

Bristol Schools Forum

Agenda Tuesday 25th September 2018 at 5.00pm,

CITY HALL, Writing Room

please note meeting starts at 5.00 but refreshments available from 4.30pm

| | Start | Item | Action | Owner | Paper |
|----|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|----------|
| 1 | 5.00 | Welcome | A | Chair | |
| 2 | 5.05 | Forum standing business <ul style="list-style-type: none"> ▪ Apologies for Absence ▪ Confirmation meeting is quorate ▪ Appointment of new members ▪ Notification of Vacancies ▪ Declarations of Interest | A | Clerk | Verbal |
| 3 | 5.10 | Election of Chair & Vice Chair | A | Clerk | |
| 4 | 5.20 | Minutes of meeting held on 22 nd May 2018 Corrections and approval Matters arising not covered on agenda <ul style="list-style-type: none"> • Item 3 – Core place funding reduction - meeting individual Academies to discuss (SR) • Item 5 – TwS Report for 16/17 (SR) • Item 7 – St Bedes & cost implications (SR) • Item 7 – Oversubscription criteria – check wording with Legal (SR) | A | Chair | Attached |
| 5 | 5.35 | Correspondence | I | Chair | |
| 6 | 5.40 | DSG Overview | C | DET | Attached |
| 7 | 6.10 | Schools Block Update | C | DET | Attached |
| 8 | 6:40 | High Needs Budget 2018/19 | C | EWJ/MT | Attached |
| 9 | 7.10 | School Places Planning | I | SR | Attached |
| 10 | 7.20 | TwS Annual Report | I | CG | Attached |
| 11 | 7:30 | Any Other Business | | | |

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

Clerk: Billy Forsythe email: billy.forsythe@bristol.gov.uk Tel: 011792 23947 City Hall

Chair: Carew Reynell (contact via clerk)

FUTURE MEETINGS

| Date | Items |
|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| 27 th November 2018 | De-Delegation Decision DSG Proposals High Needs Update Budget Monitoring Central Services Early Years Forum Constitution & membership |
| 16 th January 2019 WEDNESDAY | High Needs Update Budget Monitoring Final DSG Proposals Central Services Early Years |
| 2 nd April 2019 | High Needs Update Budget Monitoring EY |
| 21 st May 2019 | High Needs Update Budget Monitoring EY |
| 16 th July 2019 | High Needs Update Budget Monitoring EY |

Bristol Schools' Forum

**Minutes of the meeting held on Tuesday 22nd May 2018
 at 18.15 hrs at City Hall**

Present:

| | |
|----------------------------|----------------------------------------------------|
| Massimo Bonaddio | Headteacher Rep, Blaise Primary |
| Victoria Boomer | Headteacher Rep, Oasis Academy John Williams |
| Karen Brown | Governor Rep, St Mary Redcliffe & Temple |
| Emma Cave | Governor Rep, Claremont |
| Graham Clark | Governor Rep, Sea Mills Primary |
| Graham Diles | Headteacher Rep, St Mary Redcliffe & Temple |
| Patricia Dodds | Governor Rep, Fishponds Academy |
| Simon Holmes | Nursery Head Rep, St Phillips Marsh Nursery |
| Tracey Jones | Headteacher Rep, Bannerman Rd |
| Sarah Lovell | Headteacher Rep, Cabot Learning Federation |
| Garry Maher | Diocese of Clifton Dept for Schools & Colleges Rep |
| Aileen Morrison | Headteacher Rep, St Matthias Park |
| Sam Packer | PVI EY Rep |
| Cllr Ruth Pickersgill | Governor Rep, Rosemary Nursery |
| Chris Pring | Headteacher Rep, Cabot Primary |
| Cedric Sanguinol | Governor Rep, Bishop Road Primary |
| Christine Townsend (Chair) | Governor Rep, Whitehall Primary |
| Wendy Weston | Support Staff Rep |
| Michelle Wills | Recognised Teach Professional Association Rep |

In attendance:

| | |
|----------------|------------------------------------------------------|
| Billy Forsythe | Clerk to Schools Forum |
| Denise Murray | Service Director Finance |
| Sue Rogers | Director of Education, Learning & Skills Improvement |
| Mary Taylor | Senior Inclusion Manager |
| David Tully | Interim Finance Business Partner |

Observers:

Simon Eakins

| | Action |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| 1. Welcome and introductions | |
| The Chair opened the meeting at 18:15 | |
| 2. Forum standing business | |
| Apologies Jo Butler, Sally Jaeckle, Tracey Jones, Jez Piper, Carew Reynell, Anne Rutherford, Sue Wilson & Travis Young | |
| Clerk confirmed meeting was quorate. | |
| New members Jez Piper from Diocese of Bristol Massimo Bonaddio – Maintained Primary Head Blaise Primary. Graham Clark –Maintained Primary Governor – Sea Mills | |

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| <p>Gary Maher – Diocese of Clifton Simon Holmes – Nursery Head – St Phillips Marsh</p> <p>Vacancies: Academy Primary Head – election underway with 2 candidates, Academy Primary Governor – election underway with 2 candidates. Secondary Academy Governor – no applications.</p> <p>No declarations of interest were expressed.</p> | |
| <p>3. Minutes of the meeting held on 20th March 2018</p> | |
| <p>Minutes were accepted as correct with the following corrections:</p> <p>Item 3 final para – TwS report should read TwS report 16/17.</p> <p>Matters Arising:</p> <p>Item 6 – officers to meet with individual Academies re core place funding – DY asked if any news SR will check and report back.</p> <p>Item 8 – DY asked how he had raised a question as he wasn't at the meeting. CR had received an email from DY and asked the question on his behalf.</p> | <p>SR</p> |
| <p>4. Correspondence</p> | |
| <p>No Correspondence.</p> <p>CT reported that the Finance sub group had met re National Funding Formula. Next meeting is on 28th June to look at split site funding as it is thought that this will be part of the formula at a local level.</p> <p>It is likely that there will be more money for pupil led factors.</p> | |
| <p>5. DSG Overview</p> | |
| <p>DT presented the report which identifies Year End balances and proposes what to do with them.</p> <p>Section 4 Table 1 shows a previous forecast of £5.2m overspend, but improvements have reduced this to a net overspend of £1m.</p> <p>The High Needs budget has overspent significantly – there is an improvement on forecast but still £5.7m overspend.</p> <p>£4.7m of underspend in other budgets in DSG.</p> <p>RP raised that it was challenging to find out we have an underspend when so many EY settings are in deficit and especially Nurseries with high levels of deprivation who have lost funding. Can we have the full underspend of £2m? Cuts in CCs have a major impact on Nurseries and we need to be clear that Nurseries play a huge role in raising</p> | |

achievement.

SH added that Nursery schools have been a part of Bristol for a very long time and mostly in areas of high deprivation where there are not many private facilities as there is little profit to be made.

SR advised that she was very passionate about EY education and the value of the 12 Nurseries & 22 CCs. Unlike many LAs Bristol has maintained our 22 CCs where other LAs have closed them. We have got to work together to find a sustainable model for Nurseries. A Government commission is looking at Nursery provision. Within the DSG we are overspending overall – so we have to bring that budget back in line. A fine balance between resourcing and financially prudent.

KB asked how did we get more money?

DT replied that it was a result of how DfE EY funding works. They provide income based on previous years data. We have funded every setting correctly but we can't work out precisely how many will be there in a year in future.

SH asked if we are planning ahead.

DM reported that place planning is being taken into consideration looking at 10 or 20 years ahead with planning and aspirations. Not just schools but health, EY etc.

SR added that a report would come back to Forum re projections & hot spots.

SR

RP asked for clarification – are we consulting the Nurseries on how to use the £0.5m or just to give them the money they used to have in 16/17 levels.

DT replied that this was a straightforward way to have a locally maintained nursery supplement based on 16/17 funding and the 12 Nursery schools will be invited to comment.

DY asked if the underspends in de-delegated will be carried forward to help in 18/19 budgets.

SR advised that discussions had started with the Nursery heads & Sally Jaeckle Significant financial challenges for some Nurseries but some are in surplus. We need a better sustainable picture. The £0.5 is an interim measure but in the long term we need more discussion.

DT added that we did consider if we should have more than £0.5m but we are bound by the NFF and if we go above that level we would have to increase universal rates that apply to all settings.

SP reported that in the PVI sector there were settings with diverse needs – it is a shame that one solution fits all – relocation is a big issue in Bristol

Forum agreed :

2.1 a noted

2.1 b £1m overspend can be carried forward – 17 in favour, 1 against

DT reported that Section 6 Table 4 shows budgets following the decision above and Section 7 shows the Outturns for individual schools with 20 schools in deficit. Individual Governing Bodies have to submit budgets. The LA has refreshed guidance and we will be ensuring we are systematic in our approach with every school having a budget plan the LA can support. We expect quite a few meetings over the next few weeks with Heads & Chairs.

Section 8 TWS for 17/18

CP added that the Forum did not have a report for 16/17. SR will check.

SR

DY asked who paid for setting up of TwS and who picks up any surplus. Should schools get a dividend from the surpluses if schools paid for setting up?

DM advised that she was not aware of the history. Many of the services TwS provides are commissioned and the costs are not fully transparent as many of the corporate support services for TWS are not clear. A fully traded model would look different and would show true surpluses.

SR added that the planned review is part of an activity of re-baselining the whole service to make sure we are offering statutory services and also what a new model of operation would look like. Many LAs are configuring their traded service in a different way with more accountability and responsibility. A report will come back to Forum in September with a view of what a traded service might look like.

SR

DM added that it was key to have fully transparent prices and costs and to include the below line items that don't make it into the accounts.

CP added that it was very difficult when TWS have made a surplus and costs have gone up 10%.

DM replied that it needed to be clear that the Council is spending millions on upgrading systems that TwS use. DM added that TWS was not achieving its financial target - £885k is a shortfall and this has been a shortfall for the last three years.

AM added that if there is a profit that should come back to schools and not into general fund – that should be the principal.

SR replied that it could be argued that money from TWS does come back into schools.

DM reported that the general fund does contribute to Education – this includes contribution to PFI, core statutory functions and Children Centres.

GC asked if schools kept the £800K would we not end up with more.

DM replied that if we take money out we would have to reduce budgets. Fees have increased as TWS are not making their targets. We need a review and a quarterly report from TwS.

EC added that TWS started 5 years ago and no one knows how much it costs or if it is operating with a deficit. Schools pay in and get nothing back.

SR replied that the Officers were not here at the start and there is a loss of operational memory.

CP asked if TwS was a not for profit service why are there targets?

DM replied that it is not profit. There are a whole range of areas not accounted for in the figures so it doesn't show the full picture of costs.

CP added that schools have no mechanism for adding 10% on services unlike TwS.

Forum agreed :
2.1 c & d – noted

6. High Needs Update

SR advised that Annette would normally have presented the report. Emily Williams-Jones is leading on SEND casework team and Mary Taylor is leading on SEND business team.

MT presented the report to explain end of financial year and update on High Needs block

Table 1 shows period 9 forecast overspend but this has reduced to £5.6m.

Table 2 shows the updated figures with an underspend of £1.4m with an underlying current spend forecast of overspend of £3.7m

EC asked about the revised budget template for Special Schools.

SR replied that work was on-going work with special schools to find the most appropriate model. We are in the planning stage and will co-construct a model. We set out a potential model and this caused a real difference in understanding between a model and what special school heads thought was the profile of their schools.

SR has arranged for a consultant to visit each school with a set of questions to agree how do we create a model we can share and go forward with. SR confirmed that there would not be a cut or reduction in the funding to schools in September and the template would not be implemented in September. (EC request to amend minutes)

Fixed Term Exclusions in Bristol are the highest in the country in both Secondary & Primary. Alternative provision is full. We need to figure out how we keep children in a mainstream setting fully supported. Too many children with a EHCP are in a special school and should be in mainstream. If Bristol had the best SEND outcomes we would think money was well spent but the outcomes for our children with SEND is poor.

Forum agreed:
2.1 2.2 noted
SR thanked MT for her report.

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <p>7. Growth Fund</p> <p>SR advised that the Forum is being asked to confirm the change of wording on the policy as agreed at last Forum. Note A & Note B need to change.</p> <p>GM asked for clarification as CR has said that this is only for schools growth from the next year but the paper suggest otherwise.</p> <p>DT replied that the report had been written on the basis that the change takes effect in 2019/2020 and does not matter if growth started earlier.</p> <p>GM thought this was unfair as goal posts are being moved.</p> <p>CT advised that the policy is entirely a Forum issue and the policy is agreed every year by the Forum so is subject to change. The discussion at the last meeting agreed to extended it for a further year as schools had put their budgets in place. Schools can now budget appropriately.</p> <p>GM added that as a Catholic diocese, schools in S Glos & N Somerset are choosing to send their children to St Bedes as nearest school so this does seem unfair. He explained how the distribution of funding using the Bristol census data could exacerbate the situation – moving the funding from the anticipated 100% to 58% (GM request to amend minutes)</p> <p>SR advised that she would meet with St Bedes to look at cost implications</p> <p>DY asked if earmark was the best word.to introduce into the text.</p> <p>Forum agreed to use” oversubscription criteria” and check this wording with Legal.</p> <p>GM asked for clarification re class 8 and growth percentages. DT advised that the growth fund uses Yr7 census figures.</p> <p>Forum agreed to accept the changes subject to Legal confirmation of us of oversubscription criteria. GM voted against the changes. (GM request to amend minutes)</p> <p>It was also agreed that any subsequent discussion with St Bedes will be in the minutes.</p> <p>8. AOB</p> <p>None</p> <p>Post Meeting. A paper on changing the start time of the Forum for next year from 6.15 to 5.00 will come to the July Forum and it was intended to raise this as an early alert under AOB to give maximum time for schools and governors to consider.</p> | <p>SR</p> <p>SR</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

The meeting closed at 20.10hrs

Bristol Schools Forum
DSG Overview - Monitoring 2018/19 and Provisional Strategy 2019/20

| | |
|-------------------------|---------------------------------|
| Date of meeting: | 25 th September 2018 |
| Time of meeting: | 5.00 pm |
| Venue: | Writing Room, City Hall |

1 Purpose of report

- 1.1 This report provides an update on the forecast financial position for the DSG overall as at Period 4 (to end July 2018) and provides a provisional assessment of the key strategic issues regarding the DSG for 2019/20.

2 Recommendation

2.1 Schools Forum is invited to:

- a) note the in-year 2018/19 position for the overall DSG**
- b) advise the Authority on whether Schools Forum would agree now or defer until year-end:**
 - i. to transfer the unallocated central services funding in 2018/19 of £0.566m to the High Needs Block; and/or**
 - ii. in principle, to transfer any unspent Early Years funding at year-end to the High Needs Block.**
- c) note and comment on the issues emerging for the provisional financial strategy for setting the overall budgets for 2019/20 as set out in section 6; and**
- d) agree that officers should consult with all schools on possible options for moving funding between DSG blocks for 2019/20 financial year.**

3 Background

- 3.1 A DSG Overview paper was dispatched to Schools Forum members in July 2018, even although the July meeting was cancelled. In it, it was reported that there was a forecast -£0.8m in-year surplus on the Dedicated Schools Budget for Period 2 2018/19. This would have reduced the brought forward deficit on the DSG from £1.0m to £0.2m.
- 3.2 The report for the September meeting updates Schools Forum on the position at Period 4 2018/19.

- 3.3 In July 2018, the EFSA issued the operational guidance on schools funding for 2019/20. This report explains the key points that emerge from that which shape the financial strategy for 2019/20 and the decisions that will be required.
- 3.4 At the same time, the EFSA published provisional allocations for 2019/20 for the Schools Block, Central Services Block and the High Needs Block. No information has yet been announced about the Early Years Block arrangements for 2019/20.
- 3.5 The Schools Block sub-group met to consider some of the detail of the DfE guidance and they assisted by advising on how best to explain the matter of transferring funding between blocks. This will be included towards the end of this report and sub-group members will be able to feedback at the Schools Forum verbally.

4 Budget monitoring 2018/19

- 4.1 The previously reported position in July 2018 was a forecast -£0.8m in-year surplus on the Dedicated Schools Budget for Period 2 2018/19. This would have reduced the brought forward deficit on the DSG from £1.0m to £0.2m.
- 4.2 This position has moved adversely by £1m since then. The adverse movement is within the High Needs Block. The Period 4 position is set out in **Table 1** with more detail set out in **Appendix 1**.

Table 1: Forecast position on overall DSG for 2018/19 at Period 4 (July 2018)

| | Brought forward 2018/19 | Funding 2018/19 | Forecast 2018/19 | In-year variance | Carry-forward 2018/19 |
|-----------------------|-------------------------|-----------------|------------------|------------------|-----------------------|
| Schools Block | | 253,423 | 253,423 | | |
| De-delegation | -357 | | 313 | 313 | -44 |
| Schools Central Block | | 2,828 | 2,262 | -566 | -566 |
| Early Years | -500 | 36,600 | 36,252 | -348 | -848 |
| High Needs Block | 1,873 | 53,723 | 54,609 | 886 | 2,759 |
| Funding | | -346,574 | -346,574 | | |
| Total | 1,016 | | 284 | 284 | 1,300 |

- 4.3 **De-delegated resources** are mostly expected to be used this year, with only a modest underspend on trade union activities being forecast at this early stage.
- 4.4 **School Central Services Block** is forecasting a planned underspend of £0.566m because the historic allocation for prudential borrowing is no longer required. Other components of that budget will be fully spent.

- 4.5 **Early Years** budgets are forecasting an underspend of -£0.9m, but extreme care should be taken in concluding that this is the certain outcome for this financial year. In 2017/18 there was too much emphasis on taking a prudent approach which erred on the side of forecasting to budget in the absence of a robust analysis of the underlying position. For 2018/19, officers have attempted to align the income and expenditure forecasts to the expected underlying data (ie there are estimates of pupil numbers for each of the three censuses in this financial year for all maintained settings and there is verified data about the January 2018 census for all settings).
- 4.6 The DSG income is based 5/12ths on the January 2018 census. We have that information so we can be sure about how much that will provide us. It is also based on 7/12ths of the January 2019 census. We do not have that information. All we have is what happened in January 2018 and the rates that apply for 2018/19 financial year. So, an income estimate has been done on that basis.
- 4.7 The DSG expenditure is largely driven by the numbers of pupils in the May 2018, October 2018 and January 2019 termly censuses. None of that information was available at the time of the Period 4 forecast. For maintained settings, illustrative budgets have been used for the purposes of monthly payments using the 2017/18 financial year census data as a proxy for the 2018/19 data, at 2018/19 rates. For PVI settings, we have used the January 2018 census as a proxy for the average position across 2018/19 financial year. So, an expenditure estimate has been done on this basis.
- 4.8 This is a more considered approach than 2017/18's monitoring process. Nonetheless, it is difficult to draw too many hard conclusions from it. This is because we only have proper data on 5/12ths of the income side of the equation and no data on the expenditure side. As the year goes on we will get more information, but the January 2019 census still accounts for a large part of the income and expenditure.
- 4.9 **High Needs** budget has a headline in-year overspend of £0.9m. With the brought forward deficit of £1.9m from 2017/18, this produces a forecast cumulative deficit of £2.7m.
- 4.10 There is a separate report on this agenda which explains the position on the High Needs Budget for 2018/19. It also explains the implications of the Judicial Review order which quashes the original High Needs budget decision taken by Council at its meeting in February 2018.
- 4.11 In previous years, Schools Forum has agreed at year-end that some of the unspent funds could be allocated to the High Needs Block to reduce their cumulative overspend.

- 4.12 With the £0.566m unallocated in the Central Services Block there is an opportunity to agree that now, as there will be no change to that budget line by year-end.
- 4.13 With the underspend on Early Years, there is much less certainty about what the final figure will be. So, it is not possible to transfer a fixed amount at the moment, because there is no guarantee that there would be that level of underspend by year-end. Schools Forum might, however, wish to determine whether, in principle, it supported the transfer of any unspent Early Years monies, on the understanding that all early years were funded at the level determined by Council at its meeting in February 2018.
- 4.14 Schools Forum are invited to decide now or to decide to defer the matter to year-end.

5 School Funding Arrangements 2019/20

- 5.1 In July 2018, DfE announced the provisional operating arrangements for the DSG for 2019/20. This includes providing an illustration of the impact of the changes on the amount of DSG that individual authorities would receive for three of the four DSG sub-blocks. There is no updated information currently for the Early Years Block. The illustrations were based on the data provided by the October 2017 pupil census. The final allocations will be based on the October 2018 census and this will be available in the latter half of December 2018.
- 5.2 **Table 2** indicates that the headline increase for the indicative DSG would be an increase of £6m, compared to the latest DSG allocations for 2018/19. £4.1m of this increase arises because the DfE has accepted Bristol City Council's higher level of Private Finance Initiative (PFI) Affordability Gap. This was a pressure being borne by the General Fund and, for 2018/19, the costs were included in the PFI factor in the mainstream schools' funding formula. For 2018/19, a matched amount of £4.1m was provided by the General Fund to support the Schools Budget, in the hope that the NFF would acknowledge this higher cost. This plan has been successful and the General Fund contribution for 2018/19 will no longer be needed to support PFI in 2019/20 and ongoing.
- 5.3 The other increase of £2.0m (0.6% in the blocks that have been updated (ie nothing yet on Early Years) arises from the application of the national funding formulae for each of those three blocks.
- 5.4 All of the figures will be subject to the differences between the use of the October 2017 census (used for these indicative budgets) and the use of the October 2018 census. The final budgets will use the funding rates in the indicative budgets with the October 2018 census data.

Table 2: Changes in DSG sub-block totals between the 2018/19 (July 2018) position and the indicative 2019/20 (July 2018) position.

| DSG Blocks | 2018/19 DSG (July 2018) £m | Impact of DSG recognising the higher BCC PFI Affordability Gap £m | Other changes, based on the same pupil numbers (July 2018) £m | Total indicative 2019/20 £m |
|-------------------------------|-----------------------------------|--------------------------------------------------------------------------|----------------------------------------------------------------------|------------------------------------|
| Schools block | 252.023 | 4,100 | 1,466 | 257.589 |
| Central school services block | 2.828 | 0 | 0.035 | 2.863 |
| High needs block | 51.023 | 0 | 0.471 | 51.494 |
| Early Years | 36.574 | 0 | 0 | 36.574 |
| Total | 342.448 | 4.100 | 1.972 | 348.520 |

- 5.5 **Schools Block.** There is a separate report on this agenda which deals with the detailed issues arising from the DfE guidance on the Schools Block. The issue, which is explored in the next section, is that of transferring funding between blocks for 2019/20.
- 5.6 **Central School Service Block** is again funded in two parts. The first part (£1.165m) is for historic responsibilities and this will be funded at historic costs, for as long as those specific commitments exist. These are for Combined Services and Prudential Borrowing. Although the Prudential Borrowing initiative (£0.566m) ceased during 2017/18, DfE have indicated that this historic funding will continue to be included in the DSG for 2019/20, so is available for reallocation elsewhere.
- 5.7 The second part (£1.698m) is for on-going responsibilities and these will be funded on a formulaic basis from 2018/19. These cover Admissions , Licences, Servicing of Schools Forum and the core centrally retained duties of the LA (transferred from the Education Services Grant).
- 5.8 **High Needs Block** indicative allocation for 2018/19 is £51.5m. This provides +£0.5m (+0.9%) additional funding compared to 2018/19 but this is up to £4m short of the estimated spend in 2019/20 if no changes to current policies were made.
- 5.9 **Early Years Block** has not been included in the EFSA information, but the Early Years Block allocation of £36.6m has been included for illustrative purposes. Unless there an unexpected change to the national funding arrangements is announced in the coming months, actual funding for early years will be based on numbers of 2, 3 and 4 year olds on roll at each of the termly censuses during 2019/20. Funding is likely to be higher as the full-year effect of the move to 30 hour placements is reflected.

