandatory and discretionary.
- 3.8 The mandatory supplement that must be used is deprivation. The DfE Guidance recommends using FSM criteria to calculate deprivation instead of IDACI. This is currently being modelled.
- 3.9 The LA is proposing to use the discretionary supplement for Quality to support system leadership.
- 3.10 The Local Authority proposes to develop a consultation document to share with Schools Forum members, Nursery schools, PVI settings and childminders in mid-January. It is proposed that the feedback will be collated and shared with the Chair and Vice-Chair of the Schools Forum on 21st February ahead of a final decision being made by the Local Authority by 28th February.

#### 4. Financial Implications:

4.1 Please note these proposals are still in draft form pending further modelling and consultation, but are included here as an indication of future funding rates.

4.2 **Allocations for 2017–2020 for 3 and 4 year olds include transitional Funding arrangements for 2017-2018 and the new 30 hours provision:**

- DSG Transitional Funding for 2017-2018: £28,185,930
- DSG Funding for 2018-2020: £26,728,000
- LA retained funding @ 7% (2017-2018) = £1,973,015
- LA retained funding @ 5% (2018-2020) = £1,336,000

4.3 **Universal base rate for all providers** – Local authorities are required to set a universal base rate in their local single funding formulae, meaning there must be a base rate the same for all types of provider, by no later than 2019-20.

4.4 **Proposed supplements based on current funding metrics**

The following supplements are being proposed by the LA:

- Deprivation – this is a mandatory supplement
- Quality - to fund systems leadership support for Quality Improvement across the early years sector
- Inclusion Fund
- Disability Access Fund (DAF) - £615 for each eligible child per annum

The following supplements are not proposed to be used by the LA:

- Rurality / Sparsity
- Flexibility
- English as an additional language (EAL)

4.5 **Maintained Nursery Schools** - Supplementary funding of £1,297,534 per annum is available for three years.

4.6 **Early Years Pupil Premium (EYPP)** will be £279,000.

4.7 **Early Education Funding for Eligible Two Year Olds** will be £3,719,000 an increase from £5.03 to £5.43 per hour (0.03p per hour will be centrally retained to administer this element).

4.8 Overall the indicative allocation for 3 and 4 year olds universal provision (excluding the 30 hours), for 2017/18 is £24.856m which is substantially

lower than £26.177m in 2016/17. The 2017/18 rates for providers will be determined following the consultation process.

## 5. Glossary of Terms

|       |   |
|-------|---|
| DfE   | Department for Education                    |
| DSG   | Dedicated Schools Grant                     |
| ESG   | Education Services Grant                    |
| LA    | Local Authority                             |
| EYPP  | Early Years Pupil Premium                   |
| EYNFF | Early Years National Funding Formula        |
| MNS   | Maintained Nursery School                   |
| DAF   | Disability Access Fund                      |
| SEN   | Special Educational Need                    |
| FSM   | Free School Meals                           |
| IDACI | Income Deprivation Affecting Children Index |