- 5.10 Pending any announcement about the Early Years national funding formula later in the year, there is one element of the local early years formula which officers would wish to consult stakeholders on. That relates to the continuation of the local Maintained Nursery School Supplement for as long as the DfE regulations permit such a factor in the local formula. Schools Forum may recall that the value of the national Maintained Nursery School Supplement eroded each time the DfE came to calculate it. It had reduced from £1.3m and is expected to reduce to around £0.8m in 2018/19. The local factor adopted the principle that the per pupil per hour value which prevailed in each maintained nursery school for 2016/17 should be protected.
- 5.11 The DfE Timetable has been replicated in **Appendix 2**. A summary of the components of the DSG budget for 2018/19 and what Schools Forum's role is in the decision-making process is set out in **Appendix 3**.

6 Considerations on movement between DSG Blocks for 2019/20.

- 6.1 Because this issue straddles both the Schools and the High Needs Blocks, it is put forward here for consideration.
- 6.2 The High Needs Block indicative allocation of £51.5m for 2019/20 is around £4m less than the estimated spend of up to £55.5m in that year, if no changes are made to policies or practices. As outlined in the 2018/19 budget report even with the significant resource allocations the outcomes for Children with SEND and Alternative Provision needs to improve. An outcomes focused improvement programme for the High Needs Block will be developed and will require strong local leadership and ownership and effective joined up working arrangements.
- 6.3 We are committed to working closely with key partners, children, young people and those who care for them as well as providers in developing system wide transformation that seeks to promote, protect and improve the outcomes for children and young people with SEND and Alternative Provision over the next 5 years and the details of this programme will be publicly consulted upon once developed.
- 6.4 In the meantime, allocation for the High Needs Block will continue to be based on available resources and actual expenditure on take up.
- 6.5 Transferring funding to the High Needs Block from other blocks is an option.
- 6.6 There are no restrictions on transfers from the Central Services Block to High Needs Block, other than that Schools Forum must be consulted.

- 6.7 In 2018/19, the Secretary of State allowed Bristol to transfer £2.0m (0.8%) of the Schools Block to the High Needs Block. Because of that, if Schools Forum were to agree, up to £2.0m Schools Block to High Needs Block could transfer in 2019/20, too, without the need to obtain the Secretary of State's permission again.
- 6.8 If the Authority wished to transfer more than £2.0m, the excess would need the Secretary of State's permission and the Schools Forum would have had to have expressed a view.
- 6.9 If Schools Forum did not agree to any part of a transfer and the Authority still wished to proceed, it would need the Secretary of State's permission afresh.
- 6.10 In order for Schools Forum to take a decision on this matter at its November 2018 meeting, the Authority would need to have consulted all schools before then.
- 6.11 The Authority would want to leave its options open in being able to transfer funding between blocks when final decisions were made on the DSG in February 2019.
- 6.12 Within the **Schools Block total** of £257.6m the scope for considering possible transfers is:
- £252.4m is the sum of the **national funding formula allocations** for pupils on roll in September 2017. The maximum headroom that would be possible to transfer from this would be **£4.8m**, but that would mean that every mainstream school's budget would be 1.5% less per pupil than the 2018/19 budget. If, instead, all of the £4.8m stayed with mainstream schools, they would still only receive an average of 0.5% more than their 2018/19 per pupil allocation.
 - £5.2m is the **indicative allocation for growth** during 2019/20. We expect to need £2.6m for this in 2019/20 and the allocation is £5.2m, but there is no guarantee that this will be the final allocation. So, **up to £2.6m** could be available for transfer to High Needs Block or to increase available funding for mainstream schools. In the longer term, if pupil numbers are flat and the national funding formula is introduced for individual schools, there will be no room for maneuver here.
- 6.13 Within the **Central Services block** of £2.9m the scope for considering possible transfers is:
- There are commitments of £2.3m, with £0.6m for ceased prudential borrowing costs, which is available for reallocation. That **£0.6m** could be transferred to High Needs Block with no service impact.

Table 3: Scope and impact of transferring 5 different amounts to High Needs Block

| | Scenario A Headroom if MFG is -1.5% and growth allocation is £5.2m £m | Scenario B Headroom if MFG is 0% and growth allocation is £5.2m £m | Scenario C Headroom if +0.5% awarded and growth allocation is £5.2m £m | Scenario D Headroom if +1% awarded and growth allocation is £5.2m £m | Scenario E Headroom if +1.6% awarded and growth allocation is £5.2m £m |
|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Component | | | | | |
| NFF mainstream | 4.8 | 1.4 | 0 | 0 | 0 |
| Growth | 2.6 | 2.6 | 2.0 | 1.5 | 0 |
| Total Schools Block headroom | 7.4 | 4.0 | 2.0 | 1.5 | 0 |
| Prudential Borrowing allocation in Central Schools Services Block | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| Total available for transfer? | 8.0 | 4.6 | 2.6 | 2.1 | 0.6 |

6.14 Schools will be advised of the 5 scenarios, but the key consultation point is about transferring amounts from the Schools Block. It is proposed that there be three specific proposals that schools be consulted on.

Table 3: Scenarios for consultation on moving funding between blocks

| Consultation proposals | Amount £m | Source of funding and any dependencies |
|-------------------------------------------------------------------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Proposal 1: No schools block transfer. | £0.566m | Funding in the Central School Services Block (CSSB) is available to transfer as there are no commitments that it is currently supporting. |
| Proposal 2: Up to maximum that SF can agree itself. | <£2,566m | As per Proposal 1 plus up to £2m transfer from Schools Block (Growth Fund). |
| Proposal 3: Up to the whole of the in-year shortfall on the High Needs Block | <£4m | As per Proposal 2 plus a further £1.4m. On the basis of the indicative figures, this would require around £0.8m more than might be available in the Growth Fund and this would reduce the funding provided through the national funding formula for individual schools. |

6.15 For Proposals 2 and 3 the preference for transferring funding would be the unallocated Central School Services Block funding and any part of the

Growth Fund allocation in the Schools Block that was not expected to be required in 2019/20.

- 6.16 The DfE have struggled to develop a fair and sustainable way of including sufficient resource in the formula to take account of growing pupil numbers. They had previously used historic spend as the basis, but this did not help authorities with new, rapid growth. For 2019/20, the DfE are using a formulaic basis for distributing growth funding, based on population changes in medium super-output areas. This has provided Bristol with a similar amount for 2019/20, compared to 2018/19. Nonetheless, this figure will be revised on the basis of the October 2018 census, so it is difficult to know how much reliance can be placed on the indicative amount of £5.2m in the indicative 2019/20 DSG.
- 6.17 If the final amount were to be £5.2m, the expected calls on that fund for 2019/20 are in the region of £2.6m. This would leave £2.6m remaining and a decision would need to be made on how to use it. This funding is completely separate to the £252.4m provided through the national funding formula to produce an aggregate amount for the pupils on roll in October 2017 (ie the basis for the mainstream formula, which will be updated to reflect the number on roll in October 2018). If the Authority were to seek £2m from Schools Block, the maximum that Schools Forum may agree without referring the matter to the Secretary of State again, the plan would be to take it from any spare Growth Fund monies.
- 6.18 If the final DSG amount were to be lower than £5.2m for Growth Fund, this may leave a dilemma for the Authority in determining whether a transfer should still happen, even if this meant that some of it would come from the NFF allocation provided for actual pupils on roll. Unfortunately, the final Growth Fund allocation will not be known before the end of November 2018 when a decision from Schools Forum on transfers from the Schools Block to the High Needs Block would be required.
- 6.19 The Schools Block paper explores what scenarios there are in funding mainstream schools for 2019/20 and the meeting may wish to consider that paper before it comes back to determine what its view is about the recommendations here.

| |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| City Outcome: Fair and Inclusive: Having funding arrangements in place that fairly balance the competing priorities for DSG resources. |
| Health Outcome summary: |
| Sustainability Outcome summary: |
| Equalities Outcome summary: Need to consider impacts if any funding is moving between blocks, both on groups in the donor and recipient blocks. |

Impact / Involvement of partners: *This report is part of the engagement with partners (schools) about the financial issues that relate to this and next financial year around the DSG.*

Consultation carried out: *A Sub-Group of the Schools Forum has considered the issue about moving funding between blocks and they advised on how best to present the matter. Any proposals to move funding from the Schools Block to High Needs Block will require consultation with affected schools and academies.*

Legal Issues:

Financial Issues: *This is a financial report, setting out the available funding for the Dedicated Schools Grant for 2019/20. Schools Forum may determine whether funding transfers from Schools Block to High Needs Block and amounts of budget for retained services within the School Central Services and Early Year Blocks but it remains an Authority decision about budget levels on the High Needs Budget. **David Tully, Finance Business Partner, ACE 17th September 2018***

Appendix 1

Forecast position for Overall DSG 2018/19 as at Period 4

| | Brought forward 1.4.18 £'000 | Funding 2018/19 £'000 | Outturn 2018/19 (as at Mar 2019) £'000 | In-year movement £'000 | Carry forward 31.3.19 £'000 |
|------------------------------------------|---------------------------------------------|--------------------------------------|-----------------------------------------------------------|---------------------------------------|--------------------------------------------|
| Maintained Schools | | (87,320) | 87,320 | 0 | 0 |
| Academy Recoupment | | (163,516) | 163,516 | 0 | 0 |
| Growth Fund | | (2,586) | 2,586 | 0 | 0 |
| Schools Block | 0 | (253,421) | 253,421 | 0 | 0 |
| De-delegation Services | (358) | 0 | 313 | 313 | (45) |
| Admissions | | (461) | 461 | 0 | 0 |
| Centrally Retained | | (2,366) | 1,800 | (566) | (566) |
| Schools Central Services | 0 | (2,828) | 2,262 | (566) | (566) |
| National Formula | | (26,900) | 28,230 | 1,330 | 1,330 |
| Funding Accrued | | (1,060) | 0 | (1,060) | (1,060) |
| 2 Year Old Funding | | (4,576) | 3,988 | (588) | (588) |
| Pupil Premium (EYPP) | | (366) | 366 | 0 | 0 |
| Additional Support Services | | (1,081) | 1,087 | 5 | 5 |
| SEN Top up | | (913) | 913 | 0 | 0 |
| Staffing | | (1,607) | 1,571 | (36) | (36) |
| Disability Access Fund | | (97) | 97 | 0 | 0 |
| Committed reserve | (500) | 0 | 0 | 0 | (500) |
| Early Years Block | (500) | (36,600) | 36,252 | (348) | (848) |
| Commissioned Services | | (2,440) | 3,085 | 645 | 645 |
| Core Place Funding | | (7,220) | 8,363 | 1,143 | 1,143 |
| Staffing | | (895) | 895 | 0 | 0 |
| Top Up | | (21,640) | 22,992 | 1,352 | 1,352 |
| Placements | | (8,556) | 8,970 | 415 | 415 |
| Pupil Support | | (314) | 416 | 102 | 102 |
| Schools in Financial Difficulty | | (307) | 307 | 0 | 0 |
| HOPE Virtual School | | (236) | 236 | 0 | 0 |
| Committed reserve | 1,874 | 0 | 0 | 0 | 1,874 |
| Unallocated funding for historic deficit | | (2,772) | 0 | (2,771) | (2,771) |
| Academy Recoupment | | (9,345) | 9,345 | 0 | 0 |
| High Needs Block | 1,874 | (53,723) | 54,609 | 886 | 2,760 |
| Total | 1,016 | (346,572) | 346,856 | 284 | 1,300 |

Appendix 2

DfE / EFSA Indicative Timetable for 2019/20 Schools Budget Setting

| Date | DfE or ESFA activity | Local authority activity |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| July 2018 | Operational guidance published setting out arrangements for 5 to 16 mainstream schools implementation for 2019 to 2020. NFF arrangements for 2019 to 2020 for schools, central school services and high needs published Draft APT issued to local authorities. | |
| September 2018 | High needs funding operational guide for 2019 to 2020 issued to local authorities. Further information to illustrate 2019 to 2020 growth allocations will be provided to local authorities. | |
| 28 September 2018 | | Deadline for submitting requests (for response by December) for: <ul style="list-style-type: none"> • MFG exclusions • exceptional premises factors • sparsity factors • lump sum variations for amalgamating schools • pupil number reductions |
| 4 October 2018 | School census day. | School census day. |
| October to November 2018 | Check and validate school census. | Check and validate school census. |
| 20 November 2018 | | Deadline for submitting requests (for response by the APT deadline) for: |

| Date | DfE or ESFA activity | Local authority activity |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | <ul style="list-style-type: none"> • MFG exclusions • exceptional premises factors • sparsity factors • lump sum variations for amalgamating schools • pupil number reductions |
| 28 November 2018 | School census database closed. | |
| 30 November 2018 | | Deadline for submitting requests for: <ul style="list-style-type: none"> • movement of funding out of the schools block which is above the limit of 0.5%, or which the schools forum has not approved, or both |
| Mid-December 2018 | Final APT issued to local authorities, containing October 2018 census-based pupil data and factors. Publication of 2019 to 2020 DSG schools block (prior to academies recoupment), central school services block and revised high needs block allocations for 2019 to 2020. | |
| Late 2018 | Publication of initial early years block allocations. | |
| Mid-January 2019 | | Schools forum consultation and political approval required for final 2019 to 2020 funding formula. |
| 21 January 2019 | | Deadline for submission of final 2019 to 2020 APT to ESFA. |
| 28 February 2019 | | Deadline for confirmation of |

| Date | DfE or ESFA activity | Local authority activity |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| | | schools budget shares to mainstream maintained schools. |
| February to March 2019 | 2019 to 2020 allocation statements issued to post-16 institutions, academies, and NMSS. | |
| February 2019 | Publication of 2019 to 2020 high needs place numbers at institution level. | |
| 29 March 2019 | Confirmation of 2019 to 2020 general annual grant for academies open by 9 January 2019. | |
| April 2019 | First DSG payments to local authorities based on 2019 to 2020 allocations, including academies recoupment (DSG allocations updated termly for in-year academy conversions), FE high needs place funding deductions, and other adjustments. | |
| Summer 2019 | Early years block updated for January 2019 early years pupil numbers. | |
| Summer 2020 | Early years block updated for January 2020 early years pupil numbers (pro rata seven twelfths, as this relates only to the period September 2019 to March 2020) | |

Updated comparison of local formula allocations and factor values with those of the national funding formula

APPENDIX 1

| <u>Formula totals</u> | | |
|----------------------------------------|--------------------|-----------------------|
| | 2018-19 Actual | 2018-19 NFF 0% MFG |
| Basic entitlement | 182,690,599 | 173,309,203 |
| Deprivation | 24,562,803 | 28,163,498 |
| EAL | 3,267,499 | 3,372,211 |
| Prior attainment | 12,829,696 | 19,186,968 |
| Lump Sum | 15,875,000 | 14,170,190 |
| Split Sites | 569,867 | 569,867 |
| Rates | 2,335,800 | 2,335,800 |
| PFI | 6,099,859 | 6,099,859 |
| Basic formula allocation | 248,231,124 | 247,207,596 |
| Additional funding to meet minimum per | n/a | 31,153 |
| Net MFG adjustment | 3,191,876 | 3,828,527 |
| Total Allocation | 251,423,000 | 251,067,276 |
| De-delegation | - 1,712,756 | - 1,712,756 |
| Post De-delegation budget | 249,710,244 | 249,354,520 |
| Growth Fund | 2,000,000 | 2,000,000 |

| <u>Formula unit values</u> | | | | |
|-------------------------------------|----------------|-----------------------|-----------------------|------------------|
| | 2018-19 Actual | 2019-20 NFF 0% MFG | 2019-20 NFF Values | ACA (Bristol) |
| Basic Entitlement (Primary) | 2,955.05 | 2,786.35 | 2,746.99 | 1.01433 |
| Basic Entitlement (KS3) | 4,215.76 | 3,918.00 | 3,862.65 | 1.01433 |
| Basic Entitlement (KS4) | 4,445.92 | 4,448.66 | 4,385.81 | 1.01433 |
| Free School Meals (Primary) | 246.18 | 446.31 | 440.00 | 1.01433 |
| Free School Meals(Secondary) | 272.58 | 446.31 | 440.00 | 1.01433 |
| Free School Meals Ever 6 (Primary) | n/a | 547.74 | 540.00 | 1.01433 |
| Free School Meals Ever 6(Secondary) | n/a | 796.25 | 785.00 | 1.01433 |
| IDACI (P F) | 352.62 | 202.87 | 200.00 | 1.01433 |
| IDACI (P E) | 423.15 | 243.44 | 240.00 | 1.01433 |
| IDACI (P D) | 564.19 | 365.16 | 360.00 | 1.01433 |
| IDACI (P C) | 705.24 | 395.59 | 390.00 | 1.01433 |
| IDACI (P B) | 846.29 | 426.02 | 420.00 | 1.01433 |
| IDACI (P A) | 1,410.48 | 583.24 | 575.00 | 1.01433 |
| IDACI (S F) | 352.62 | 294.16 | 290.00 | 1.01433 |
| IDACI (S E) | 423.15 | 395.59 | 390.00 | 1.01433 |
| IDACI (S D) | 564.19 | 522.38 | 515.00 | 1.01433 |
| IDACI (S C) | 705.24 | 568.02 | 560.00 | 1.01433 |
| IDACI (S B) | 846.29 | 608.60 | 600.00 | 1.01433 |
| IDACI (S A) | 1,410.48 | 821.61 | 810.00 | 1.01433 |
| eal2 (P) | 807.62 | n/a | n/a | |
| eal2 (S) | 1,211.43 | n/a | n/a | |
| EAL3 (P) | n/a | 522.38 | 515.00 | 1.01433 |
| EAL3 (S) | n/a | 1,404.85 | 1,385.00 | 1.01433 |
| Low Attainment (P) | 706.67 | 1,036.65 | 1,022.00 | 1.01433 |
| Low Attainment (S) | 1,009.53 | 1,572.21 | 1,550.00 | 1.01433 |
| Lump Sum | 125,000.00 | 111,576.30 | 110,000.00 | 1.01433 |

| LA/Estab | School Name | NFF: -1.5% MFG | NFF: 0% MFG | NFF: +0.5% quantum distributed via deprivation factors only | NFF: +1% | NFF: +1.6% | Existing local formula: 1.5% MFG | Existing local formula: 0% MFG | Existing local formula: +1% | Existing local formula: +1.6% |
|----------|--------------------------------------------------|----------------|---------------|-------------------------------------------------------------|---------------|---------------|----------------------------------|--------------------------------|-----------------------------|-------------------------------|
| 8013408 | St Nicholas of Tolentine Catholic Primary School | £939,493.49 | £939,580.42 | 954,147.92 | £939,607.37 | £939,620.01 | £939,773.22 | £952,147.92 | £960,397.72 | £965,347.60 |
| 8013411 | St Patrick's Catholic Primary School | £892,713.35 | £892,800.28 | 904,629.32 | £892,827.23 | £892,839.87 | £892,993.08 | £904,629.32 | £912,386.81 | £917,041.31 |
| 8013414 | St Teresa's Catholic Primary School | £918,457.74 | £918,544.66 | 930,791.07 | £918,571.62 | £918,584.26 | £918,737.46 | £930,791.07 | £938,826.81 | £943,648.25 |
| 8013431 | Greenfield E-Act Primary Academy | £1,748,486.84 | £1,748,573.76 | 1,773,419.57 | £1,748,613.36 | £1,748,626.00 | £1,748,766.56 | £1,773,419.57 | £1,789,854.91 | £1,799,716.11 |
| 8013432 | Little Mead Primary Academy | £1,733,057.38 | £1,735,179.19 | 1,757,784.41 | £1,735,211.32 | £1,735,224.00 | £1,735,374.11 | £1,757,784.41 | £1,774,083.61 | £1,783,861.53 |
| 8013434 | Oasis Academy New Oak | £951,910.50 | £951,997.42 | 964,725.75 | £952,024.37 | £952,037.02 | £952,190.22 | £964,725.75 | £973,082.78 | £978,096.90 |
| 8013436 | West Town Lane Academy | £2,250,112.67 | £2,250,199.59 | 2,282,671.97 | £2,276,693.36 | £2,293,495.26 | £2,250,392.39 | £2,282,671.97 | £2,304,191.69 | £2,317,103.52 |
| 8013440 | Victoria Park Primary School | £1,642,101.09 | £1,667,543.28 | 1,665,514.20 | £1,693,933.49 | £1,706,315.56 | £1,642,380.81 | £1,665,178.44 | £1,680,376.87 | £1,689,495.92 |
| 8014001 | Bristol Free School | £4,085,864.04 | £4,225,087.86 | 4,217,013.13 | £4,292,356.75 | £4,323,918.77 | £4,086,143.77 | £4,146,064.62 | £4,186,011.86 | £4,209,980.20 |
| 8014003 | Orchard School Bristol | £4,872,351.53 | £5,107,716.28 | 5,112,387.29 | £5,180,689.96 | £5,214,928.62 | £4,749,733.90 | £4,819,521.76 | £4,866,047.04 | £4,899,962.19 |
| 8014007 | Oasis Academy Brislington | £4,974,568.67 | £5,182,560.72 | 5,181,260.90 | £5,247,048.46 | £4,859,965.72 | £4,931,217.85 | £4,978,719.27 | £5,007,220.12 | £5,007,220.12 |
| 8014010 | The City Academy Bristol | £4,104,782.73 | £4,322,735.49 | 4,330,078.27 | £4,390,311.53 | £4,422,017.66 | £4,046,415.88 | £4,105,108.41 | £4,144,236.76 | £4,167,713.78 |
| 8014031 | Henbury School | £3,893,696.03 | £4,081,352.32 | 4,088,854.20 | £4,139,534.98 | £4,166,833.81 | £3,872,373.89 | £3,928,918.42 | £3,966,614.76 | £3,989,232.57 |
| 8014037 | Bedminster Down School | £5,669,723.34 | £5,905,208.68 | 5,906,309.74 | £5,988,906.23 | £6,028,176.45 | £5,670,003.07 | £5,753,831.69 | £5,809,717.44 | £5,843,248.88 |
| 8014100 | Cotham School | £5,388,614.35 | £5,681,318.36 | 5,676,458.01 | £5,772,070.96 | £5,814,651.34 | £5,377,763.86 | £5,457,745.44 | £5,511,066.49 | £5,543,059.12 |
| 8014101 | Fairfield High School | £4,942,499.26 | £4,946,939.23 | 5,015,625.22 | £5,025,427.08 | £5,062,252.94 | £4,942,778.99 | £5,015,625.22 | £5,064,189.38 | £5,093,327.87 |
| 8014602 | St Bede's Catholic College | £4,337,118.26 | £4,385,025.74 | 4,401,028.27 | £4,454,734.18 | £4,487,440.81 | £4,337,397.98 | £4,401,028.27 | £4,443,448.47 | £4,468,900.58 |
| 8014627 | Redland Green School | £4,731,165.70 | £4,749,104.00 | 4,800,941.49 | £4,824,254.98 | £4,859,515.19 | £4,731,445.43 | £4,800,941.49 | £4,847,272.20 | £4,875,070.63 |
| 8016907 | Bristol Brunel Academy | £7,020,146.21 | £7,326,620.66 | 7,327,872.65 | £7,421,642.77 | £7,466,226.37 | £6,802,552.69 | £6,903,708.82 | £6,971,146.23 | £7,011,608.68 |
| 8016908 | Bristol Cathedral Choir School | £3,116,382.91 | £3,156,849.20 | 3,161,863.89 | £3,206,299.03 | £3,229,500.49 | £3,116,662.63 | £3,161,863.89 | £3,191,998.05 | £3,210,078.56 |
| 8016909 | Colston's Girls' School | £3,376,792.50 | £3,462,387.14 | 3,456,107.78 | £3,517,341.36 | £3,543,125.43 | £3,377,072.22 | £3,426,263.20 | £3,459,057.19 | £3,478,733.58 |
| 8016911 | Oasis Academy John Williams | £4,734,730.37 | £4,734,817.29 | 4,804,709.98 | £4,734,844.34 | £4,735,010.09 | £4,734,844.34 | £4,804,709.98 | £4,851,176.57 | £4,879,056.52 |
| 8016912 | Oasis Academy Brightstowe | £4,663,733.04 | £4,886,611.47 | 4,890,663.55 | £4,955,714.71 | £4,988,137.40 | £4,602,826.02 | £4,670,436.40 | £4,715,509.99 | £4,742,554.14 |
| 8016913 | Bristol Metropolitan Academy | £6,107,320.34 | £6,107,407.26 | 6,198,188.20 | £6,142,061.50 | £6,170,014.84 | £6,107,600.06 | £6,198,188.20 | £6,258,580.29 | £6,294,815.54 |
| 8014005 | Bridge Learning Campus | £5,541,014.22 | £5,581,392.83 | 5,622,810.57 | £5,659,712.40 | £5,696,459.31 | £5,541,293.95 | £5,622,810.57 | £5,677,154.98 | £5,709,761.63 |
| 8014006 | Steiner Academy Bristol | £1,674,684.49 | £1,722,321.49 | 1,720,740.85 | £1,749,621.43 | £1,762,430.35 | £1,673,038.23 | £1,696,333.27 | £1,711,863.29 | £1,721,181.31 |
| 8016910 | Merchants' Academy | £5,553,252.67 | £5,730,808.12 | 5,749,402.94 | £5,821,040.50 | £5,863,376.80 | £5,553,532.40 | £5,635,321.77 | £5,689,848.03 | £5,722,563.78 |

| -1.50% | Better formula | 0.00% | Better formula | +1% | Better formula | +1.6% | Better formula |
|--------------|----------------|---------------|----------------|--------------|----------------|--------------|----------------|
| £279.72 | Local | £12,567.50 | Local | £20,790.35 | Local | £25,727.59 | Local |
| £279.72 | Local | £11,829.04 | Local | £19,559.58 | Local | £24,201.44 | Local |
| £279.72 | Local | £12,246.41 | Local | £20,255.20 | Local | £25,063.99 | Local |
| £279.72 | Local | £24,845.81 | Local | £41,254.19 | Local | £51,102.75 | Local |
| £279.72 | Local | £22,605.21 | Local | £11,151.28 | Local | £7,909.13 | Local |
| £279.72 | Local | £12,728.33 | Local | £21,058.40 | Local | £26,059.97 | Local |
| £279.72 | Local | £2,472.38 | Local | £27,498.33 | Local | £23,608.27 | Local |
| £279.72 | Local | £-2,364.84 | NFF | £-13,556.62 | NFF | £-16,819.64 | NFF |
| £279.72 | Local | £-79,023.24 | NFF | £-106,344.90 | NFF | £-113,938.57 | NFF |
| £-112,520.62 | NFF | £-208,194.49 | NFF | £-314,642.92 | NFF | £-320,966.43 | NFF |
| £-114,602.95 | NFF | £5,007,220.12 | NFF | £-251,342.87 | NFF | £-270,085.46 | NFF |
| £-58,366.85 | NFF | £-217,627.08 | NFF | £-246,074.77 | NFF | £-254,303.89 | NFF |
| £-21,322.14 | NFF | £-152,433.91 | NFF | £-172,920.21 | NFF | £-177,601.24 | NFF |
| £279.72 | Local | £5,843,248.88 | NFF | £-151,376.99 | NFF | £-184,927.56 | NFF |
| £-10,859.49 | NFF | £-223,572.93 | NFF | £-261,004.47 | NFF | £-271,592.23 | NFF |
| £279.72 | Local | £68,685.99 | Local | £38,762.30 | Local | £31,074.93 | Local |
| £279.72 | Local | £16,002.53 | Local | £-11,285.71 | NFF | £-18,540.23 | NFF |
| £279.72 | Local | £4,875,070.63 | Local | £51,837.45 | Local | £15,555.43 | Local |
| £-217,593.52 | NFF | £-422,911.84 | NFF | £-450,496.53 | NFF | £-454,617.69 | NFF |
| £279.72 | Local | £5,014.69 | Local | £-14,300.97 | NFF | £-19,421.93 | NFF |
| £279.72 | Local | £-36,123.94 | NFF | £-58,284.17 | NFF | £-64,391.85 | NFF |
| £-60,907.02 | NFF | £-216,175.07 | NFF | £-240,204.73 | NFF | £-245,583.26 | NFF |
| £279.72 | Local | £90,780.93 | Local | £116,518.79 | Local | £115,800.70 | Local |
| £279.72 | Local | £41,417.74 | Local | £17,442.58 | Local | £13,202.32 | Local |
| £-1,646.26 | NFF | £-25,988.22 | NFF | £-37,758.14 | NFF | £-41,249.04 | NFF |
| £279.72 | Local | £-95,486.35 | NFF | £-131,192.48 | NFF | £-140,813.03 | NFF |

| | | | | |
|------------------------|-----|-----|-----|-----|
| Local better | 118 | 101 | 93 | 92 |
| NFF better | 9 | 26 | 34 | 35 |
| | 127 | 127 | 127 | 127 |
| Primary local better | 104 | 94 | 88 | 87 |
| Secondary local better | 14 | 7 | 5 | 5 |
| | 118 | 101 | 93 | 92 |
| Primary NFF better | 1 | 11 | 17 | 18 |
| Secondary NFF better | 8 | 15 | 17 | 17 |
| | 9 | 26 | 34 | 35 |
| | 127 | 127 | 127 | 127 |

Bristol Schools Forum
Schools Block Formula 2019/20

| | |
|-------------------------|---------------------------------|
| Date of meeting: | 25 th September 2018 |
| Time of meeting: | 5.00 pm |
| Venue: | City Hall, Writing Room |

1. Purpose of report

- 1.1 To provide information and options on the Schools Block Funding Formula for mainstream schools and academy schools in 2019/20, and seek Schools Forum's views in order to inform the LA in crafting the 2019-20 funding formula.

2. Recommendation

- 2.1 That Schools Forum considers advising the LA on the following matters:

- a) **National Funding Formula.** Should Bristol make any changes to the current local formula to anticipate any changes that will occur when the hard National Funding Formula is introduced sometime after 2020/21 financial year? If so, what changes? Will this require a cap on gains, or should value weightings be adjusted to distribute the available funding?
- b) **Minimum Funding Guarantee.** Where on the range of -1.5% to +0.5% does Forum consider an appropriate level for the 2019/20 MFG?
- c) **Split-site factor.** Should the wording of the existing split-site factor be amended in any way? If so, what specific changes should be made?
- d) **Growth Fund.** As the amount of growth funding currently anticipated to be received in 2019/20 is not guaranteed (because of the new methodology) should some contingency be made to reduce the funding per pupil that Bristol uses to distribute growth funds for September 2019 admissions (in the event that final allocations are lower)?
- e) **De-delegation.** That Forum notes that the LA will consult with schools on their views on the de-delegation of delegated services, and report the results of the consultation to Forum for their decision at November's meeting.

3. Background

- 3.1 The ESFA has indicated that the 'hard' National Funding Formula will not be in place until 2021-22 at the very earliest. Until the point a 'hard' NFF is introduced local authorities are responsible for setting the funding formula for maintained schools and academy schools within its area.
- 3.2 As in previous years, the LA is able to choose certain factors and vary the value of all factors (within certain constraints) in determining the local formula. The LA is required to consult and gain the views of Schools Forum in determining the local formula.
- 3.3 The DfE continues to base the allocation for each authority on a soft National Funding Formula (NFF). This means the funding coming into the LA is based on the sum total of what each school would attract under NFF, calculated on a per school basis. This calculation determines how much the Local Authority receives, not how much each individual school is actually entitled to, as the LA is still responsible for the local formula that distributes the Schools Block DSG).
- 3.4 Papers elsewhere on this agenda refer to the developing strategy for schools finance for 2018/19 and this paper should be considered in conjunction with these.
- 3.5 The schools block sub-group established by Schools Forum is due to meet on Thursday 13th September to consider these issues. The sub-group will report their conclusions to Schools Forum in the meeting to inform the discussion.

4. Considerations for 2019-20

- 4.1 DfE have made some minor changes to the NFF itself for 2019/20, but there are three key points that impact most on BCC
- 4.2 **Headline increase of 1% per pupil.** This will raise expectations about higher funding for schools, whereas the increase is on the 2017/18 baseline. Bristol schools were provided with a 1.5% headline increase in 2018/19, so the 1% increase since 2017/18 has already been satisfied. The extra £1.5m included in the indicative DSG for 2019/20 represents an

increase of 0.6% on 2018/19. Nonetheless, the DfE has indicated that it will fund costs of the teachers' pay award that exceed 1% through a specific grant.

- 4.3 **Premises factor rebasing.** While the 2018/19 DSG guidance had insisted that 2017/18 would be the baseline year for premises costs, including PFI costs, the 2019/20 guidance has moved the baseline year to 2018/19. This has the effect of acknowledging the £4.1m Affordability Gap in the two Bristol City Council PFI schemes and shifts the cost from the General Fund to the DSG.
- 4.4 **Growth Funding.** The DfE have struggled to develop a fair and sustainable way of including sufficient resource in the formula to take account of growing pupil numbers. They had previously used historic spend as the basis, but this did not help authorities with new, rapid growth. For 2019/20, the DfE are using a formulaic basis for distributing growth funding, based on population changes in medium super-output areas. This has provided Bristol with a similar amount for 2019/20, compared to 2018/19. Nonetheless, this figure will be revised on the basis of the October 2018 census, so it is difficult to know how much reliance can be placed on the indicative amount of £5.2m in the indicative 2019/20 DSG.

Tables 1a and 1b. Like-for-like comparison of Schools Block commitments for 53,948 pupils at 2019/20 rates and indicative funding from DfE

Table 1a

| Funding requirement for schools, based on 2018/19 pupils | Required £m |
|------------------------------------------------------------------------------------|------------------------|
| APT 2018/19 (53,948 full-year pupils) | £251.4m |
| Plus 5/12ths of growing schools pupils (336 full-year pupils @5/12 th) | £0.6m |
| Indexation on PFI | £0.2m |
| Changes in NNDR | £0.1m |
| New growing schools | £0.6m |
| New October 2019 growth allocations | £2.0m |
| Total | £254.9m |

Table 1b

| Indicative Schools Block DSG 2019/20 | Indicative funding £m |
|----------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Pupil led NFF (53,612 full-year pupils) | £243.2m |
| 336 growing schools pupils provided for in 2018/19 APT will appear on Oct 18 census and will be funded by DSG for 2019/20. | £1.3m |
| Premises led NFF | £9.2m |

| | |
|----------------------------------------------------------------------------------------------------------|----------------|
| Formulaic Growth NFF | £5.2m |
| Total | £258.9m |
| | |
| Difference (ie headroom in 2019/20 DSG, compared to standstill budget using 2018/19 pupil numbers | +£4.0m |

Growing schools are new schools which are funded for their pupil numbers in advance for the first seven years. In 2018/19 there were 336 pupils who were funded from growth funding in 2018/19 for 7/12ths of the year, so a 2019/20 projection has to account for the part-year impact and the shift of the cost from growth to the pupil led NFF.

- 4.5 **Tables 1a and 1b** identify what a standstill Schools Block position would look like for 2019/20. It suggests that a straightforward 0% change in factor values, allowing almost all schools to be funded from the Minimum Funding Guarantee would produce an underspend of around £1.4m.
- 4.6 It is likely that schools will expect that some growth will be passed on to them. 1% would provide £2.5m extra in funding. If all £4.0m was to be allocated to schools this would represent an increase of 1.6%. If the bare minimum Minimum Funding Guarantee of -1.5% were to be applied, this would underspend the block by a further £3.4m.
- 4.7 On the basis of this information, the Schools Forum is invited to consider the recommendations in this report.

5. National Funding Formula

- 5.1 At the first sub-group meeting, the comparison was made between the pure NFF and the local formula for 2018/19. The comparison demonstrated that Bristol schools would lose out overall, if they were funded on the headline factor values in the NFF, taking account of the relevant area cost adjustment. Moreover, the significant changes were in lower age-weighted pupil unit values for primary and Key Stage 3, a lower lump sum, but much more funding distributed through other pupil led factors. This tended to favour larger secondary schools with high levels of deprivation or low levels of prior attainment. By contrast, this tended to adversely affect smaller, particularly primary schools, more so those with low levels of deprivation or high levels of prior attainment.

- 5.2 The latest version of the NFF has not changed materially. There is a slight change in the amount for funding for prior attainment. **Appendix 1** restates the comparison between the 2018/19 local formula and the latest NFF, but the headline position is still the same.
- 5.3 **Appendix 2** sets out what the distributional impacts are of setting the amount to distribute through the formula at the levels implied by the five scenarios. This produces 9 scenarios (ie each of the five with either the local formula weighted values or the NFF weighted values – there is no Scenario C for local because it would be a hybrid – it will be available for consultation with all schools).
- 5.4 With the hard NFF is not being expected to be introduced until 2021/22 at the very earliest, funding for Bristol schools overall (but not necessarily individually), would be maximized by retaining the local formula. This is because the DSG floor protection mechanism (ie something similar to MFG) will continue to recognize the current level of funding for individual schools; the wider the divergence between the local formula and the NFF, the more the floor will protect. Likewise, the closer the local formula becomes to the NFF, the less the floor will have to do to bridge the gap.
- 5.5 The options would appear to be :
- Propose to adopt the NFF weightings in 2019/20 and let the MFG protect individual schools through the transition.
 - Propose to adopt a mid-way point between the local formula and the NFF, with the added protection for individual schools of the MFG arrangements.
 - Leave the local formula as it is for 2019/20, but propose some shift in 2020/21 and 2021/22
 - Leave the local formula for as long as the NFF is not obligatory.

Recommendation a) National Funding Formula. Should Bristol make any changes to the current local formula to anticipate any changes that will occur when the hard National Funding Formula is introduced sometime after 2020/21 financial year? Is so, what changes? Will this require a cap on gains, or should value weightings be adjusted to distribute the available funding?

- 5.6 **Schools Sub-Group comments.** Overall, the group believed that most schools would benefit from maintaining the local formula, compared to the National Funding Formula, for as long as possible. Nonetheless, if there is to be growth per pupil for 2019/20, they proposed that this be distributed

via those pupil led factors in the formula, other than the age-weighted pupil units (ie deprivation, low attainment etc). These factors are more heavily weighted in the NFF. So, acknowledging that additional funding went through those factors would provide some additional support for those schools who would eventually gain from the full NFF introduction.

- 5.7 If such a change were proposed, the local authority would need to consult all schools on the details.

6. Minimum Funding Guarantee (MFG)

- 6.1 For 2018/19, Schools Forum agreed that the Minimum Funding Guarantee should be set at 0%. The funding for mainstream schools was 1.5% higher per pupil than in 2017/18, so this arrangement was possible.
- 6.2 For 2019/20, the DfE have given Authorities the same discretion to set the level of the MFG anywhere between -1.5% and +0.5%. The Authority must consult on this, along with any changes to the formula.

| |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Recommendation b) Minimum Funding Guarantee. Where on the range of -1.5% to +0.5% would the group consider an appropriate level for the 2019/20 MFG?</p> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- 6.3 **Schools Sub-Group comments.** This issue is linked to the amount of headroom in the final budgets for schools. The MFG cannot be any higher than the amount of additional funding per pupil that will be available in 2019/20. If some additional funding was available and the aim was to distribute that extra amount differently to schools that might benefit from the NFF eventually, the MFG would need to be set lower than this to provide scope for such a redistribution.

7. Split site factor

- 7.1 At the second sub-group meeting, the split site factor was considered. It was agreed that the Authority needed to be more systematic in obtaining positive assurance that individual schools were eligible for the split site factor each year.

- 7.2 The current eligibility for split-site factor includes reference to a “public highway”. Officers approached the DfE for clarification of what was meant by that. The DfE replied: “it is defined as any road, pavement, footpath, which can be used by the general public that has to be used by students to reach the second site to engage in education.”
- 7.3 This would suggest that the DfE see public highway as having quite a broad definition, but the main issue is that education is being provided on two distinct sites and there are additional costs associated with that.
- 7.4 The group also queried what was meant by “shared facilities”. The DfE said: “When writing the guidance we wanted to make it clear that schools that operate on one site but, for instance, use a sports hall that is used by others in the community cannot apply for split site funding. Split site is a factor that we allowed in the formula to account for added costs incurred by schools that operate on two or more distinct sites. As the LA set the split site criteria, we wanted to make it clear that criteria should not include use of joint use facilities and only if the school has the sole use of two or more buildings.”
- 7.5 This latter answer clarifies the position for the main split-site eligibility, but puts in question whether the remote playing fields element of the factor is appropriate, given that all remote playing fields are likely to be used by others, not just the schools themselves.
- 7.6 The current wording of the split-site factor is as follows.

Additional site : An allocation if school has an additional site which is accessed by going onto or across a public highway . Allocation is a lump sum amount and then a rate per pupil . Lump sum is based on the cost of 1 fte reception/admin and 0.5 fte caretaker= £31,024 , rate per NOR is £10. Additional split sites this year , due to expansion from pupil growth and altering our criteria. We have also altered the funding to have a lump sum element as well as a per pupil , this was to provide enough funding for small schools with split sites.

Detached Playing Field: an allocation to help towards transport costs if a school regularly uses a detached playing field which is more than 1 mile away from the main school site, rate is £15 x NOR.

| |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Recommendation c) Split-site factor. Should the wording of the existing split-site factor be amended in any way? If so, what specific changes should be made?</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

7.7 Schools Sub-Group comments. The Authority needs to adopt a more regular and systematic check that individual schools are eligible and continue to be eligible for the split site factor. The factor wording was nonetheless acceptable currently and did not need to be changed.

8. Growth Fund

8.1 The forecast costs of the Growth Fund in 2019/20, set out in **Table 1**, are based on the 2019/20 policy, the expected growth in September 2019 and the current rates for paying growth.

8.2 As is explained earlier in this report, the indicative funding of £5.2m for growth, which is needed to cover growing schools and growth fund allocations is not guaranteed. The final allocation will be based on a formula using the number of extra pupils, comparing the October 2017 and 2018 pupil censuses. Where there are more pupils in a medium super output area (there are 65 of these in Bristol, each with around 1,000 pupils), the extra are counted. Where there are fewer pupils, the reduction is ignored. All “extra” pupils in an area attract funding which is aggregated to produce the allocation for the city. There is no way of successfully replicating / anticipating what that precise sum might be. If it is £5.2m, this would be helpful for the financial position. If it is lower, this constrains choices about funding plans.

8.3 Should the final growth fund allocation be lower, one option would be to abate the entitlements for individual schools. For instance, they could be based on a (lower) flat rate for primary / secondary pupils or they could be a proportion of what they otherwise would be.

8.4 This may not arise as an issue, however the LA is keen to learn School Forum’s appetite on this option.

Recommendation d) Growth Fund. As the amount of growth funding expected to be received in 2019/20 is not guaranteed (because of the new methodology) should some contingency be made to reduce the funding per pupil that Bristol uses to distribute growth funds for September 2019 admissions (in the event that final allocations are lower)?

8.5 Schools Sub-Group comments. The Group hoped that the final Growth Factor allocation in the DSG was similar to the amount indicated by the DfE

in July 2018 and that, therefore, no further changes would be needed to the Growth Factor for 2019/20. They suggested that this matter be left until the final Growth element of the Schools Block DSG was known later in the year and consider what to do at that point.

9. De-delegation of services to Maintained Schools

9.1 In order that schools and academies can be funded on the same basis, the funding for a number of services have been identified by the DfE as services that must be delegated as part of the initial formula.

10.2 Maintained mainstream schools, by a majority vote of the Schools Forum in each sector, can opt to 'de-delegate' the funding for their sector i.e. the LA will hold the funding centrally for the agreed services with the funding spent on that sector only. The agreed retention will not be given to maintained schools in the formula.

10.3 The LA will consult with maintained mainstream schools to canvass opinion on the currently de-delegated services. The result of this consultation will be reported to the November meeting of Schools Forum where the maintained school representatives will vote on which services to de-delegate for 2019-20.

10.4 The current de-delegated services are:

Primary schools

- Premises & employee insurance
- FSM assessment
- Maternity Supply Cover
- Schools in Financial Difficulty
- Trade Union Facility time
- Health & Safety Reps
- Education Psychology

Secondary schools

- Premises & employee insurance
- FSM assessment
- Maternity Supply Cover
- Trade Union Facility time
- Health & Safety Reps
- Education Psychology

Recommendation e) De-delegation. That Schools Forum note the impending consultation to schools on this, and that the results will be presented to Schools Forum at the November meeting for decision.

| |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| City Outcome: Fair and Inclusive: Having funding arrangements in place that fairly balance the competing priorities for DSG resources. |
| Health Outcome summary: Not applicable |
| Sustainability Outcome summary: Not applicable |
| Equalities Outcome summary: Changing the funding formula will benefit some schools over others and this will have to be considered before any final decision is taken later in the process. |
| Impact / Involvement of partners: <i>This report is part of the engagement with partners (schools) about the financial issues that relate to next financial year around the DSG.</i> |
| Consultation carried out: <i>A Sub-Group of the Schools Forum has considered the issues set out in this report and their views are reflected here. Any proposals to move funding from the Schools Block to High Needs Block will require consultation with affected schools and academies.</i> |
| Legal Issues: |
| Financial Issues: <i>This is a financial report, setting out the available funding for the Dedicated Schools Grant for 2019/20. Schools Forum may determine de-delegation arrangements and they must be consulted on the arrangements for the mainstream formula, but the Authority determines the formula and levels of Minimum Funding Guarantee. David Tully, Finance Business Partner, ACE 17th September 2018</i> |

Supporting papers

- **Appendix 1:** Summary of local formula 2018/19 v NFF headline values using same data
- **Appendix 2:** Impact on each school of adopting each of the 4 scenarios for each of the local formula and the national funding formula factor weightings.
- **DfE Operational Guidance** - Schools revenue funding 2019 to 2020 (including TIMETABLE for decisions)

Bristol Schools Forum
High Needs Budget 2018/19

| | |
|-------------------------|---------------------------------|
| Date of meeting: | 25 th September 2018 |
| Time of meeting: | 5.00 pm |
| Venue: | City Hall, Writing Room |

1. Purpose of report

- 1.1 This report advises Schools Forum on the High Needs budget position for 2018/19.
- 1.2 A recent court judgement has the effect of quashing the original decision on the High Needs budget for 2018/19. A new decision on the budget for 2018/19 is needed. This report consults Schools Forum on the basis of the recalculated budget, prior to it being considered by Cabinet and then full Council.

2. Recommendations

- 2.1 **Schools Forum to provide any advice or comments to Cabinet and Council on the proposed approach to re-determining the High Needs Budget to £53.905m for 2018/19.**
- 2.2 **Note that the budget for 2018/19 is prepared on the basis of not disturbing other aspects of the budget and no increase to general council tax in 2018/19.**
- 2.3 **Schools Forum to advise the Authority on whether it would agree now or defer until year-end:**
 - i. **to transfer the unallocated central services funding in 2018/19 of £0.566m to the High Needs Block; and/or**
 - ii. **in principle, to transfer any unspent Early Years funding at year-end to the High Needs Block.**

3. Why this report is needed

- 3.1 The Dedicated Schools Grant (DSG) is a specific and ring-fenced grant, provided by the Department for Education (DfE). It is used in support of the local authority's Schools Budget and is broken down into the following four blocks.
 1. **Schools Block** primarily funds mainstream schools.
 2. **Early Years Block** primarily funds early education provision in private, voluntary and independent settings, maintained nursery schools, school

nursery classes and the education of two year olds from households with low incomes.

3. **Central Schools Services Block** primarily provides funding for core educational support services that affect all schools and academies or their pupils (e.g. admissions, Schools Forum costs, some statutory and regulatory education functions and spending on on-going initiatives that were approved by Schools Forum in the past).
 4. **High Needs Block** primarily funds pupils with high needs such as pupils with Special Educational Needs and Disabilities (SEND) who may have Education Health and Care Plans (EHCP), or pupils in Alternative Provision (AP) such as Pupil Referral Units or Hospital Schools.
- 3.2 In February 2017, the Council agreed the DSG allocation which included the High Needs Block and a deficit recovery plan to achieve reductions of £7.2m over a 3 year period of which the potential savings for 2018/19 was £5.1m. The £5.1m figure represented the forecasted value of savings that would be necessary if the forecasted pressures materialised and the budget were to be delivered at the level of £50.951m that was agreed by Council in February 2018.
 - 3.3 Following the SEND Judicial Review and a High Court Ruling in August 2018, which found in favor of the claimants, the High Needs budget element of the Dedicated Schools allocation was quashed. An outline of the details of the key points of the judgement is in Appendix 1.
 - 3.4 This means that, while spending may continue on High Needs activities in the meantime, the Council has to reconsider its original decision about the High Needs budget and in addressing as appropriate the points outlined in the judgement, present the budget to Council for a decision.
 - 3.5 This report, therefore, focuses on the High Needs activity and budget, and proposes a revised 2018/19 budget for Council consideration.

4. Background to the High Needs Block

Funding (High Needs Block)

- 4.1 The recent history of the DSG arrangements for High Needs block funding has been varied. Table 1 indicates how the headline totals have changed year-on-year since 2014/15.

Table 1: Comparative Gross High Needs Budget allocations 2014/15 – 2018/19

| | Gross amount of High Needs Block DSG £m | Simple change on previous year £m / (%) | Comment on funding changes | Actual & Forecast Outturn of High Needs Block DSG £m | Difference between DSG allocation and total spend on High Needs £m |
|---------|-----------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|--------------------------------------------------------------------|
| 2018-19 | £51.0m | £0.4m / 0.8% | £1.0m transfer of responsibilities for pupils in mainstream resource bases to Schools Block, so increase is £1.4m / 2.8%. | £54.6m | £3.6m |
| 2017-18 | £50.6m | £7.3m / 16.9% | £4.6m rebase plus £1.6m post-16, £0.75m population fund and £0.47m growth | £53.7m | £3.1m |
| 2016-17 | £43.3m | £0.7m / 1.6% | No change in scope of HNB between years | £50.1m | £6.8m |
| 2015-16 | £42.6m | £0.4m / 0.9% | No change in scope of HNB between years | £49.8m | £7.2m |
| 2014-15 | £42.2m | | | £44.7m | £2.4m |

- 4.2 The headline figure disguises some changing responsibilities between High Needs Block and Schools Block or between High Needs Block and the Education and Skills Funding Agency's (ESFA) Post 16 Grant. Incremental changes, taking account of agreed places or allowing for some cost or demand pressures have largely been modest.
- 4.3 Notably, however, there was a stepped increase in funding in 2017/18 that re-baselined the High Needs Budget for every local authority to recognise the prevailing level of spending. This accounted for £4.6m of the increase between 2016/17 and 2017/18. Recognising historic levels of spending was very helpful in managing the High Needs Block, but there has been insufficient recognition of growing demand or the additional commitments created following the SEND Reforms in 2014 by extending the age range for duties in relation to children and young people with SEND to Birth to 25 from 2-19 years, as was the case previously.
- 4.4 For 2018/19, the DfE have introduced a National Funding Formula to determine the amounts for each local authority differently and, on a like-for-like basis, this has produced an increase of 2.8%.
- 4.5 The provisional High Needs block income for Bristol has been calculated as follows:

Table 2: Components of the High Needs Block DSG funding allocation for 2018/19

| Component | £m |
|-------------------------------------------------------------------------------------------------------------------------------|----------|
| Actual High Needs national funding formula allocation | £47.361m |
| Plus £4,087.90 per pupil ACA weighted base rate * 869 (pupils in special schools/ academies based on the October 2017 census) | £3.551m |
| Import/export adjustment £6,000 * - | -£0.031m |

| Component | £m |
|----------------------------------------------------------------------------------------|-----------------|
| 5 (net imported / exported) pupils (estimate) | |
| Total December 2017 | £50.882m |
| Import/export adjustment £6,000 * 18.5 (net imported / exported) pupils (confirmed) | £0.111m |
| TOTAL July 2018 | £51.023m |

SEND performance

4.6 The tables below detail activity trends following the introduction in September 2014 of the new Children and Families Act specifying the need for consistent help for children and young people with SEND.

Table 3: Statutory Statements of SEN (as per 02 September each year until 31/05/2018 when all had to be converted to Education Health and Care Plans)

| Age | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------|--------------|--------------|--------------|------------|-----------|
| 0-4 years | 33 | 17 | 1 | 0 | 0 |
| 5 -16 years | 1,619 | 1,388 | 1,016 | 452 | 27 |
| 17 -19 years | 208 | 139 | 121 | 75 | 0 |
| 20-25 years | 8 | 4 | 4 | 0 | 3 |
| Total | 1,868 | 1,548 | 1,142 | 527 | 30 |

Table 4: Education Health and Care Plans (as at 02 September each year)

| Age | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------|----------|-----------|------------|--------------|--------------|
| 0-4 years | 0 | 4 | 37 | 22 | 16 |
| 5 -16 years | 0 | 20 | 623 | 1,126 | 1,463 |
| 17 -19 years | 0 | 2 | 200 | 390 | 557 |
| 20-25 years | 0 | 0 | 35 | 107 | 175 |
| Total | 0 | 26 | 895 | 1,645 | 2,211 |

Table 5: Total number of statutory plans (as at 02 September each year)

| Age | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------|--------------|-------|-------|-------|--------------|
| Total | 1,868 | 1,574 | 2,037 | 2,172 | 2,241 |

Table 6: Requests for Statutory EHC Needs Assessment

| Year | 2016 | 2017 | 2018: 7 Months only |
|---------------------------------------|------|------|----------------------------------|
| Total requests received | 514 | 427 | 402 (800+ expected for the year) |
| Yes to Statutory EHC Needs Assessment | 239 | 238 | 282 |
| No to Statutory EHC Needs Assessment | 275 | 189 | 88 |
| Awaiting Panel decision | 0 | 0 | 32 waiting to be |

| | | | |
|--|--|--|--------------------------------|
| | | | seen by Panel by 30/09/2018 |
|--|--|--|--------------------------------|

4.7 This indicates an increase of 342 Statutory Plans (18.2%) on the 2014 position, and a total of 1,868 conversions (reassessment of needs, and this time across Education, Health and Social Care, not just Education as was the case with Statements of SEN as well as drafting and writing Education Health and Care Plans) also had to take place within this period whilst all Statements of SEN were continued to be maintained.

4.8 In addition to this, 759 new ECH Needs Assessments also took place in 2016-2018 which resulted in 2,211 new EHCPs in total.

4.9 Tables 7 and 8 provide activity levels in Bristol and non-maintained special schools over the last four years.

Table 6: Number of commissioned places in Bristol's Special Schools 2014-2018, as at 31 March

| TOTAL COMMISSIONED PLACES | 2014/15 as @ 31st March 15 | | | 2015/16 as @ 31st March 2016 | | | 2016/17 as @ 31st March 2017 | | | 2017/18 as @ 31st March 2018 | | |
|---------------------------|-------------------------------|---------|-------|---------------------------------|---------|-------|---------------------------------|---------|-------|---------------------------------|---------|-------|
| | Pre-16 | Post-16 | Total | Pre-16 | Post-16 | Total | Pre-16 | Post-16 | Total | Pre-16 | Post-16 | Total |
| | 737 | 124 | 861 | 740 | 134 | 874 | 767 | 148 | 915 | 749 | 145 | 894 |

Table 7: Number and cost of commissioned places at Independent Non-Maintained Schools

| Placement type | Places 2014/15 | Places 2015/16 | Places 2016/17 | Places 2017/18 |
|----------------|----------------|----------------|----------------|----------------|
| Pre 16 INM | 21 | 40 | 42 | 52 |
| Post 16 INM | 18 | 33 | 46 | 30 |
| ISP | 31 | 16 | 10 | 9 |
| Total | 70 | 89 | 98 | 91 |

| Placement type | Spend £m 2014/15 | Spend £m 2015/16 | Spend £m 2016/17 | Spend £m 2017/18 |
|----------------|------------------|------------------|------------------|------------------|
| Pre 16 INM | £1.097m | £2.355m | £2.529m | £3.006m |
| Post 16 INM | £0.679m | £1.968m | £2.125m | £1.900m |
| ISP | £1.865m | £0.888m | £0.837m | £0.620m |
| Total | £3.642m | £ 5,211m | £5.491m | £5.526m |

4.10 The increases in numbers and associated workload outlined in the various tables above are not unique to Bristol's Local Area Services and are reflected in the national picture of High Needs service pressures.

Rising Demand and Costs Pressures

4.11 The SEND population generally is growing in excess of the increase in birth rate, partly due to improved medical care, diagnosis and earlier identification of needs. In Bristol in 2018 1 in 14 children and young people have Special Educational Needs and or a Disability, ranging from a moderate learning difficulty to profound and multiple complex special educational needs which include sensory as well physical impairments. This has created pressure on inclusion in mainstream schools and a shortage of places in the majority of special schools in both the primary and secondary phases, despite an increase in commissioned places.

Table 9a: General Population figures

| Age | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------|---------|---------|---------|---------|-----------------------------------------------------------------|
| 0-4 years | 31,043 | 30,787 | 30,648 | 29,800 | 2018 data is not yet available (the ONS have not issued it yet) |
| 5 -16 years | 56,316 | 57,366 | 58,477 | 59,743 | |
| 17 -19 years | 17,350 | 17,996 | 17,881 | 18,160 | |
| 20-25 years | 55,741 | 57,981 | 58,838 | 59,332 | |
| Total | 160,450 | 164,130 | 165,844 | 167,035 | |

Table 9b: SEN Support in mainstream education settings (as per January Census data)

| Age | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 0-4 years | 644 | 653 | 626 | 599 | 597 |
| 5 -16 years | 7,743 | 6,792 | 6,384 | 6,481 | 6,854 |
| 17 -19 years | 118 | 113 | 153 | 153 | 155 |
| Total | 9,149 | 7,558 | 7,163 | 7,233 | 7,606 |

Table 10: Percentage of the population identified with SEN and supported at SEN Support level in mainstream education settings

| Age | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------------------------------------------------------------|-----------|---------|-----------|-----------|-----------------------------------------------------------------|
| 0-4 years | 2.1% | 2.1% | 2% | 2% | 2018 data is not yet available (the ONS have not issued it yet) |
| 5 -16 years | 13.7% | 11.8% | 10.9% | 10.8% | |
| 17 -19 years | 0.7% | 0.6% | 0.9% | 0.8% | |
| Number of children and young people identified with SEN | 1 in 12.3 | 1 in 14 | 1 in 14.9 | 1 in 14.9 | |

4.12 The decrease in figures in Table 10 relates to the challenges in education settings around the introduction of 'new' classifications of the four broad areas of SEND as detailed in the SEND Code of Practice 2014 and the following year when it was re-issued in 2015. This was particularly the case in terms of the identification of children of statutory school age in mainstream education settings, as is reflected in the figures above. Identification of SEND continues to be a workforce development issue across the Local Area which the

Specialist and Inclusion Services continue to address through targeted and specialist support.

- 4.13 The increase in numbers of EHCPs is of course due in large part to the extension of the age range they support from 2-19 to 0-25 introduced by the Children and Families Act 2014 and SEND Code of Practice 2015. Previously we would expect around 200 Statutory Statements of SEN per year to lapse at age 19 but the majority of these CYP are continuing in education so we are now responsible for over 300 more EHCPs than 3 years ago.

Table 11: number of statements/EHCPs ceased since 2014

| Number of statements/EHCPs ceased | 2014 | | 2015 | | 2016 | | 2017 | | 2018 to date | |
|-----------------------------------|------|------|------|------|------|------|------|------|--------------|------|
| | S | EHCP | S | EHCP | S | EHCP | S | EHCP | S | EHCP |
| School leavers | 218 | 0 | 16 | 0 | 243 | 3 | 39 | 47 | 15 | 56 |
| Transferred to another LA | 6 | 0 | 6 | 1 | 21 | 18 | 8 | 22 | 0 | 23 |
| Needs met without statement/plan | 3 | 0 | 28 | 0 | 6 | 0 | 11 | 5 | 8 | 16 |
| Other reason | 5 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |

- 4.14 The rising number of EHC Needs Assessments as well as EHCPs is not only impacting on costs but also on their quality and on levels of complaints and dissatisfaction. Pressure on attainment in mainstream schools as well as that on school budgets generally, is providing a challenge to inclusion as schools need to reduce the costs of staffing and additional support. Notional SEN budgets within the DSG are not ring-fenced and there is currently no agreed mechanism for monitoring this spending. The only guaranteed additional funding for pupils is the Top-Up element.

Table 12: Top up expenditure since 2014/15

| Placement type | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|----------------|------------|------------|------------|------------|
| Top Up | 19,276,416 | 22,474,908 | 20,832,980 | 22,476,931 |
| *GFE | 990,160 | 928,428 | 1,824,822 | 1,729,799 |

* *General Further Education and Specialist Colleges*

- 4.15 There is corresponding pressure for changes of placement to Resource Bases or Special Schools even where needs could potentially be met within the provision and resources generally available in mainstream settings. This can take up valuable Special School places for children with less complex needs meaning that there is then insufficient capacity to meet the needs of the most complex children. This in turn leads to high-cost independent/out of authority placements. Even where capacity in Special Schools is increased, the range of needs catered for is skewed and schools are seeking additional or exceptional needs funding for a wider range of pupils.

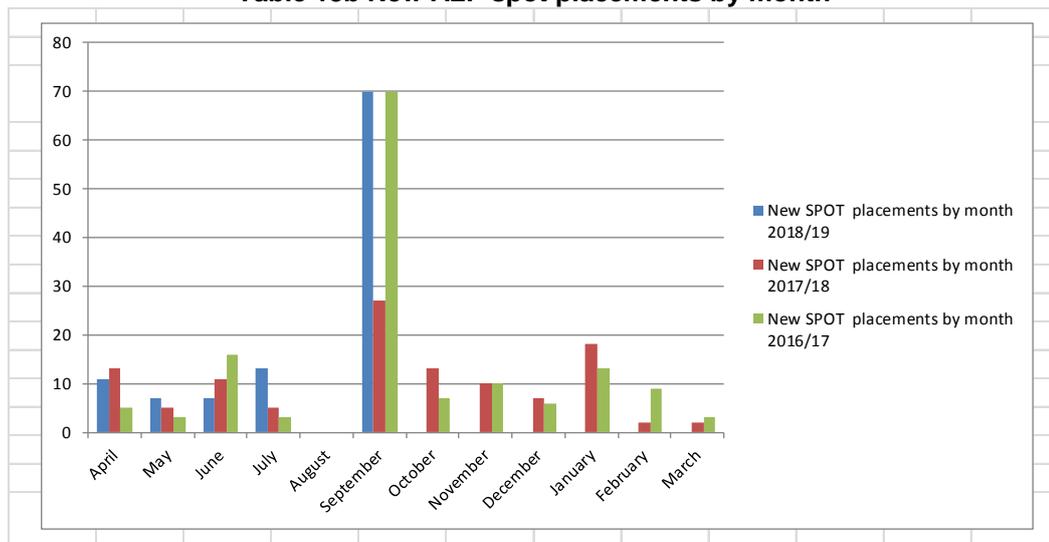
Why are Alternative Learning Provider (ALP) costs increasing?

- 4.16 Whilst the total number of pupils being permanently excluded in Bristol has continued to fall, the number of pupils entering LA funded ALP has risen. The majority of ALP placements is Spot Purchased and is for secondary aged pupils.

Tables' 13 a-d: Alternative Provision data

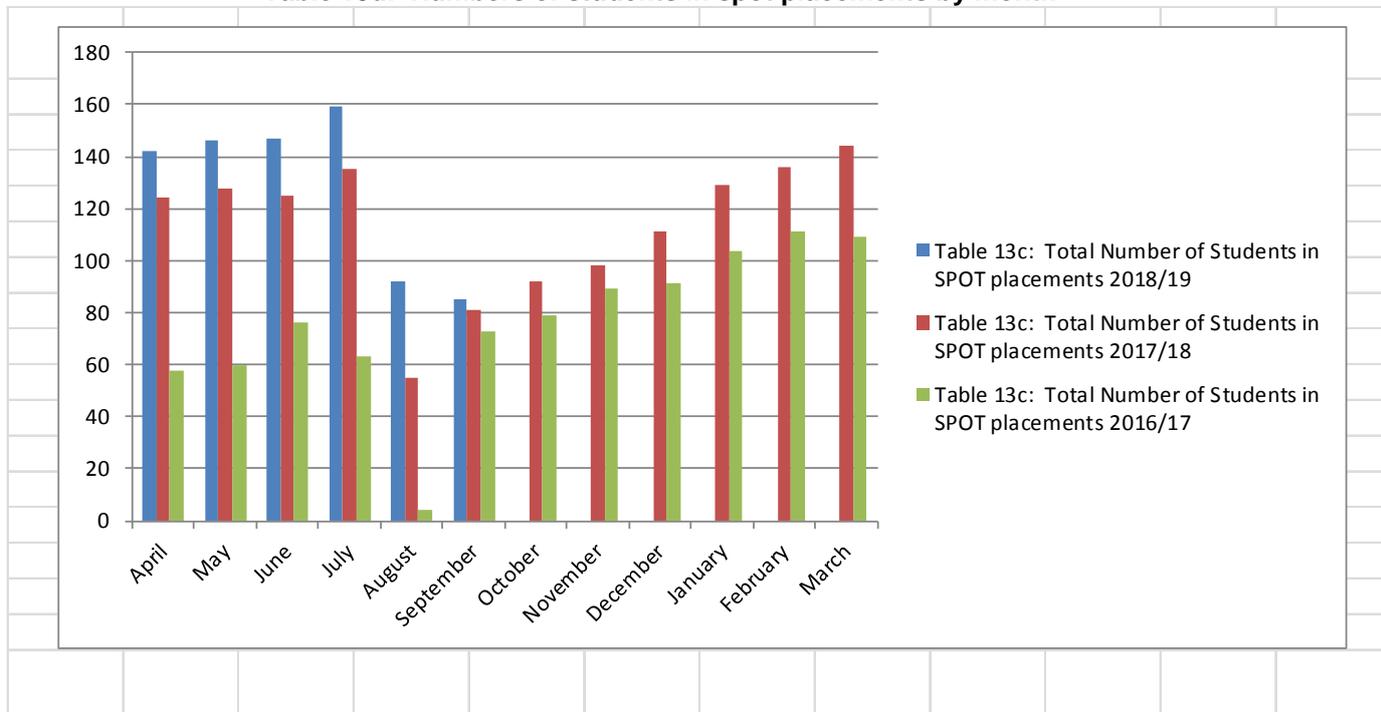
| Table 13a: New ALP SPOT placements by month | | | |
|----------------------------------------------------|----------------|----------------|----------------|
| | 2018/19 | 2017/18 | 2016/17 |
| April | 11 | 13 | 5 |
| May | 7 | 5 | 3 |
| June | 7 | 11 | 16 |
| July | 13 | 5 | 3 |
| August | 0 | 0 | 0 |
| September | 70 | 27 | 70 |
| October | | 13 | 7 |
| November | | 10 | 10 |
| December | | 7 | 6 |
| January | | 18 | 13 |
| February | | 2 | 9 |
| March | | 2 | 3 |
| Average | 18 | 9 | 12 |

Table 13b New ALP spot placements by month



| Table 13c: Total Number of Students in SPOT placements | | | |
|---------------------------------------------------------------|------------------|--------------------|-------------------|
| | 2018/19 | 2017/18 | 2016/17 |
| - | | | |
| April | 142 | 124 | 58 |
| May | 146 | 128 | 60 |
| June | 147 | 125 | 76 |
| July | 159 | 135 | 63 |
| August | 92 | 55 | 4 |
| September | 85 | 81 | 73 |
| October | | 92 | 79 |
| November | | 98 | 89 |
| December | | 111 | 91 |
| January | | 129 | 104 |
| February | | 136 | 111 |
| March | | 144 | 109 |
| AVERAGE Pupils | 129 | 113 | 76 |
| Total net cost to HNB | 801,208 | £ 1,026,717 | £1,004,497 |
| Average net cost per pupil to HNB | £6,235.08 | £9,072.61 | £13,144.99 |

Table 13d: Numbers of students in spot placements by month



- 4.17 Many of these placements are jointly funded by schools to avoid permanent exclusions and there have been more placements of this type made in the last year. There has also been an increase trend in the number of very high cost placements of pupils with SEND (with EHCPs) as well as Children in Care into ALP settings or non DfE registered provision. These placements are made as there are no special school places. A number of special school placements have been unsuccessful or INM alternatives who can successfully meet needs, despite wide ranging consultations. Placements are also made in line with parental preference as well as availability.
- 4.18 Finally, the number of Primary school permanent exclusions (especially in the South of the City) has risen sharply over the past two years. Whilst there is some state funded school-like capacity available (ESFA/ DSG), there are occasions where the local authority's statutory duties to make provision for excluded pupils means that we have to commission ALP.
- 4.19 The above provides a high level summary of the increases in the number of High Needs pupils and their increased complexity of needs.

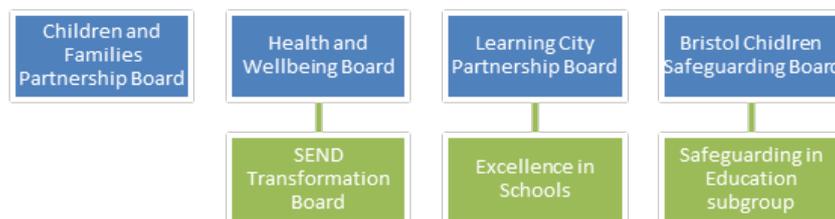
Outcomes and improvement work underway

- 4.20 The spend on children and young people with High needs has increased by 22% equating to £9.8m since 2014/15. However, the impact of this additional expenditure has not produced the desired outcomes, as reflected in the 2017 data. We are awaiting the 2018 data which has not yet been released for vulnerable groups:
- KS1 & KS2 attainment: the percentage of pupils on SEN Support meeting required standard was lower than Statistical Neighbours (SN) for Reading, Writing and Mathematics (RWM), with the difference ranging from -0.3 to -2.6 percentage points (pp). Mathematics was the lowest area of attainment.
 - KS1 to KS2 progress: progress of pupils on SEN Support was below that achieved compared to Core Cities (CC) for RWM and & SN in Writing & Mathematics, the difference ranging from -0.4 pp to -1.9 pp. Mathematics was again the lowest area of performance.
 - KS4 attainment & progress: Attainment 8 score for children and young people without SEN in Bristol (-0.1) is below that of CC (-0.08pp) & SN (-0.15pp). For SEN Support progress 8 (-0.53) is below figures for England (-0.43).
 - Type of SEND identified outliers CC and SN for Specific Learning Difficulties, Social Emotional & Mental Health, Moderate Learning Difficulty and Hearing/Visual Impairment.
 - Inclusion: EHCPs in mainstream primary is low and permanent exclusions high (22 in 16/17, 51% on SEN Support. 12 in 17/18, 80% on SEN Support.).
 - SEND Parental Survey in 2015/16 showed low confidence in systems of support for children and young people with SEND.
 - The 2018 LGA Peer Review of SEND highlighted issues with poor identification of pupils with SEND and lack of ambition for educational attainment.

- 4.21 The key challenges that we have focused on with school in 2017/18 have been:
- The fall in Ofsted Good/Outstanding judgements - Less children now have the opportunity to attend a good/outstanding school in Bristol
 - Attainment across all measures (Early Years, Key Stage 1, Key Stage 2, Key Stage 4 and Post 16) for all groups. Whilst the trajectory in many areas of headline attainment measures is positive, the gaps are still too wide between Bristol and National averages, and between groups of children and young people.
 - Outcomes for children and young people with SEND are far too low in comparison to their peers. Whilst EHCPs are increasingly reflecting a greater multi-agency approach, the ambition within these needs to reflect improved outcomes from all Local Area services.
 - Children in Care in Education are well supported by the Hope Virtual School and there is support and challenge to schools to improve outcomes for Looked After Children. However attainment continues to be an area of considerable focus, particularly at Key Stage 4.
- 4.22 Work to improving outcomes for children and young people with SEND and those with the highest needs have included the following during the past academic year:
- 4.23 The School improvement offer has been as follows:
- Maintained schools had one LA commissioned visit in the autumn term (September to December) to review the school's outcomes including those of vulnerable groups and discuss school improvement planning for the academic year.
 - Maintained schools also had the option to purchase additional visits on a bespoke basis, including support for head teacher performance management.
 - Academies had the option to purchase the above. All of the academies that did so are standalone academies.
- 4.24 The Inclusion in Education Group (previously known as the Inclusion Reference Group) drives and oversees the changes required to fully implement the SEND reforms (outlined by the Children and Families Act 2014 and the 0-25 SEND Code of Practice 2015) and has been working with officers on a series of relevant work streams (i.e. High Needs Budget support services, Top-Up funding for mainstream as well as specialist education settings, Post 16 provision for young people with SEND, and Alternative Learning models) with the key objective to ensure the High Needs Budget is sufficient to meet the needs and costs of associated with Children with SEND and that in the long term the ongoing demand is sustainable within the envelope of funding provided from the Department for Education via the National Funding Formula. The work of the IEG also involved establishing working groups that focused on the Early Intervention Base (EIB) pilot, the

development of the Bristol SEN Support Plan, driving the Local Area EHCP Improvement Plan and starting to look at new models for Top Up.

- 4.25 Special Schools also received additional workforce development around the quality of EHCP Annual Reviews as well as EHCP improvement.
- 4.26 Specialist Services and Inclusion Services have also continued to work directly with Early Years, School Age and Post 16/ GFE mainstream as well as specialist education settings to drive inclusion as well as approaches to differentiating quality first teaching through targeted support for children and young people with moderate learning difficulties, developmental delay and specific learning difficulties such as Dyslexia or Dyspraxia. These services have also offered specialist support to individual children and young people with sensory impairments, autism, and mental health needs that present with high levels of challenging behaviour in addition to high levels of school related anxiety, school refusal and high risk of permanent exclusion.
- 4.27 There are four main boards that oversee the Educational Outcomes of vulnerable children and young people in Bristol. These are the: Children and Families Partnership Board; Health and Wellbeing Board; Learning City Partnership Board; and Bristol Children Safeguarding Board. Regular reports are made to the boards around the outcomes of vulnerable children and young people and there is representation of senior education leaders on all the boards and subgroups.



- 4.28 The local authority also works with partners through the **Excellence in Schools Group (EISG)**. The group contributes to the achievement of the Learning City vision and its ambition to improve educational outcomes for all. Excellence in Schools Group members use their involvement in other forums (e.g. secondary and primary Heads Associations, MATs, teaching schools, Diocese etc.) to ensure greater coordination and coherence of the school-led system across the city. The responsibility for school improvement is a collective one and the EISG acts in accordance with the Regional Schools Commissioner's vision of a 'Local School Standards Board'. This means that school performance and progress is regularly reviewed by the group. With the support of an independent Chair, members will hold partners to account, evaluate the impact of improvement work and make recommendations and broker support where appropriate.

- 4.29 The **Monitoring, Support, Challenge and Intervention Policy** (updated for 2018) sets out the process for challenging those schools that are deemed to be causing concern. A risk assessment is carried out by LA officers to reach decisions about the support level for each school/academy based on the most recent performance data; information from the regional school's commissioner; latest Ofsted inspection reports; a one page summary SEF submitted by each school; and a self-assessment of each school's strengths using the School Self Review. In September, all maintained and academy schools are required to assess themselves against the support level criteria and establish where they believe they match the criteria. This is sent to the Head of School Partnerships and this self-assessment will also inform discussions LA officers and Excellence in Schools Group members about which level of support the school will receive.
- 4.30 Other activities to improve school performance for vulnerable children include:
- A new **School Improvement model** for 2018-20 incorporates a universal offer of an allocated Bristol Education Partner (formerly School Improvement Advisers or current Heads/NLEs) to support every primary, secondary, special school regardless of its maintained or academy status.
 - A '**Blackbox data**' agreement with schools means that schools can plan strategically based on group level data from July onwards. Transparency of data is enabling schools and the ESIG to identify where there is successful practice and potentially form school to school improvement partnerships.
 - A **Strategic School Improvement Fund** bid to improve educational outcomes in 30 of Bristol's most vulnerable schools (19 primaries and 11 secondaries) focused on 'Leadership for Learning'.
 - A **SEND Transformation Board, SEND strategy** and investment in SEND Services/ operational teams.

Outcomes and Funding

- 4.31 Insufficient funding from central government coupled with an increase in demographic pressures has meant that the past eight years have been a period of significant challenge for Education and Council budgets.
- 4.32 The scale of the ongoing challenge in both service provision, outcomes achieved and financial resources means that the way we deliver our services will need to change. The evidence above indicates the equation of quality care with higher costs is a fallacy. The impact of poor quality can be measured through the outcomes but it is also seen in spiralling costs, overspends, wasted resources and poor investments which needs to be addressed.
- 4.33 Similarly an undue focus on solely cost cutting will not deliver the changes required to improving educational outcomes for children and young people with SEND, as well as those with high needs. A collaborative approach is

required to ensure that resources are used most effectively to deliver the highest quality outcomes.

- 4.34 For the future, the High Needs Transformation plan being developed will seek to place quality at its heart and improved outcomes for the children and young people of Bristol and provide a stable platform to be able to meet the challenges ahead with ambition and confidence.

5. 2018/19 High Needs Budget position

- 5.1 In previous years, the High Needs budget has been based on the available funding, whether from the High Needs Block of the DSG, or supplemented by transfers from elsewhere in the DSG. That available resource was allocated to the various cost-centres as appropriate, often with the expectation that certain components of the budget would overspend.
- 5.2 For 2018/19, the budget was set with more visibility of the expected commitments and the level of reductions that would be necessary to balance the budget. The original budget represented the forecast spend in 2018/19 when a full assessment was done in September 2017, offset by a schedule of savings amounting to £5.1m for 2018/19. The timescales for delivery of savings on each of the components were estimated, with some measures possibly taking much longer or not being fully deliverable. This was explained in reports to Schools Forum on the High Needs budget.
- 5.3 **Table 14** provides the 2018/19 Period 4 forecasted outturn and variance against the original expenditure budget of £50.951m.

Table 14: High Needs Budget forecast 2018/19, based on originally set budget

| Component | Budget 2018/19 £'000 | Period 4 Forecast 2018/19 £'000 | Variance £'000 | Comment on variance |
|-------------------------------|----------------------------|------------------------------------------|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Places only | 14,609 | 15,552 | 943 | <ul style="list-style-type: none"> Natural changes to place numbers in individual institutions have taken place, but the reductions (mainly in FE) have been offset by increases (mainly in other specialist provision and particularly for Pre 16). |
| 2. SEN Top-ups | 22,664 | 24,063 | 1,399 | <ul style="list-style-type: none"> This related to mainstream School Age Top, Special School Top Up and GFE Top Up and is based on existing commitments and fluctuations in-year (up and down). No changes have been made to special school or mainstream top-up rates, but the cost and number of new cases / changed circumstances of children and young people have increased. |
| 3. AP Top-ups | 737 | 985 | 248 | <ul style="list-style-type: none"> This reflects current activity levels, including the impact of reimbursing schools for a higher charge for 12 week placements from April 2018. |
| 4. Other SEN provision | 5,904 | 5,962 | 58 | <ul style="list-style-type: none"> Increase in demand for commissioning of pre-16 education Independent Non Maintained placements, both solely funded by Education as well as jointly commissioned with Social Care and Health. |
| 5. Other AP provision | 4,040 | 4,978 | 938 | <ul style="list-style-type: none"> Demand and cost pressures plus impact of restoring Hospital Education £200k and Early Intervention Bases savings £450k. |
| 6. Services | 2,997 | 3,070 | 73 | <ul style="list-style-type: none"> Current levels of spend on support services. |
| Total Commitment | 50,951 | 54,609 | 3,658 | <ul style="list-style-type: none"> The forecast overspend is lower than the overall savings target of £5.1m because there were some natural reductions arising from fluctuations in demand and cost or reductions attributable to changes that began during 2017/18, rather than as a consequence of the original budget decision for 2018/19. |
| Brought Forward | -6,300 | -1,873 | 4,427 | <ul style="list-style-type: none"> At year-end, underspends in other blocks was used to reduce the historic deficit attributable to High Needs. |
| Unallocated funding | 2,631 | 2,772 | 141 | <ul style="list-style-type: none"> The original budget planned to use some of the available resource for High Needs to reduce the historic deficit. |
| HNB allocated 2018/19 | 50,951 | 50,951 | 0 | <ul style="list-style-type: none"> This is the budget allocated as part of the original budget decision in February 2018. |
| Total Funding | 47,282 | 51,850 | 4,568 | <ul style="list-style-type: none"> The overall funding available has increased mostly because of the transfer of resources to address the historic overspend at year-end. |
| Overspend (cumulative) | 3,669 | 2,759 | -910 | <ul style="list-style-type: none"> On the basis of the current forecast spend and available resources, High Needs would end the year with a £2.8m cumulative deficit. |

5.4 This indicates a total spend of £54.609m based on actual activity and expected end of year overspend of £3.658m.

5.5 The available High Needs resources for 2018/19 have increased by £4.568m since the originally set budget. £4.427m was due to underspends in the DSG at year-end. £0.141m was due to a technical adjustment to the High Needs DSG by the DfE.

5.6 Overall, the current forecast, taking account of the forecast activity and the overall available resource currently attributed to the High Needs Block, would produce a forecast overspend of £2.759m at year-end.

6. Judicial Review implications of setting a new High Needs budget for 2018/19.

- 6.1 The outcome of the judicial review, made in August 2018, is that the original High Needs budget of £50.951m and the decision to have a schedule of £5.1m savings for 2018/19 is quashed. Whilst much of the judgement focused on the need for public consultation and impact assessments covering a range of areas, we recognise that both the Services and financial position has moved on from the circumstances Council faced in February 2018. We would seek to minimise the impact created by greater uncertainty regarding future service provision and confusion that two consecutive consultations for 2018/19 and 2019/20 could create. The previous deficit recovery proposals which largely remained in development will not be incorporated in the revised 2018/19 budget for consideration by Cabinet / Council in the forthcoming meeting.
- 6.2 In determining the correct amount of the High Needs Budget for 2018/19, it is proposed to revert to past practice. **Table 15** sets out the calculations which is broken down into the following two processes.
- 6.3 The first is the **Budget Reversal**. The original budget was based on the 2017/18 DSG of £50.649m, less forecast of the following:
- A transfer of responsibilities to Schools Block (for mainstream SEN) of -£1.0m
 - Plus - indicative spending commitments calculated of £6.402m
 - Less – deficit recovery schedule of £5.1m
 - This gave the actual budget agreed of £50.951m
 - The quashing means that we revert to the 2018/19 DSG of £50.882m (as it was known in February 2018) and start the exercise again.
- 6.4 Many of the propositions outlined in the previous deficit recovery plan have not been progressed, however there are three savings measures which have been implemented, which the Council proposes to unwind as a consequence of the court decision. These relate to increased charges to primary schools for 12 week Alternative Provision placements, the changes made to the Early Intervention Base arrangements when the two year pilot ended in the summer of 2018 and the budget reduction to the Hospital Education service. The impact is forecasted to be up to £0.8m and this is reflected in the Period 4 forecast as outlined in table 14.
- 6.5 The second is the **Revised Budget**. **In ensuring that the budget for 2018/19 is prepared without the disruption of other aspects of the Schools or Council budget** in utilising the same principles as in previous years the proposed 2018/19 High Needs budget is built up as follows:
- We do not attempt to calculate or add commitments – we now have 2018/19 forecasted outturn
 - We do not deduct any indicative savings targets
 - £50.882m DSG, £2.000m from Schools Block and £0.700m from General Fund

- Total In-year available funding: is **£53.582m**
- 6.6 In addition subsequent changes have occurred at the year-end on Early Help (+£0.182m) and increased DSG allocation from DfE of £0.141m increases the overall figure to **£53.905m (recommendation to Full Council)**.
- 6.7 The historic deficit, which, at that point of setting the budget, was forecast to be £6.270m would have rolled-forward, however the overall position improved at year end due to:
- The year-end outturn was better than expected and £4.397m of underspend from across the DSG in 2017/18 was used to reduce the historic deficit in the High Needs budget; and
 - At year-end, it was confirmed that the final element of £0.182m funding for Early Help staffing could be used in the High Needs block.
- 6.8 The original £53.582m, therefore, would increase by £0.182m and £0.141m to produce an updated budget of **£53.905m** and a **deficit of £2.055m** for the High Needs budget.

Table 15a: The Budget Reversal - Original basis 2018/19 Budget agreed in February 2018

| Details of the calculation of the original High Needs DSG budget 2018/19 | High Needs DSG 2017/18 | Less transfer of responsibilities to Schools Block | Add expected cost of spending commitments | Savings | Original Feb 18 decision £'000 |
|--------------------------------------------------------------------------|------------------------|----------------------------------------------------|-------------------------------------------|---------|--------------------------------|
| High needs budget allocation 2018/19 | 50,649 | -1,000 | 6,402 | -5,100 | 50,951 |

Table 15b: The Revised Budget - Proposed revised basis for High Needs Budget 2018/19 for November 2018 Council

| Impact of quashing the original decision and setting the High Needs Budget on the basis of the available funding. | High Needs DSG 2017/18 | Adjustment to set new budget at available funding | Proposed post-JR reversion £'000 | Impact of year-end 2017-18 £'000 | Subsequent DfE change to DSG May 2018 £'000 | Updated post-JR position £'000 | Forecast spend 2018/19 (based on P4) £'000 |
|-------------------------------------------------------------------------------------------------------------------|------------------------|---------------------------------------------------|----------------------------------|----------------------------------|---------------------------------------------|--------------------------------|--------------------------------------------|
| DSG allocation | 50,649 | 233 | 50,882 | | | | |
| Transfer from General Fund & Schools Block | | 2,700 | 2,700 | | | | |
| High needs budget allocation 2018/19 | 50,649 | 2,933 | 53,582 | 182 | 141 | 53,905 | 54,609 |

Funded from

| | | | | | |
|--------------------------------------------|---------------|---------------|------------|---------------|---------------|
| b/f | -6,270 | 4,397 | | -1,873 | -1,873 |
| DSG | 50,882 | | 141 | 51,023 | 51,023 |
| Transfer from Schools Block | 2,000 | | | 2,000 | 2,000 |
| Transfer from General Fund | 700 | | | 700 | 700 |
| Total funding | 47,312 | 4,397 | 141 | 51,850 | 51,850 |
| Cumulative position (overspend = +) | 6,270 | -4,215 | 0 | 2,055 | 2,759 |

6.9 It is currently forecasted that this position will be overspent at the end of the financial year 2018/19 by £2.759m. This needs to be viewed in the context of the overarching DSG forecasted outturn at Period 4 of £1.3m overspend, attributed to the High Needs pressure, offset by an unallocated £0.6m in Central School Services Block, a potential underspend in Early Years Block of £0.8m and a £0.1m underspend on de-delegated services.

6.10 Should this position be realised, in managing the potential future overspend on the High Needs budget Schools Forum are asked to agree, either now or at year-end to transfer the unallocated £0.6m in the School Central Services Block and 'in principle' to the transfer of any unspent monies in 2018/19 in the Early Years Block to the High Needs Block.

6.11 The Council is currently forecasting an overspend and therefore in line with DSG Guidance which applies to the grant as a whole, not to the individual blocks. The Council, would have the options of deciding how to manage that overspend at year-end, as per the terms and conditions of the Dedicated Schools Grant, and subject to the financial position at the end of the year, will be asked to decide whether to:

1. *Fund all the overspend from its general resources in the year in question*
2. *Fund part of the overspend from its general resources in the year in question, and carry forward part to the schools budget in the next year or the year after that*
3. *Not to fund any of the overspend from its general resources in the year in question, and to carry forward all the overspend to the schools budget in the next year or the year after that.*

6.12 **Appendix 2** provides details about each of the components of the previous £5.1m savings schedule and explains how officers have ensured that no policy changes that are directly consequent to the original decision of February 2018 Council stand. As outlined in 6.4 above there are three particular changes which need to be unwound due to the need for public consultation prior to any implementation of 2018/19 changes.

Further Resource implications

- 6.13 The recent loss of a judicial review regarding the High Needs Block budget for 2018/19 has brought in to focus the need for additional work to be undertaken, both to reinstate the budget but also to support future consultation and decision-making activity around items identified in the budget and service planning arrangements for the High Needs Block.
- 6.14 The additional profile and scrutiny now attached to HNB/SEND means a higher number of requests for services such as alternative formats are more likely than might originally have been planned for and this will need to be captured in the costing.
- 6.15 It is likely that the requirements for resourcing will be over-and-above the 'core offer' of the services concerned.
- 6.16 The court judgement found in favour of the claimants and the Authority will have to meet their legal costs actual figure still to be confirmed.
- 6.17 It has been indicated by the Section 151 Officer that funding for the from the above will be met from the Council's general fund reserve and to this effect details will be developed and incorporated within the report presented to Cabinet.

7. Conclusions

- 7.1 The approach outlined explains how the Judicial Review Order has made a new decision by Council necessary on the High Needs Block for 2018/19.
- 7.2 The Council has reviewed all aspects of the savings schedule of £5.1m originally planned for 2018/19 and have ensured that no policy changes arising directly from the decision of Council in February 2018 will be implemented in 2018/19 financial year. This has involved taking steps to unwind three components where some changes had been made.
- 7.3 The original budget decision of £50.951m is proposed to be replaced by a figure of £53.905m, an increase of nearly £3m. This proposed budget represents the available funding for the High Needs budget for 2018/19, and recognises that a deficit is likely to materialize which can be considered at year-end.
- 1.1 Increased demands on the High Needs Budget in terms of the numbers and level of support required to meet the needs of Bristol's children and young people with SEND as well as those with high needs is detailed in Tables 3-13, and demonstrates the pressures on those services as well as the financial resources necessary to support them.
- 7.4 Current forecast spending levels on the High Needs Budget are £54.6m at Period 4 for 2018/19. This forecast may vary for the remainder of the year as a natural consequence of individual children's circumstances (e.g. pupils

changing schools, annual reviews identifying different levels of need). The spending within the High Needs Budget for 2018/19, however, will be based on the policies that prevailed prior to the February 2018 Council decision (i.e. no policy changes or consequent savings are proposed as part of the recalculation of the High Needs Budget).

- 7.5 There are other resource implications arising from the court ruling. This includes the need to pay the claimants' legal costs and having sufficient capacity to manage the necessary service improvement work that will assist in working out how best to produce a sustainable plan for the High Needs Block in the longer term.

City Outcome:

- **Empowering and Caring:** Safeguarding and promoting the welfare of children and young people with SEND and equipping the children and young people in our care with the skills and tools to live fulfilling, successful, and rewarding lives.
- **Fair and Inclusive:** Demonstrating due regard to the need to eliminate discrimination, advance equality of opportunity and continue to improve outcomes across education, health and social care for children and young people with Special Educational Needs and/ or Disabilities aged 0-25 years. To ensure everyone has access to a high quality education with appropriate levels of support and resources. Reducing in the gap between disadvantaged pupils (including pupils with special educational needs, disability and children in care) and the Bristol Average at Key Stage 4. An increase in the proportion of young people who have experience of work/apprenticeship by school age 16.
- **Well connected:** Supporting social inclusion and community cohesion for children and young people with SEND, and their families.
- **Wellbeing:** Children and young people with SEND aged 0-25 years and their families will have access to appropriate support for their needs from birth and will be better able to co-ordinate support around the child, achieve better outcomes and make firm plans for their future. Encourage life-long learning in environments where both academic and emotional development are understood and delivered together and increase overall educational performance.

Health Outcome summary: not applicable

Sustainability Outcome summary: not applicable

Equalities Outcome summary: These proposals aim to minimise any impacts on groups by reverting to the policy position which prevailed prior to this financial year.

Impact / Involvement of partners: *What is the impact on key partners? What engagement have they had?*

Consultation carried out: *This report is part of the engagement with schools and other partners prior to this matter being considered by Cabinet and Council.*

Legal Issues: The Council's decision to set the high needs budget 'HNB' was successfully challenged by way of a judicial review claim. The outcome of the case is that the HNB budget decision for 2018/2019 will be quashed once the Order has been sealed by the Court. The basis of the decision and the full order are set out in Appendix 1 It is therefore necessary for Council to make a new budget decision for 2018/2019 and it is proposed that this will be taken at the Full Council meeting in November.

Financial Issues: The original decision on the High Needs budget, made at Council in February 2018 has been quashed by way of a judicial review order. This report sets out the current position in 2018/19 on the High Needs budget and how a revised budget to replace the original one has been calculated.

This report is proposing to reset the financial arrangements for the High Needs Block to the policy position which prevailed prior to the February 2018 Council decision. The High Needs Block includes services which are sensitive to changes in the circumstances of individual children and young people. Demand and cost

fluctuations can and do occur, so the current budget forecast position may change during the rest of this financial year.

The report explains that the Authority will have to meet the claimants' legal costs, as a consequence of the court order. , There will be on-going impacts on resources to develop service improvements that fit within the budget and service planning for the High Needs Block, including any public consultation that may be required. The financial implications of both of the above are yet to be quantified and it is anticipated that they will be met from Council's general fund reserves.

David Tully, Finance Business Partner, ACE Directorate

Appendix 1

Key points from the court order, arising from the SEND Judicial Review

- The Claimants challenged the Councils decision to set the HNB budget in February 2018 on the basis that the council had failed to consult before taking the decision and failed to take into account the impact of the decisions on groups with protected characteristics pursuant to the Equality Act 2010 . Following a Hearing at the High Court in Bristol on 24 July 2018 the Judge found in favour of the Claimants. The Judge ruled that the Council's decision of 20 February 2018, insofar as it relates to the High Needs Block budget, **was unlawful by reason of a failure to consult** (as required by *Section 149 of the Equality Act 2010, Section 27(3) of the Children and Families Act 2014* and the Common Law), was taken in breach of **Section 11 of the Children Act 2004** and finally was **unreasonable**.
- The Judge decided that the decision to set a budget carried before it a duty to consult by reason of the duty of inquiry under the public sector equality duty, section 27 of the 2014 Act and also the common law duty to consult. Due regard under the PSED (and if necessary consultation), consultation under section 27 of the 2014 Act and regard under section 11 of the 2004 Act must be essential preliminaries to any significant, sufficiently focussed, and in financial terms apparently rigid, decision to impose a reduction in spending, even if taken as part of the setting of "a budget". This decision was to cut funding to a specified area within the education budget..The Judge decided that this decision was indeed a significant, sufficiently focussed and in financial terms apparently rigid decision to engage the above duties.
- On that basis the High Needs Budget decision made by Full Council on 20 February 2018 will be overturned ('quashed')
- The Judgement requires the Defendant to **reconsider its funding allocation** in this area in the light of the resources available at the material time, **without disturbing other aspects of the budget or in particular the Council Tax calculation** and without the Court telling the Defendant **how its resources should be expended**.
- The Order when made will state that :
 - Permission to apply for judicial review is granted.
 - The claim for judicial review is allowed.
 - The decision of the Defendant on 20 February 2018 to set the High Needs Block budget is quashed however the Council is allowed to continue to spend on services funded from the HNB pending a further budget being set by Full Council in November 2018.
 - The Council will pay the Claimants' legal costs.

Appendix 2

Consideration of whether any policy changes arose directly from the Council budget decision of February 2018,

| Component | Budget 2018/2019 £'000 | Savings targets 2018/19 £'000 | Was there a policy change arising directly from the Council budget decision of February 2018? | What action, if any, needs to be taken to comply with the court order? |
|-------------------------------------------------|---------------------------|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| 1. Places only | 14,609 | 761 | NO. Business-as-usual decisions were taken in September 2017 about place numbers that have had consequent impacts on 2018/19. Such decisions are about ensuring that each institution has the right number of places allocated to them. The Local Authority will continue to consult with providers in line with ESFA guidance issued each year. | None. Natural and earlier changes will stand. |
| 2.1 SEN Top Up GFE | 22,664 | 466 | NO. Business-as-usual decisions were made with Post 16 providers in September 2017 about the right top-up amounts for individual students that have had a consequent impact on 2018/19. | None. Earlier changes stand. |
| 2.2 SEN Top Up Mainstream School Age | | 1,151 | NO. The policy change which was planned to be undertaken following consultation has not been made. No changes or assumed savings on mainstream have been included in the forecast. . Top-up arrangements for 2018/19 are on the same basis as those used in the November 2017 top-up panel. | None. No consultation had begun on any changes. |
| 2.3 SEN Top Up Special Schools & Resource Bases | | 1,166 | NO. The policy change which was planned to be undertaken following consultation has not been made. No changes or assumed savings on special schools have been included in the forecast. | None. No consultation had begun on any changes. |
| 3. Alternative Provision Top Up | 737 | 150 | Yes. Education settings had previously been contributing £2,500 for every 12 week Alternative Provision placement. From 1 st April 2018, this increased by £600 to £3,100. Despite the fact that the principle of paying had been established, | Reimburse schools / PRUs for the impact of reverting to the previous charges. |

| Component | Budget 2018/2019 £'000 | Savings targets 2018/19 £'000 | Was there a policy change arising directly from the Council budget decision of February 2018? | What action, if any, needs to be taken to comply with the court order? |
|--------------------------------------------------------------------------------------------------------|---------------------------|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | a full EIA and stakeholder consultation should have been completed prior to implementation. | |
| 4. Other SEN Provision (INM/ISP) | 5,904 | 0 | NO. There have been changes to the procurement arrangements for out—of-authority placements in recent months. Nonetheless, changing the basis of procurement for out-of-borough placements is not a matter that would require public consultation as there is no proposal to change the funding. The Local Authority will continue to follow procurement legislation and internal quality assurance processes to ensure CYP with the most complex needs are placed in the right education settings that provide value for money and specialist provision specified in EHCPs. | None. No savings were proposed. |
| 5.1 Other Alternative Provision. Share funding for Early Intervention Bases (EIBs) with schools | 4,040 | 450 | YES. Early Intervention Bases saving (£0.450m) has been reflected in the allocations for the 4 relevant institutions. An officer decision has been made about the outcomes of the 2-year pilot for the EIB project that ended in the summer of 2018 | Reinstate previous funding levels until a review of the pilot and any associated consultation and equalities impact assessments are completed. |
| 5.2 Other AP. Target saving for Hospital Education Service (HES). | | 200 | YES. Saving on Hospital Education (£0.200m) has been reflected in their allocation, but they are treated as a maintained school for reporting purposes (i.e. variance shows as a school balance, rather than as a central balance). The HES has not yet determined how this saving would be implemented. | Reimburse the Hospital Education Service for the withheld funding. |
| 5.3 Other AP. Restrict | | 350 | NO. Limiting spending on external AP (saving of | None. No policy changes took place. |

| Component | Budget 2018/2019 £'000 | Savings targets 2018/19 £'000 | Was there a policy change arising directly from the Council budget decision of February 2018? | What action, if any, needs to be taken to comply with the court order? |
|---------------------------------|---------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| external AP provision to budget | | | £0.350m) has been reflected in the budget, but the forecast is based on the level of income from schools that the AP manager and previous HoS believed was achievable. There do not appear to be any policy changes that have arisen to deliver this reduction. Reduced spend is more aspirational, based on having lower activity levels. | |
| 6. Services | 2,997 | 408 | NO. For the £0.200m proposal that the Virtual School be partly funded by the Pupil Premium for LAC, this is merely a decision about how existing levels of activity should be funded NO. For the savings of £0.208m in commissioned services (sensory and autism support services) as no change will take place in 2018/19 and the saving will not be delivered. | None. The use of the Pupil Premium grant stands. There is already a consultation with neighbouring authorities on the future arrangements for Sensory Support Services, but no Service changes are expected before January 2020. |
| TOTALS | 50,951 | 5,102 | | |

Bristol Schools Forum
South Bristol Secondary School Places

| | |
|-------------------------|---------------------------------|
| Date of meeting: | 25 th September 2018 |
| Time of meeting: | 5.00 pm |
| Venue: | City Hall, Writing Room |

1. Purpose of report

To update Schools Forum on secondary school places in south Bristol

2. Recommendation

To note and comment on issues in the report.

3. Background

The establishment of a new free school to serve south Bristol has been approved by the DFE, with Oasis Community Learning being chosen as the sponsor.

3.1 Site

A preferred site has been identified in Knowle. The advantages of this location are:

- The Knowle area lies in the centre of south Bristol. There is no 'local' school as existing secondary schools are located close to the city boundaries.
- Population increases have been highest around the Southville and Bedminster area and the local schools are now oversubscribed for year 7. Knowle is very accessible from this area.
- Existing school sites are south of the busy Airport Road (A4174). A school site north of this road would be far more accessible for pupils living in the Filwood, Knowle and Windmill Hill wards and also to those living in Bedminster and Southville. The Airport Road has now been linked to the A370, forming the last part of the 'ring road' surrounding Bristol. This, together with the opening of a large new hospital, increased housing and large-scale commercial developments are likely to increase traffic flow significantly on this road.
- Development of a new secondary school would assist in the re-generation of this area, which contains some of the most deprived households in the city.

3.2 Growth in Primary School Numbers on Roll

Bristol has experienced unprecedented growth in numbers of children attending primary schools and this growth is now moving into the secondary sector. In May 2018 there were over 350 more 5 year olds than 10 year olds in south Bristol primary schools. In south Bristol the largest rise was seen in the Southville and Bedminster areas, where 5 additional forms of entry were added to primary schools. Additionally in Knowle a new 2 form entry primary school, Oasis Marksbury Road was opened in 2015. There have also been primary school expansions in the Witherwood, Hengrove and Brislington areas.

3.3 Pupil Loss at Secondary Transfer

One of the factors affecting secondary school numbers is the reduction in the number of Bristol pupils applying for and being offered secondary schools in neighbouring local authority areas. Citywide the net pupil loss between years 6 and 7 is now 11%. This figure has been reducing continuously for a number of years from 30-40% around 10 years ago. There is still significant migration of pupils into Bath and North East Somerset, particularly around the Brislington area. Extensive new housing developments in Keynsham are expected to increase pupil demand from within the town and reduce the availability of places for pupils from outside the area. This is likely to impact Bristol resident pupils from around 2022. Additionally demand from Bath and North East Somerset resident pupils around Chew Valley will reduce availability of places for Bristol resident pupils from around 2024. Bath and North East Somerset do not anticipate new secondary provision prior to 2031, when a new school will be required in Whitchurch.

3.4 New Housing

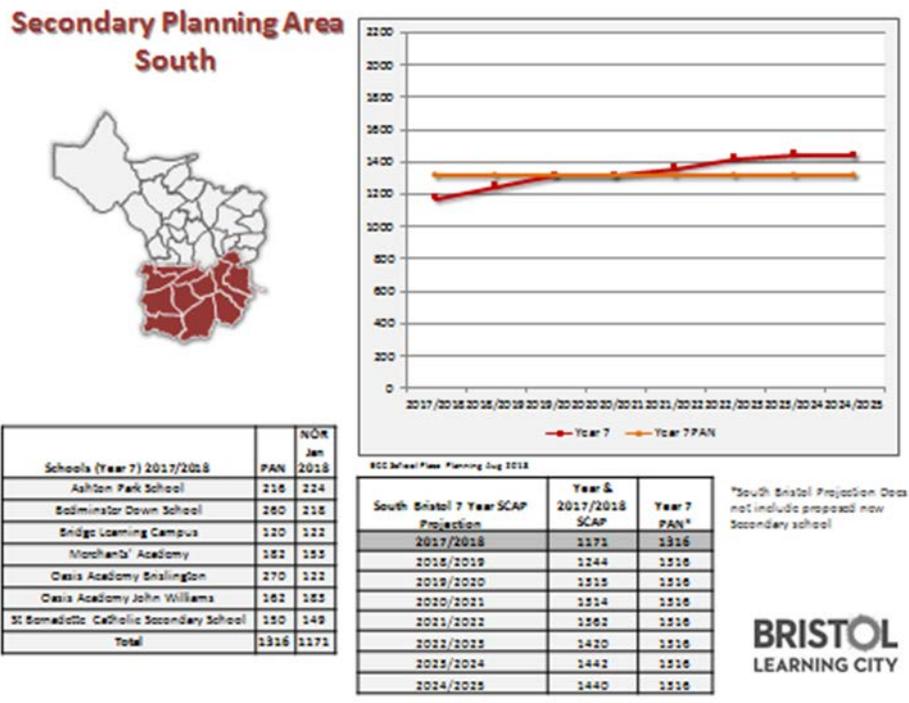
The city has around 20,000 new homes planned for the short to medium term. South Bristol is a main focus to deliver a large proportion of this much needed new housing. Extensive developments are already underway in the Hengrove and Hartcliffe areas and around 6,000 more homes are planned for the next 2 years within the South school places planning area. These homes will bring additional pressure on pupil numbers in the local schools. As most schools use distance as a tie-break when oversubscribed, pupils in the Knowle area will be left without a school place as existing schools fill with more local children. The new school will provide local places for these pupils.

3.5 Pupil Projections

The effect of the rising primary school pupil numbers can already be seen in secondary schools. In south Bristol there were 228 more pupils in Year 7 than Year 11 (May 2018). The vast majority of available year 7 places are concentrated in Oasis Academy Brislington. Brislington is relatively inaccessible for pupils living in the north and west of the planning area

with long journey times due to traffic congestion around Bath road (A4) and Wells Road (A37).

Both citywide and in the south area the Reception year intake peaked in 2016. This year group will enter year 7 in 2024. Although reception numbers are forecast to fall this is a very gradual reduction. There is forecast to be a deficit of places in year 7 across south Bristol from 2021 with numbers continuing to rise until at least 2029. This is likely to be extended with new housing developments.



4. Financial Implications

This is not a financial report – David Tully, Interim Finance Business Partner

5. Glossary of Terms

| |
|----------------------------------------------|
| City Outcome: N/A |
| Health Outcome summary: N/A |
| Sustainability Outcome summary: N/A |
| Equalities Outcome summary: N/A |
| Impact / Involvement of partners: N/A |

| |
|--------------------------------------|
| Consultation carried out: N/A |
| Legal Issues:N/A |
| Financial Issues: N/A |

Bristol Schools Forum
Trading with Schools Annual Report 2017/18

| | |
|-------------------------|---------------------------------|
| Date of meeting: | 25 th September 2018 |
| Time of meeting: | 5.00 pm |
| Venue: | City Hall, Writing Room |

1. Purpose of report

For Information

2. Recommendation

N/A

3. Background

Trading with Schools report is published annually and shared with Schools Forum

4. Financial Implications

See Appendix 1

5. Glossary of Terms

N/A

Appendix 1

Trading with Schools outturn 2017/18

| Cost centre | Cost-centre description | Expenditure 2017/18 £'000 | Income 2017/18 £'000 | Net Expenditure 2017/18 £'000 |
|--------------------|--------------------------------------|------------------------------------------|-------------------------------------|--------------------------------------------------|
| 12378 | Trading with Schools Programme Costs | | | |
| 14168 | Educational Services | 35 | -35 | |
| 14170 | Education Welfare | 590 | -532 | 58 |
| 14171 | Education Psychology | 1,157 | -1,362 | -205 |
| 14174 | School Admissions | 493 | -586 | -92 |
| 14175 | School Improvement | 207 | -267 | -60 |
| 14176 | Teaching & Learning | 577 | -486 | 91 |
| 14177 | Governor Development | 149 | -178 | -29 |
| 14178 | Outdoor Education -Dean Fields | 447 | -465 | -17 |
| 14179 | Outdoor Education -Exmouth Camp | 157 | -132 | 25 |
| 14182 | HR Services | 680 | -632 | 49 |
| 14184 | SIMS | 322 | -449 | -127 |
| 14185 | Schools ICT | 1,003 | 0 | -87 |
| 14187 | Schools ICT Purchasing | 215 | -175 | 40 |
| 14189 | Schools Accounting | 655 | -736 | -80 |
| 14190 | Insurance Services | 1,271 | -1,501 | -230 |
| 14191 | Procurement & Contracts | 266 | -340 | -73 |
| 14192 | Subcontracted Sales | 275 | -296 | -21 |
| 14193 | Operational Support | 263 | -263 | |
| 14194 | Client Managers | 148 | -148 | |
| 14365 | Trading With Schools | 945 | -945 | |
| 14842 | Trading with Schools CPD Programme | 6 | -132 | -126 |
| 15138 | EU Bid - Open the Door to Reading | 3 | -3 | |
| Grand Total | | 9,867 | -10,751 | -885 |

Appendix 2 Trading with Schools annual report 2017/18



TRADING WITH SCHOOLS

Annual Report 2017-18



BRISTOL
LEARNING CITY





Contents

| | |
|-------------------------|----|
| Introduction | 3 |
| TwS Staff | 4 |
| Financial Review | 4 |
| Inclusion | 6 |
| NQT Induction | 10 |
| Teaching & Learning | 10 |
| Every Child a Reader | 11 |
| Prevent | 12 |
| Equality & Diversity | 12 |
| Governor Development | 13 |
| Education Welfare | 14 |
| Dean Field Study Centre | 16 |
| Exmouth Camp | 17 |
| School Improvement | 17 |
| Admissions | 19 |
| HR Operations | 20 |
| HR Advice and Support | 20 |
| Schools ICT | 21 |
| Procurement & Contracts | 22 |
| Schools Finance | 23 |
| Service | 23 |
| Client Managers | 23 |
| Operational Support | 24 |
| Information Support | 24 |

Introduction

Welcome to the fifth Annual Report for Trading with Schools!

I am delighted to present the fifth Annual Report for Trading with Schools for the 2017-2018 financial year. The educational landscape continues to change and remains challenging. This report outlines some of the outstanding work which has contributed to the service achieving a number of its key priorities.

As financial pressures grow in schools and in the Council it is inevitable that Trading with Schools will continue on its journey of transformation and change in order to maintain a sustainable business model for the future.

During these challenging times, Trading with Schools colleagues remain committed to the delivery of:

- High quality services;
- Value for money;
- A transparent pricing framework;
- A single point of contact.

We look forward to continuing to work in partnership with Headteachers and School Business Managers to improve existing services and provide the highest quality as efficiently as possible.

It is encouraging that a number of schools have returned to TwS for some of their services and we continue to be the main provider of support services for Bristol schools.

I do hope that you find the information contained in this report helpful and informative. If you have any questions or comments please contact myself, Sue Finch or your Client Manager directly.

Ali Mannerling

Head of Trading with Schools

TwS Staff

Over 140 members of staff work in TwS, utilising their professional skills and expertise for the benefit of schools and educational settings.

Staff are organised in 4 main service areas. These are:

1. Inclusion Services
2. Education Services
3. School Support Services
4. Operational Support Services including Information Support Services

The service is led by Ali Mannering who was permanently appointed to the role of Head of Trading with Schools in 2017/18. Ali Mannering is supported by a job/share interim Deputy Manager, Becky Wilkins and Billy Forsythe who also manage a number of the TwS School Support Services.

Sue Finch is the Resource Manager for TwS and her key role is to support the organisation to achieve the surplus income targets through improved economy, efficiency and effectiveness in service delivery. To ensure that the surplus remains achievable, comprehensive, robust and regular monitoring is undertaken on a monthly basis throughout the year.

Sue has also been managing the Procurement and Contracts Service on an interim basis, this service has undertaken and completed a significant number of tender processes which have secured value for money and efficiencies both for our customers as well as for TwS Services during 17/18. These colleagues, together with the Inclusion Services Lead (Vikki Jervis and Simon Claridge) and Education Services Lead, form the Senior Leadership team for TwS. TwS SLT meet on a regular basis and keep all staff informed of developments through the TwS InfoHub.

An organisational staffing structure is shown on page 25.

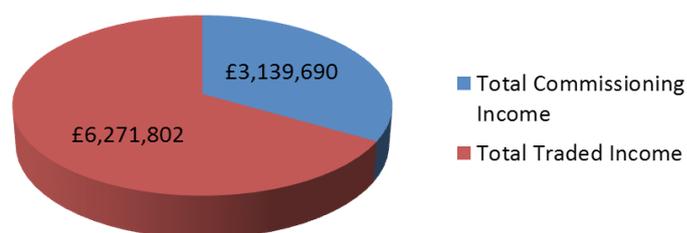
Financial Review

TwS has 5 main sources of income. These are:

1. Local Authority (LA) Commissioning specifications for the delivery of statutory and discretionary services funded from both Dedicated Schools Grants (DSG) and General Fund.
2. DSG De-delegated funding for a number of services which are delivered on behalf of primary schools and for a limited number of services in the secondary sector and is commissioned through School's Forum.
3. Annual Orders – orders secured are mainly for School Support Services, but not exclusively.
4. Pay As You Go (PAYG) income from bespoke consultancy work secured during the financial year.
5. PAYG from Continuing Professional Development (CPD) opportunities.

Figure 2 illustrates the total amount of income which was secured during the financial year. The traded income generated represented 67% of the turnover, with the remaining 33% of income secured through commissioning by the Local Authority and de-delegated funding from the LA maintained primary and secondary sectors.

Commissioning income for services provided by TwS has further reduced in this financial year by circa £800k due to a number of factors including continued reductions in the Education Service Grants and Council Budget constraints.



TwS secured orders for traded work totalling £6.272m. £4.275m was generated through annual orders, secured from 185 schools and educational settings. The annual orders include Education and School Support services, as well as a number of internal and external Partner Services.

The table on this page shows the number of schools, which purchased TwS annual contracts for services at the start of the financial year.

In addition to annual orders, a number of services provide pay-as-you-go bespoke consultancy services. A total of £1.997m was secured through this route.

Notable purchasing trends include increased take up of existing services i.e. Academy Moderation, School Admissions, higher level HR Advice support, and ICT Remote Admin Support and Free School Meals

TwS has also been successful this year securing new traded work from neighbouring Local Authorities.

Other notable trends include a significant reduction in the take up of the Absence Insurance Scheme in 17/18 and the continued reduction of buy in to the ICT Hardware Scheme.

TwS have also been commissioned to set up and facilitate a training programme to deliver Mental Health First Aid Courses to all Bristol Schools in partnership with Public Health with delivery continuing into the next financial year.

Sue Finch

Resource Manager

| TwS Service | Number of Schools |
|-----------------------------------|-------------------|
| EDUCATION SERVICES | |
| Every Child a Reader (ECaR) | 35 |
| Governor Development Service | 118 |
| Newly Qualified Teacher Induction | 164 |
| Academy Moderation | 47 |
| SCHOOL SUPPORT SERVICES | |
| School Admissions Service | 33 |
| Free School Meals (Academies) | 53 |
| Education Welfare Service | 24 |
| School Finance Service | |
| Finance System | 106 |
| Standard Consultancy | 52 |
| Bronze Consultancy | 16 |
| Silver Consultancy | 13 |
| Gold Consultancy | 8 |
| Ezepay | 8 |

| TwS Service | Number of Schools |
|----------------------------------------------|-------------------|
| Schools Absence Insurance | |
| Teaching Staff | 37 |
| Non Teaching Staff | 32 |
| CC teaching staff | 12 |
| CC non teaching staff | 13 |
| Maternity Scheme | |
| Maternity Scheme | 27 |
| HR Advice and Support | |
| HR Advice Bronze | 8 |
| HR Advice Silver | 71 |
| HR Advice Gold | 10 |
| Policy only | 0 |
| HR Operations | |
| Annual Contract | 96 |
| Contracts | 76 |
| Procurement & Contract Management | |
| Cleaning Contract | 42 |
| Catering Contract | 88 |
| Kitchen Equipment | 86 |
| ICT Hardware | 27 |
| School ICT Services | |
| Remote Admin | 22 |
| Whole School Remote | 13 |
| Whole School On Site 2 hrs per week | 27 |
| Whole School On Site additional 2 hrs | 5 |
| Emails | 72 |
| SIMS | 124 |
| SIMS on site | 1 |
| SIMS Dinner Money | 68 |
| Internet | 164 |
| Internet Plus | 64 |
| Internet Virtual Server Hosting | 1 |
| Backup | 59 |
| Telephones | 139 |
| PARTNER SERVICES | |
| Legal Services | 103 |
| Security - Key Holding Service | 128 |
| Security - Cash in Transit | 110 |
| Eteach | 145 |

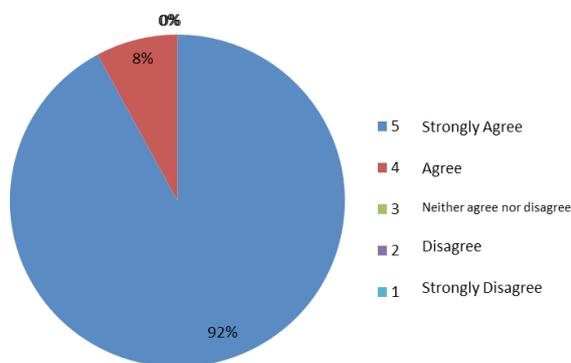
Inclusion Service

The Inclusion Service is commissioned by the Local Authority to contribute to the statutory assessment of children and young people with additional needs. The service contributes to this process by completing psychological assessments, and providing written psychological advice in all cases and specialist reports.

The Inclusion service has completed 237 psychological Appendix Ds including preparation, liaising with other professionals, meeting with parents and young people, completing assessments and report writing.

As part of the statutory duties undertaken by this service, educational psychologists attend annual reviews for young people where there is an imminent possibility of a placement breaking down. The Local Authority also commissions this work. Educational psychologists have undertaken psychological assessments and provided written report, attended annual reviews for 58 young people.

% of respondents: I felt listened to by the EP

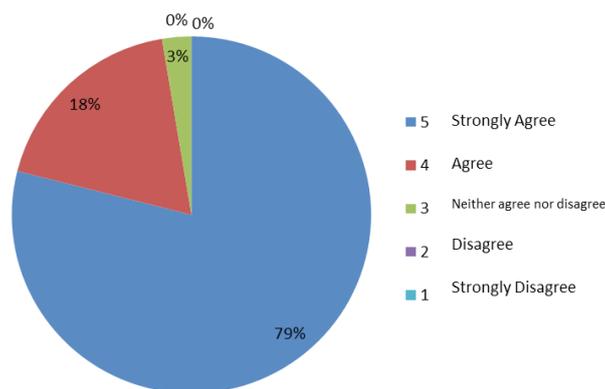


Inclusion Service colleagues have also attended and facilitated SEN panels, Top up Panels, EIB panels, Fair access panels and Complex Needs panels and have assisted in crucial Local Authority decision-making and planning for children and young people.

The Inclusion Service completed work in relation to 29 critical incidents over the past year. All of these require varying levels of intensity of work and an immediate response. Those involved have informed us that this service is highly regarded. This support is available to all settings as required.

The Service has been involved with a large number of children in care, at different levels, ranging from telephone advice to assessments and consultations within schools and children's homes and with foster parents, assessments in secure units have also been undertaken when necessary.

% of respondents: I feel strategies were workable and appropriate

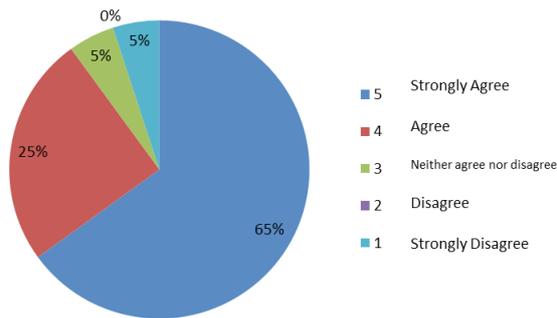


The service continues to publish 3 newsletters for SENCOs a year that combine local and national information updates, research findings and local initiatives and have also worked with the SEN team to develop paperwork and systems for the statutory assessment process. The service has assisted in the development and organisation of locality base Top Up panels and has developed SENCO briefings held in localities three times a year.

In addition to the work commissioned by the local authority, the Inclusion Service also offers educational settings the opportunity to purchase bespoke work. 72% of schools have purchased bespoke psychological work. This work has had both individual and school improvement foci. 9 secondary schools have purchased specialist psychology and behaviour time to develop multi-agency projects to guide educational settings in providing bespoke interventions tailored to the needs of the individual.

When taking into account the training role the number of schools taking up the purchased services increase to over 100 for psychological support.

% of respondents: I feel the situation improved for CYP



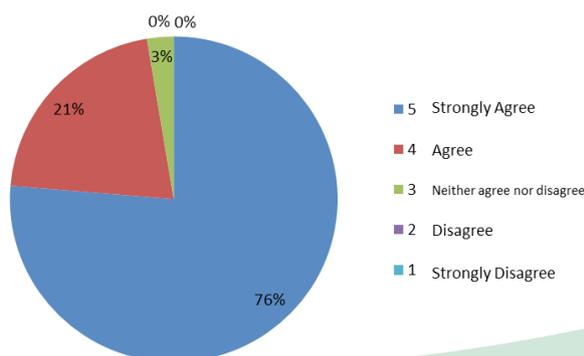
The Inclusion service offers Local Authority maintained schools a number of prepaid visits from an educational psychologist according to the level of de-delegation. There has also been further work purchased in some schools and the overall number of records of involvement this year totals 785 reports.

Training and development work is available to all educational settings through the TWS CPD offer. The Inclusion Service has run successful well-attended conferences with highly acclaimed speakers. 315 Bristol teachers, SENCos, and social care colleagues collectively attended the conferences.

In addition to the conferences, 14 day and half day courses have run. 315 colleagues from Bristol schools have attended Inclusion Service training courses. The analysis of feedback suggests that they have enjoyed, appreciated and learned from these training courses.

We now have 18 trained emotional literacy assistants in Bristol and have capacity to train another 30 in the next financial year and 9 pupils have improved outcomes as the result of Video Interaction Guidance work (VIG).

% of respondents: I feel more confident in working with students with SEND



The importance of staff well-being in education is becoming increasingly recognised. Trading with Schools' Inclusion Service is now offering a well-evidenced intervention for improving staff well-being based on Acceptance and Commitment Therapy (ACT) - a therapeutic model used by psychologists and therapists across the world to bring about positive change for people. 38 school colleagues across the city have been trained in ACT.

In addition to the above, further benefits of using the inclusion service are:

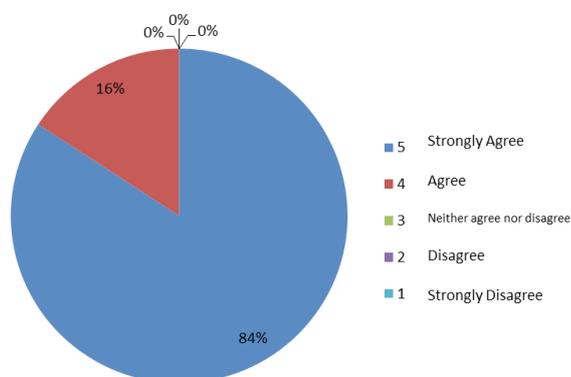
- Support to embed the school based stages (graduated response) of the new SEND COP.
- Targeted support for young people identified by schools as requiring early intervention or those at risk of exclusion in order to maintain provision in mainstream settings;
- The facilitation of quality first teaching and systems for working with families and young people;
- Resolution in complex cases and positively supported home/school relationships;
- Support for young people in transition to alternative provision and from specialist provision into mainstream settings;
- Close work with other agencies, such as social care, to aid positive resolution for complex cases and highly vulnerable young people.
- Increased access to the voice of the young person, promoting co-construction of intervention plans and support.
- Increased understanding of the psychological and systemic processes that affect the development of children and young people;
- Improved systems and confidence to help develop preventative and early intervention approaches to meeting the needs of all young people;
- A partnership approach to organise, and plan educational interventions to minimise difficulties and enhance success;
- Advice and support in the management of critical incidents, loss and bereavement and the facilitation of posttraumatic growth.
- Access to consultants with a depth and breadth of skills, knowledge and expertise spanning hundreds of collective years of experience of working to support Bristol children, young people, families and schools.

Inclusion Service continued

The Inclusion Services received a wide range of positive feedback from schools. Here is a small selection:

- 87% of head teachers and SENCoS rated educational psychology input addressing the needs of their setting very well and a further 7% as addressing the needs of their setting well.
- The two main conferences, which included the SENCo conference, the Wellbeing Conference and ACT training; all received overwhelming positive comments, with over 90% of attendees feeding back that the key note speakers were particularly good as were specific workshops.
- Re the SENCo newsletter. It's been valuable to hear updates about the new developments over the past year regarding the new COP, top up info and EHCPs. Bristol primary SENCo.

% of respondents: I am satisfied with the overall delivery of EP involvement



*Time with our link EP is inspirational and enables me to have conversations which are very thought provoking at the time and afterwards. It allows me time to consider how I can consider my practice and how to develop provision within the setting. **Comment from a school***

*On behalf of the University of Bristol Doctoral Programme in Educational Psychology the EP team would like to thank you again for your support and commitment over the past year. **The EP Programmes Teaching Team***

The second speaker was excellent, I will use what he said in my day to day work All content useful and relevant'

Very useful to hear from external experts and Educational Psychologists

Nasen speaker gave lots of useful and practical advice

A very informative and enjoyable conference. Some good ideas to trial in school

*To be honest, without your intervention, expertise, leadership and tenacity, we truly feel our child would not be in the great position of heading into a mainstream school with all the support he requires and a realistic plan. **Comment from a parent***

*The approach our EP takes, of allowing reflective time, but within a structure, creating space for thinking and practice development is so welcome. Our EP is positive, supportive in an appropriately challenging way. **Comment from a school***

Found the workshops useful this year with lots of practical ideas to take back to staff.

I really enjoyed the workshops and appreciated their positive approach...I would welcome more workshops like these in future

EDUCATION SERVICES



NQT Induction Service

A total of 70 schools are currently using Bristol as their Appropriate Body and a total of 178 newly qualified teachers are being supported. The service provides a number of events and training, quality assurance of each assessment and support and advice to schools and teachers. Over 60 NQTs attended a successful Welcome to Bristol event at M Shed in September and a number of new NQT courses have been offered including curriculum planning. A close working partnership continues with the Bristol Primary Teaching School Alliance, who offers a range of CPD sessions run by SLEs (Specialist Leaders of Education).

It was sooo interesting. I didn't expect such a strong session centered upon Bristol. It's amazing to see how you can make children's learning more contextualized and meaningful
NQT Curriculum planning CPD, November 2017

I have a much clearer idea of what to do now and where to go with NQT support
NQT Mentor CPD, September 2017

Teaching & Learning

Teaching and Learning Consultants provided support to 20 schools over the course of the year. This support was predominantly in the form of intensive support, but also included staff meetings, INSET training (for schools and clusters), support for teachers and leadership, curriculum development support and bespoke SIP related work such as subject reviews. Bespoke writing and teaching and learning reviews have also been conducted.

Teaching and Learning Consultants have also provided a range of professional development,

including CPD sessions aimed at raising attainment in reading and writing at the end of both KS1 and KS2 as well as ongoing support around curriculum review and redesign and catering for the needs of more able pupils. They have worked in partnership with other educational providers such as Bristol University, the Bristol Primary Teaching School Alliance and the Boolean Hub and have run the Maths Subject Leader Network meetings. Here, best practice has been shared with schools.

Excellent session with variety of subject leader info and classroom ideas
English Subject Leader Network Meeting

Thank you. This briefing provided much food for thought and some valuable starting points
Maths Subject Leader Network Meeting

All Bristol schools benefited from local authority support with assessment and moderation in 2017. Over 200 teachers have attended the programme of training linked to establishing the new assessment arrangements of 2017/2018.

A range of cross council work has also been undertaken to support the statutory responsibility with regard to the Armed Services Community Covenant, Elective Home Education and SACRE.

Through the range of work undertaken by the team of consultants, staff at all levels within schools have benefited in a variety of ways, including increased knowledge and understanding, particularly of the new national curriculum and new assessment arrangements; improved skill sets and teaching and learning strategies; and increased confidence in their individual roles. This has helped to accelerate progress for pupils of all abilities.

The Standards and Testing Agency requirements for 2018 for the moderation of end of KS1 and KS2 assessments have been established across the city. 25 schools, a combination of both maintained and academies, received moderation visits for KS1 and KS2 respectively. All schools were able to attend moderation session over the year. The requirements for monitoring the phonics check and administering the Y6 SAT were met.

The Bristol Mathematical Language Research project resulted in over 65% of pupils making progress with their mathematical language which in turn had a direct impact on mathematical attainment across all primary age groups.

Every Child a Reader

- Working towards a city of readers
- Delivering quality training for everyone who teaches children to read
- Intervening early to ensure children have the best start in life

An integral part of the Teaching and Learning Service is the nationally recognised team of ECAR consultants. Three Reading Recovery Teacher Leaders have continued to provide ongoing accreditation from the Institute of Education, UCL, for 43 Reading Recovery (RR) teachers in 41 schools, which are part of the Every Child a Reader (ECaR) project. Whitehall Primary and Victoria Park Primary celebrated nearly 20 years of implementing Reading Recovery when they renewed their Bristol ECaR Standard. Four new teachers gained their accreditation as Reading Recovery teachers. The Teacher Leaders have offered schools a range of evidenced-based interventions for children struggling to read and write such as: Reading Recovery, A to Z programme, Boosting Reading @ Primary, Switch-on and Inference training. In these schools, nearly 3000 children a year benefit from ECaR and this has contributed to the improvements in standards of reading. The remarkable progress of RR children was celebrated in a Reading Recovery Read Aloud event with a wide range of adults from the community, including the Lord Mayor.

In addition, as part of a unique collaboration between UWE, the Local Authority and school, all second year students were trained to take part in a project to read with children in Reading Recovery schools.

The Teacher Leaders have also run the Best Practice Network meetings for English Subject Leaders and offered TWS CPD and bespoke training to all schools across the City. The Bristol Reading Project has continued with 12 schools submitting entries to demonstrate the creative teaching of reading using high quality texts. A day's training on Guiding Reading run by Nikki Gamble was very well attended and received.

Consultants have worked with 3 schools to provide a whole school review of reading provision with senior leaders. The reviews identified strengths and areas for development using a

self-evaluation tool based on best practice in the teaching of reading. In-house training was provided, tailored to the needs of the individual schools.

The Bristol Every Child a Reader team is taking part in an EU transnational exchange of innovative practices regarding reading, literacy and language development. The team will be working alongside teams from Sweden, Belgium, Italy and Finland in order to strengthen the professional's capacity to guide young children and their families. The project aims to create opportunities to develop, test and implement new skills and methods to support vulnerable families. The project commenced December 2017 in Gothenburg. Bristol will be hosting their European partners in May 2018. The Bristol team will look forward to sharing their findings.

I always feel so fortunate to be part of the best CPD in education

The Reading Recovery intervention is working well. As a result, more pupils catch up and are closer to meeting the expected standard for their age Ofsted Report

Data for ECaR schools is collected onto a national data collection site. Four in every five children who completed Reading Recovery (81%) were lifted to age appropriate levels of literacy. 43% of these children were in receipt of Pupil Premium and 24% had English as an additional language. There has also been a 13% increase in the number of children working at the expected standard in reading at KS1 and an increase of 9% in writing compared to 2016.

A further 2052 children benefited from a range of lighter touch literacy interventions. Of the range of interventions provided, Boosting Reading@ Primary served the largest number of children delivered by support teachers, teaching assistants, volunteers and teachers in training. Typically, children make twice the rate of progress with BR@P.

Prevent

As part of the Local Authorities responsibility under the Counter Terrorism and Security Act 2015 we continue to support schools with the Prevent Duty. We have concentrated on mainstreaming Prevent in schools approaching it very much from an equalities perspective whilst embedding it in Safeguarding.

This year we have offered free train the trainer sessions to schools, 'Workshop Raising Awareness of Prevent' (WRAP); developing a training package and supporting material. This support enabled schools to deliver training in their own settings.

To further support schools we offer free membership to a 'virtual Prevent network' to ensure timely access to local and national information, training, and resources from both the LA and other agencies. We have a Prevent contact identified in every Bristol school. Following the horrific terrorist attack in Manchester we sent out information and curriculum resources via the network and received very positive feedback with schools finding it really supportive and helpful. We also continue to provide more tailored support to schools that need it.

Prevent training for Governors took place in February this was attended by 18 governors from different settings. This enabled governors who attended to fully understand the Prevent Duty and their responsibilities. Feedback being 'I will be going back to check the website and challenge at a committee level' and parts of the session that they found most useful were 'identifying what questions governors should ask' and 'the details about how to embed across school policies'.

TWS continue to work in partnership on Prevent working with 'Building the Bridge' and other agencies. Since April last year there were 27 school referrals to Avon and Somerset Constabulary Counter Terrorist unit and a total of 36 referrals related to children and young people under 18. TWS working with the Police have been able to support the development of and identify good practice in schools and share with others.



An example of partnership work this year has been the production of a Prevent teaching resource 'Fat Face', we worked with Avon and Somerset Constabulary to produce this. The resource is a curriculum resource and also being used for staff training. It is available on the Home Office and DFE website 'Educate against Hate'.

Equality & Diversity

We continue to support schools with Equality and Diversity and work in partnership with other agencies providing advice and liaising to ensure the requirements of equalities legislation are met with regards to children and young people. This year Bristol was successful in its application to take part in a DFE funded programme to support schools with their approach to preventing and tackling homophobic, biphobic and transphobic bullying. Four primary and two secondary schools were supported with a tailored package of school based support between March 2017 and June 2018; developing action plans, updating school policies, curriculum content and resources as well as delivering staff training. Also part of the programme was central training on 'LGBT inclusive RSE' and 'Gender matters' these sessions were attended by 17 schools. The schools that attended also benefitted from accessing whole school staff E-learning and additional follow up support and a full report will be available in July 2018. 100% of the delegates would recommend this session to a colleague with comments; 'Thank you, I found this training to be of very high quality', 'excellent mix of teaching/activities/questions to encourage discussion and taught a vast amount of information in an interesting format'.

Governor Development Service

Training, support and advice for Academy and LA Maintained School trustees, governors and clerks

The service continued to provide a full range of training, support and communications that has become well established over many years, with 80% of all Bristol schools (including both LA maintained schools and academies) choosing to subscribe to our service in 2017/18.

A 'training only' package was also provided for a large academy chain.

The service also continued to provide three new optional services at preferential subscription rates: GovernorHub, The Key and Modern Governor. Over 100 schools chose to purchase at least one of these services.

We offered 42 centrally delivered courses as part of our core training programme and there were over 1,000 attendances by clerks and governors at these sessions. Seven new courses were included in the training programme, covering areas such as Pupil Premium and meeting the needs of EAL students. More than 99% of the course evaluations indicated that the delegate would recommend the session to other governors or clerks.

The team also delivered 5 bespoke sessions for individual schools, including governance self-reviews, and 3 Strategic Briefings were facilitated on behalf of the Service Director – Education and Skills.

We also provided a wide range of advice and support for individual schools via telephone and email on issues from interpretation of changes in legislation to handling complex complaints.

Our termly on-line newsletter, 'Governance Essentials', continued to be well received by governors, clerks and headteachers, and included

valuable updates and links to time saving resources such as the Annual Year Planner, as well as information about education issues affecting Bristol schools.

“Very professional and offered unbiased and unambiguous advice and support in relation to the way forward for us as a Board of Governors. It was a pleasure in this day and age to find someone who, if they promised to e-mail a document to you or call you back, always did!”

In addition, around 200 LA maintained governor appointments were processed, including the successful placement of over 20 LA governors. 18 LA maintained schools were assisted with the reconstitution of their governing bodies.

As part of a Bristol Learning City initiative, a governor recruitment campaign 'Be A Governor' was launched in collaboration with 'Inspiring Governance', an online governor recruitment service, together with the Bristol City Council Corporate Communication team. This resulted in over 30 new governor volunteers, primarily from local businesses in Bristol.

The service has continued to be developed in order to keep up to date with the changing education landscape and ensure appropriate support is available for academies and multi-academy trusts as well as LA Maintained schools. We support governing boards in ensuring they are legally compliant and aware of new statutory obligations as they arise, such as advising on steps to be taken to ensure compliance with the General Data Protection Regulation (GDPR).

“Just to say thanks for today's training. Exactly what I needed, not just the factual content, but the concept and ethos of the contribution made by the governor to a school. The delivery was professional with a helpful diversity of techniques”

We also support and train governing boards to achieve the necessary standard of governance to meet Ofsted inspection criteria for Good or Outstanding and provide appropriate challenge and strategic leadership to maintain the improvement in standards in Bristol schools.

Education Welfare Service

The Education Welfare Service provides:

Poor Attendance Casework

Education Welfare Officers (EWOs) worked on a total of 122 poor attendance cases during the last financial year.

Pupil Tracking Casework

473 Pupil Tracking cases were processed. This process aims to trace and locate pupils who have gone missing from Bristol schools.

Child Missing Education (CME) Casework

386 Children Missing Education (CME) cases were processed. This process aims to ensure that any pupil found to be resident in Bristol but not on a school roll, has access to education.

New Arrivals (Refugee & Asylum Seeker) Casework

The EWS supported 53 newly arrived children, ranging from Reception to Year 11, to access the education system. The families were mainly from Africa, Asia and other European countries such as Albania. We received a large number of families from Iraq and Syria, who came through the government Vulnerable Refugee Families Resettlement Scheme; the majority of families from Africa entered the UK through family re-union.

Elective Home Education (EHE)

During the period 428 children were known to have been electively home educated at some point. When notified of children becoming home educated, the EWS makes contact with the family to establish the plans for the child's education. The EWS makes follow up contact as necessary, and if it appears to the EWS that a child is not receiving suitable EHE the EWS works with the family to resolve the situation. If necessary, the School Attendance Order process is followed, see paragraph 15 below.

Maintained School Visits to Review Whole School Attendance

EWOs undertook at least 177 attendance visits to maintained primary schools and special schools as per the schools agreed visit schedule, in order to review whole school attendance and assist with making plans for those pupils with below 90% attendance.

Attendance Support to Academies and Free Schools

The EWS provided attendance support to 39 academies and free schools. This support included bespoke training, whole school attendance reviews, individual case work, attendance surgeries and supervision sessions for attendance officers.

Chaperone Vetting

17 Chaperones were approved as suitable to provide assistance to children and young people that work in the entertainment industry.

Issuing Work Permits

144 Child Employment Work Permits were processed and issued to allow statutory school aged children to work in part time employment.

Processing Child Performance Licences

254 Child Performance Licences were processed and issued to allow statutory school aged children perform in the entertainment industry.

General 'Duty' Phone Calls

EWOs provided ad-hoc advice and guidance to more than 443 parents/carers and professionals that contacted the EWS by telephone during the last financial year.

EWS Training for Schools

Over the course of the financial year the EWS delivered 7 CME training sessions attended by over 204 delegates. 3 Penalty Notice training sessions and 2 whole day training sessions on the legal aspect of school attendance.

Issuing Penalty Notices

2471 Penalty Notices were issued to parents/carers of compulsory school aged children in respect of their child's irregular attendance at school.

Irregular Attendance Prosecutions

307 s444 School Attendance Prosecutions were instigated against parents/carers for failing to ensure the regular school attendance of a compulsory school aged child.

School Attendance Orders

4 School Attendance Orders were made as part of the enforcement process to ensure that young people not on a school roll, and not receiving suitable EHE, access the education they are legally entitled to.

Impact of EWS

CME/Pupil Tracking

Of the 859 CME/Pupil Tracking referrals received during the financial year, 805 have been closed according to our agreed outcomes, and 54 of the cases are still being actively worked as at 30th April 2018. Of the 805 closed cases: 644 pupils have been traced & located to ensure that they are on roll at a school either in Bristol, the rest of the UK or abroad; 76 pupils have been located and handed over to another local authority/agency for follow up action; 85 pupils remain un-located and information has been shared with safeguarding agencies.

Penalty Notices

The EWS continued to receive high volumes of Penalty Notice requests from schools and issued over 3% more Penalty Notices in the period 2017-2018 than during the previous financial year.

Future Plans

The EWS is in the process of working with schools to devise an attendance strategy and campaign in order to improve and raise the profile of attendance in Bristol.

The EWS is currently in consultation with various parties in order to consult with amending the Penalty Notice Code of Conduct.

The EWS has continued to work with the Safeguarding in Education Team and SIMS Team in order to devise and revise Bristol City Council's CME Guidance for Schools on adding and removing children from roll at non-standard transition points. The EWS has worked with corporate colleagues and TwS Information Support to devise new online notification forms for schools in order to meet these new notification requirements as set out in the revised Education Pupil Registration regulations, and DfE CME Guidance.

The EWS has worked with the Teaching and Learning Consultants and corporate colleagues in order to draft and revise Bristol City Council's Elective Home Education Guidance.

Feedback

Penalty Notice Training March 2018:

Perfectly fit for purpose, excellent training – Great!

CME Course Jan 2018:

Excellent information and course!

CME Course Nov 2017:

A very thorough and well organised session – excellent clarity.

Legal Training Nov 2017:

Very informative course.

School comment Feb 2018:

"I wanted to say while I thought about it about how fab the EWO's are. They are always so helpful and knowledgeable. I never feel I can't ask something and they always help."

School Improvement

The school improvement team provided a core offer of one half day this year. This was accessed by a total of 64 schools (59 local authority maintained and 5 academies). 39 schools also accessed additional core visits in the spring and/or summer term. Support was also given to 7 schools in the appointment of new headteachers.

Outcomes at the end of Key Stage 2 in 2017 improved in reading, writing and mathematics and grammar and punctuation, and are in line with the national average.

Dean Field Study Centre

Residential and day visit outdoor learning in the Forest of Dean and at schools

Dean Field Study Centre welcomed over 3,000 young people and staff from more than 60 schools and youth groups over the year. Most of these were for residential courses of 3 or 5 days but we also ran some large day visits for up to 144 students at a time. Year 7 'Induction Days' were popular in September and a good way to enthuse and motivate a new cohort and for staff to get to know their tutor groups better.

Over 2017-2018 we prepared 24,957 meals. More important than the numbers is the excellent feedback we got from very happy staff and students about their food and the service from our wonderful catering team. In November 2017 we were yet again awarded 5 stars by the Food Standards Agency.

As well as schools visiting us we also visited schools to deliver 'outdoor learning days' with a combination of team problem solving challenges, orienteering and bush craft. This is something we're developing further with use of our mobile adventure trailer and whole school events from Year 1 upwards.

We have continued to upgrade and develop the Centre and facilities at our beautiful base in the Forest of Dean. We have increased our bed accommodation to 89 + our disabled suite. Over the last year all the bedroom fire doors have been renewed and upgraded. We also have an exciting new extension to our Tunnels Activity with the addition of a ball pit sump containing 10,000 soft playballs. You will need to come and see it to understand what it is or watch one of our popular YouTube videos of it in action.

Another way to see our year on year developments is to visit our online Blog at dfsc-bristol.blogspot.co.uk

The service supports the following areas:

- Personal Development of pupils – e.g. increased confidence, self-reliance, perseverance & commitment
- PSHE & Citizenship
- Developing Key Skills: communication, problem solving, leadership & teamwork
- General support To School Curriculum & enrichment
- Geography, Environmental Awareness
- Science
- Contribution to improving educational attainment (increased motivation and appetite for learning)
- Promoting Healthy Lifestyle & Fitness

Schools rated their courses highly against Personal Development of pupils eg: increased confidence, self-reliance, perseverance & commitment.

Outdoor Learning is a very effective way of developing key skills such as communication and problem solving and also has the ability to increase motivation and an appetite for learning. OFSTED states "When planned and implemented well, learning outside the classroom contributed significantly to raising standards and improving pupils' personal, social and emotional development."

The kitchen staff are so helpful and kind. Made the children and adults experience extra special. Thank you so much!!

All DFSC staff should be commended for their outstanding, friendly and welcoming demeanour to all of us. Nothing was ever too much trouble. Thank you

Deanfield staff are skilled, knowledgeable and engaging. Our pupils loved their time at Deanfield

Thank you so much for an amazing trip It was an experience that will stay in my mind forever

The children loved their camp – hiking through forest, map reading; physical challenges; great team work; pushing themselves physically; improved independence; greater resilience with tasks

We had an amazing time. I loved the food and all of the activities

Absolutely brilliant, we will be back next year!

Exmouth Camp

Based at the gateway of the Jurassic Coast UNESCO World Heritage Site, Exmouth Camp offers a unique under-canvas experience for young people in full time education. During the summer season 2017, a total of 13 schools and 6 other organisations (1320 students and 93 teachers) benefited from a residential visit at the camp.

The camp worked with a range of local providers, but particularly Red Rock Leisure, to offer a range of opportunities for schools. This included a variety of watersports, archery, circus skills, woodland skills, team building, boat trips and mackerel fishing.

1320 students took part in adventurous activities, this has benefitted individuals to varying degrees through team work, building self confidence, improved fitness, agility and coordination. 1320 students lived in a residential environment making new friends, improving social skills, communication, motivation and concentration.



> Just wanted to drop a line to say once again how amazing your camp is and how wonderful everything was! Our children have come back spellbound by their experience, creating a real buzz around the school! I hope that the rest of your season is a great success.

> To all the staff at Exmouth Camp. Thank you for letting us stay at your camp. You were extremely welcoming, gave above and beyond what we were expecting and you made our camp feel like home. We will definitely remember our camp experience

> Just wanted to say how much we thoroughly enjoyed our time on camp last week. It was back to reality with a bump yesterday - the kids were still buzzing with stories of their time away though! Huge thanks to you, Elizabeth and the chefs behind the scenes for all of your hard work. Enjoy the rest of your visits and we shall see you all next year!

SUPPORT SERVICES



Admissions Service

The Admissions Service met the local authority's statutory duty to offer every child in Bristol a school place for September 2018 in each phase of education. All published deadlines were met.

The Admissions Service processed 5,535 on-time applications for reception places in 102 primary schools in 2018, compared to 5,603 in 2017. 98% of children were offered a preference with 88% being offered their first preference school an increase of 2% compared to 2017. 110 children were not offered a preference school this year compared 192 in 2017.

In the secondary sector, 4,994 applications were processed, compared to 4,567 in 2017. This represented a rise of 427 applications from 2017. 90% of young people were offered a place at one of their preferred schools, with 71% of young people offered a place at their first preference school. This represents a slight decrease from 2017. 488 children were not offered a preferred school, compared to 400 in 2017. The majority of young people not offered a preference school applied for schools which allocate places by random allocation, are outside Bristol, or are faith schools.

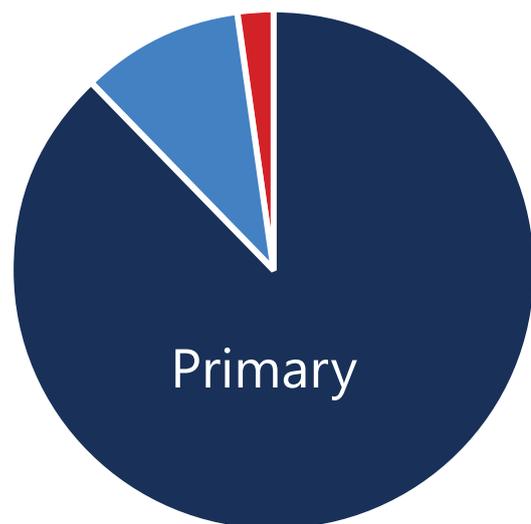
54 children were not offered their in-area school if applied for as a preference compared to 18 in 2017. 455 appeals have been lodged for 2018, compared to 366 in 2017.

In-year, 3,336 admissions were processed for the primary phase and 455 for the secondary phase.

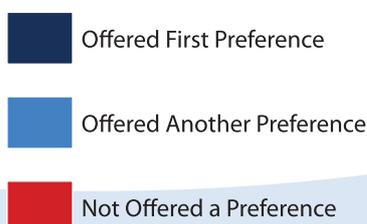
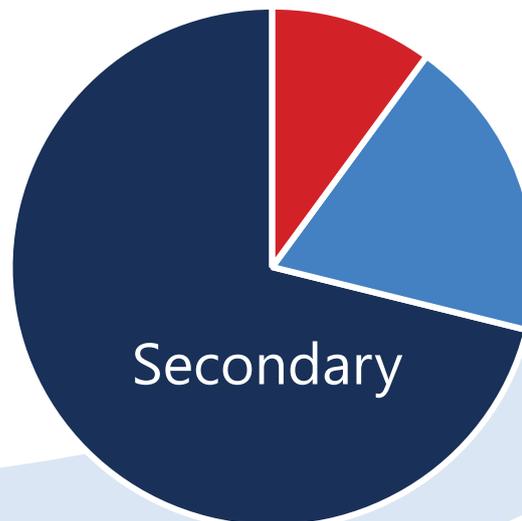
1,959 applications for free school meals were processed for 122 schools.

For in-year admissions all children were offered a place at a Bristol School if resident in the City.

Overall, the number of children offered a preference school in both primary and secondary phases is broadly similar to 2017 figures, despite a rise in applications in the secondary sector of 8%. The number of appeals lodged has increased, illustrating the increase in pupil numbers and the popularity of Bristol schools.



"Thank you for coming to the school. Our parent/carers found this very insightful and supportive in assisting their understanding of the admissions process and a more realistic idea of selecting preferences."



HR Operations

HR Operations is a fully comprehensive transactional service, providing a fully compliant support and payroll function to Educational settings. The service meets the statutory requirements including all returns and pensions administration.

During 2017/2018 the service supported seventy settings across Bristol, including Secondary, Primary, Nursery and Childrens Centres, LA Maintained and Academies.

The service processed the transactions shown below right on behalf of their customers to ensure all staff were paid correctly and on time and all statutory requirements were fulfilled.

The income generated from this service for 2017/18 was £464,879.

The benefit of providing this service allows the Council to adequately carry out their statutory function in terms of pension submissions, using our direct link to the pension service.

It also allows the council to retain the required information on their own staff as the employer, ensuring staff are paid correctly, pension information is sent in a timely manner and DBS checks are carried out.

The benefit for the customer is a fully inclusive service, which doesn't require the need for the double entry of information to both the outsourced provider and the Council as the employer.

We also ensure schools are issued with the correct Bristol City Council contract, incorporating any changes disseminated by Corporate HR, all pay increases are applied at the correct point and paid in a timely manner. We have a close working relationship with corporate colleagues to ensure we adhere to Council policy and procedure at all times.

The team have also continued to provide the above level of service to customers whilst assisting with the implementation of the Teachers Pensions Monthly Data Collection (MDC).

HR Advice and Support

HR Advice supported all schools and Academies that bought our service, and some schools that do not buy our service also bought bespoke consultancy.

We opened 315 cases which included:

- 38 Misconduct
- 45 Managing change
- 80 Managing Attendance
- 19 Performance cases
- 15 TUPE
- 8 Investigations
- 16 Multiple, where one person is part of a number of procedures.

The remainder were Appeals, Employment Tribunals, Recruitment and Freedom of Information Requests. Of the above cases five went as far as the Appeal and three cases went as far as an Employment Tribunal.

Many were large cases and 150 complex cases remain open. We also had a number of schools that had left our service but decided to return to us. There has been an increase in both the number of TUPE transfers (as schools convert to Academies) and sickness cases.

We were able to give huge amounts of support to individual establishments when they needed it.

325

variation to contract letters produced and issued.

3190

Leavers removed from the HR/payroll system.

11,394

Starter, changes and transfers actioned on the HR/payroll system.

6,860

annual pension entries returned, checked and submitted to TPS.

51,681

payments made to staff in schools.

924

contracts produced and issued.

126

Maternity/Paternity/Adoption Requests.

1,367

pension related queries answered and relevant information submitted to TPS and LGPS.

Schools ICT Service

The Schools ICT service continued to prove popular, with a number of schools returning to the service from external providers.

Internet: 166 subscribing schools/sites:
99% internet availability for schools.
525 users actively using remote access

Backups: 59 subscribing schools
40TB of data on school servers backed up centrally.

SIMS: 124 subscribing schools:
37 SIMS courses delivered, attended by 123 delegates.
56 Bespoke training sessions or projects delivered.
5233 SIMS support tickets closed.

Admin & Curriculum support: 63 subscribing schools
5239 tickets closed.

Telephony: The Virgin Media telephony contract is managed on behalf of 141 schools, providing over 1500 telephone lines.

Purchasing:

- 76 laptops for staff and students
- 83 PCs for staff and students
- 11 Interactive Screens/Whiteboards)
- 30 iPads

Hardware:

Average turnaround time for repairs was 2.6 days.

Admin/Curriculum:

- Moving schools with iPads onto Mobile Device Management solutions such as Apple Profile Manager to improve remote management.
- Setting up and supporting Google Classroom.
- Running an annual ICT meeting for Co-Ordinators to increase knowledge and awareness of ICT developments in schools.
- Mailing list for ICT related tips and useful info.
- Improved security, resilience and backup of central services assisting schools with GDPR compliance.

SIMS:

- The SIMS service was re-accredited by Capita for the 5th time.
- Increase in consultancies and bespoke assessment creation has been carried out throughout the year.
- Developed a bespoke data analysis and reporting system which can be offered to primary schools.

Please can you thank your team for the excellent service we have received so far. Everyone is very impressed

*VERY EFFICIENT TEAM,
VERY FRIENDLY,
VERY HELPFUL*

The service provided is excellent , the staff always go the extra mile and at Census time the support is really appreciated & much needed by our school , well done Helen & Kaya

We are all delighted with the service – well done to all!

Procurement & Contract Management

During 2017/18 the Procurement and Contract Management Service has undertaken a significant number of tender exercises either on behalf of a group/cluster of schools or for all schools and settings to be able access and benefit from volume based discounted tenders processes.

School Catering

A new school catering framework contract for 67 schools awarded to Chartwells providing benefits including competitive meal prices to support paid for meals for Bristol parents, UIFSM's, FSM's and adult meals priced to encourage increased uptake of meals.

Schools in this contract receive a regular rebate on a per meal basis. This contract meets the school food standards, Gold Food for Life requirements and provides added value to support schools by means of interactive classroom sessions, pupil workshops, meet the growers etc.

School Milk

Awarded to the incumbent supplier School Milk Services for the provision of milk cartons for under 5's. This contract provides schools with the supply and delivery of school milk sourced locally, and additional benefits for schools by offering the complete administration of the school milk scheme. Milk can also be provided for over 5's and schools can benefit from the free provision of milk storage fridges.

Schools Recruitment Package

An on line school recruitment contract awarded to the incumbent supplier ETeach. The take up of this contract is high and provides a professional advertising mechanism bespoke for school vacancies and access to national and international coverage of vacancies and recruitment support.

The new contract has delivered a substantially reduced annual charge for the majority of schools and gives a value for money solution

Educational Supplies

A framework contract, awarded to two suppliers.

- 1st Choice - Findel Education - the incumbent contractor, and a leading independent education resources supplier, with an extensive range of over 25,000 resources.
- 2nd Choice - ESPO - a not-for-profit

organisation with over 35 years' experience of supplying schools. They have a comprehensive catalogue containing 25,000 product lines.

These suppliers were scored for their Quality of Service and for their Price based on a core list of over 200 frequently school purchased items. The tender process was very thorough and these 2 top ranked bidders were substantially ahead of the next placed.

This contract provides Stationery, Curriculum Resources, Classroom Resources, Art and Craft Materials, Janitorial and Catering Goods, Classroom Furniture, Musical Instruments, Postage Stamps etc.

The benefits for schools are:

- 'Top 200' specially priced products for Bristol schools,
- Regular benchmarking to ensure value for money
- Special Offers throughout the year
- Free Delivery within 48 hours
- Catalogues uploaded on E1 Finance.

All our contracts are procured in accordance with national and European procurement, legal and pensions' regulations.

The Procurement and Contracts Service provides advice, support and management for the school cleaning contract Currently 47 schools access this framework contract.

On behalf of schools, we are currently working on the procurement and mobilisation of the Schools Finance system, SIMS and Internet Filtering software packages

84 schools participated in the TwS Kitchen Equipment Replacement Scheme, which provides a guaranteed replacement of a broken piece of heavy kitchen equipment for a fixed annual fee, thereby allowing schools to spread the costs and liabilities of heavy equipment over several years.

TwS also offered Catering Management Support to schools that operate their own in-house catering function. and TwS provides support on setting up and on-going support throughout the year.

TwS offers Kitchen Design services, to support educational settings to design kitchen facilities and procuring kitchen equipment.

Schools Finance Service

The Schools Finance team provides a traded service offering:

- Financial products and product support for Accounting and Budgeting solutions to maintain good financial management at schools.
- Product Training to ensure clients are fully prepared to undertake their role effectively.
- Financial Consultancy Team to deliver both Strategic and Operational Finance support as required by the client.

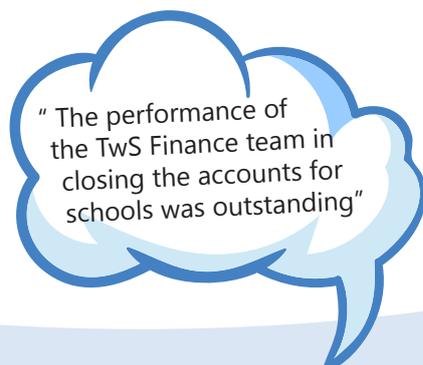
Finance consultancy was accessed by 106 schools throughout the year. There was no change to the number of schools purchasing the gold consultancy and silver consultancy packages. During the year more Schools increased the level of support from that originally purchased to help manage increasingly complex and challenging school budgets.

The E1 accounting system was supplied to 92 schools, including 2 academies.

In 2017/18 Schools Finance introduced Orovia Budget Planning Software, this was purchased by 63 schools, and has proven to be most effective in managing budgets.

There are in excess of 400 users on the centrally managed E1 finance system. During 17/18 we processed 16801 Receipts, 52992 Payments, and managed 18432 transactions through the central Bank Account.

The value of these transactions totalled £175,847,172.20 in payments and £174,907,991.71 in receipts.



Client Managers

The Client Manager role continues to be very popular with schools and settings. Each has a named Client Manager who is a single point of contact for all TwS and partner service enquiries.

The Client Managers act as advocates for the customer, ensuring that the best possible customer outcomes are always considered as a priority.

Client Managers are also responsible for providing Service Leads with details of customer feedback and new business opportunities throughout the year, monitoring all outcomes to ensure customer satisfaction.

Client Managers also take the lead in working with our internal and external partners such as Legal, Security and Eteach Services.

Schools feel that they benefit from having access to the whole client manager team in the absence of their own Client Manager. This has been evident this year when, through circumstances, Client Managers have visited schools that are not normally their own and the School Business Manager has been confident in their order being handled well.

Schools also appreciate that they are able to feedback to Client Managers on a number of issues and that Client Managers will try and help resolve situations by making contact with other teams and advocating on the schools behalf.

Issues requiring support include asking a Client Manager how to gain help with behaviour management for pupils to assistance with the process of converting from a maintained school to an academy.

Client Managers also negotiate with 3rd party providers to get the best prices for services for schools.

Operational Support

The team provides administration and financial support to Trading with Schools, ranging from the management of training courses and conferences, financial tasks to secure the timely procurement of goods and services, management of the dedicated TwS inbox and telephone line, and direct administrative support for EWS and Inclusion services, processing statutory documents including Education, Health and Care Assessments, (ECHA), Annual Reviews and Records of Involvement, administration for Pupil Tracking, Children Missing in Education, and poor attendance referrals.

TwS relies on high quality operational support functions to support all business priorities.

Between April 2017 and March 2018 Operational Support processed the following:

- 255 Education, Health and Care Assessments for pupils within Educational settings.
- 385 Pupil Tracking referrals
- 473 records for Children Missing Education.
- 53 records for new arrival refugees and asylum seekers.
- On a daily basis, the team responded to an average of 22 telephone calls and 40 emails.

Information Support

Information Support provide technical guidance and support across the range of TwS services, handle elevated queries from customers, design and produce a wide range of publications, and are responsible for the Trading with Schools website.

courses administered: front-of house, design and technical support **157**

In the last year we have continued to refine our invoicing process and we are now invoicing schools more regularly than ever.

schools invoiced £4.1 million in annual orders **186**

The team has worked with a number of services to streamline and automate their reporting and data processing, reducing administrative overheads wherever possible.

Most notably, Information Support have automated the processing of four types of referrals to the Education Welfare Service, preventing the need for time-consuming manual data entry.

EWS referrals processed automatically **2312**

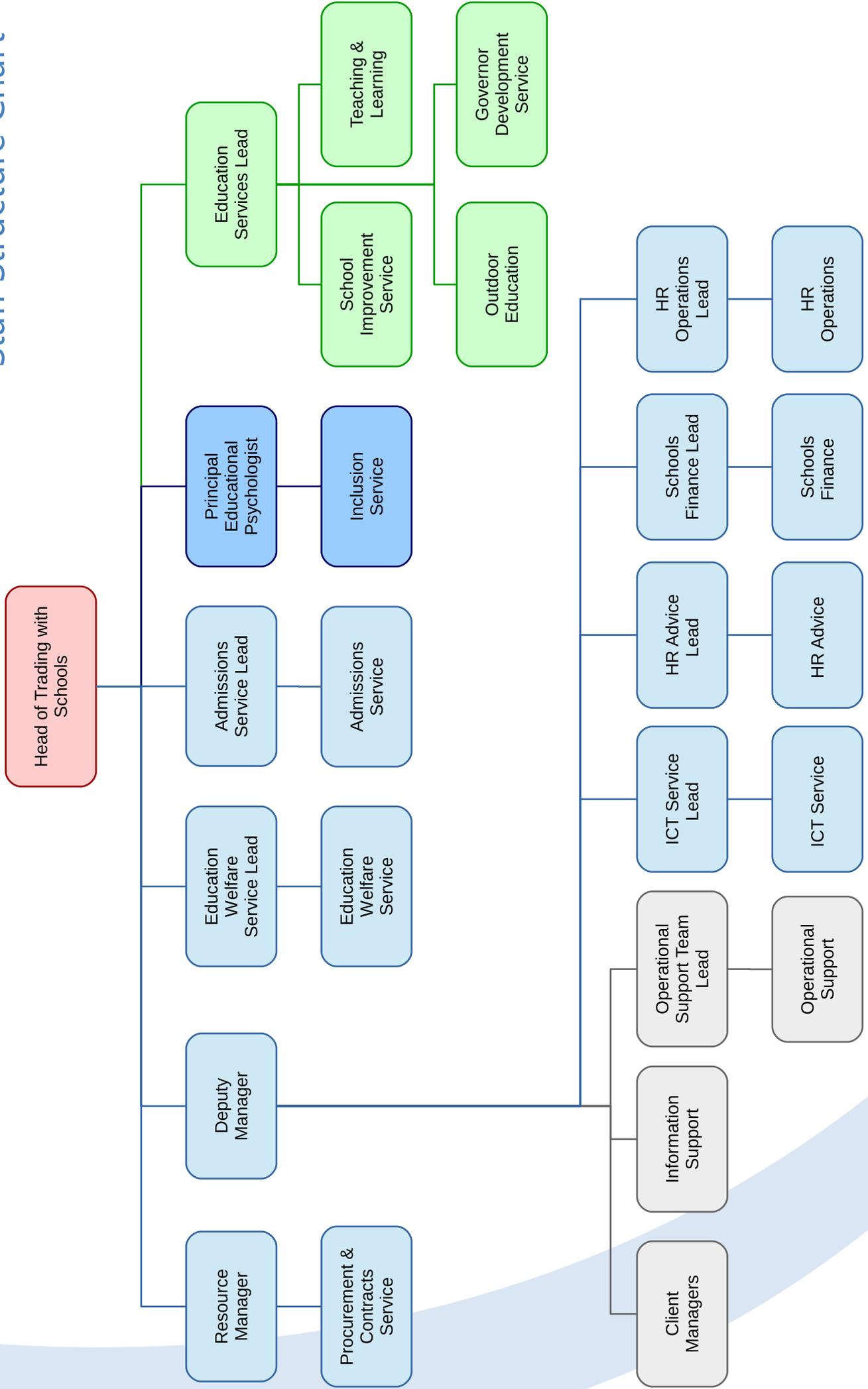
Information Support have co-ordinated the delivery of Mental Health First Aid training to schools in Bristol, and now over 100 people have been certified through the programme.

pages of content designed for publications **3037**

For the last two years graphic design has been taken in-house, greatly reducing costs compared to outsourcing. The team has produced dozens of statutory and commercial publications, including the catalogue, admissions brochures sent to thousands of parents, the Maths Language Toolkit, 82 flyers, for training, conferences, services and other information and 19 newsletters for TwS, individual services, networks and partnerships.

Trading with Schools

Staff Structure Chart



If you would like this information in another language, Braille, audio tape, large print, easy English, BSL video or CD or plain text use contact details below.



tradingwithschools.org



tradingwithschools@bristol.gov.uk



0117 922 2444



Education & Skills
Funding Agency

Schools revenue funding 2019 to 2020

Operational guide

July 2018

Contents

| | |
|----------------------------------------------------------------------|----|
| Introduction | 4 |
| Reviewing and consulting on the pre-16 funding formula | 7 |
| Delegated funding | 8 |
| Local authority funding formula factors for 2019 to 2020 | 8 |
| Prior attainment | 13 |
| Sparsity | 15 |
| Lump sum | 18 |
| Split sites | 19 |
| Private finance initiative (PFI) | 20 |
| Requesting exceptional premises factors | 21 |
| The minimum per pupil funding level for schools | 22 |
| Variations to pupil numbers | 25 |
| Funding Floor Factor | 27 |
| Interaction between the funding floor factor and the MFG | 29 |
| Minimum funding guarantee | 29 |
| Capping and scaling | 33 |
| Redetermination of budget shares | 34 |
| Redetermination of budgets where pupils have been excluded | 35 |
| Deductions from the excluding school's budget | 35 |
| Additions to the admitting school's budget | 36 |
| Academies | 37 |
| Inter-authority funding transfers | 37 |
| Growth fund | 38 |
| Falling rolls fund | 41 |
| Movements between blocks | 42 |
| DSG Balances | 46 |
| Central school services block (CSSB) | 48 |
| Introduction | 48 |
| Services for maintained schools | 49 |
| Central services that may be funded with agreement of schools forums | 50 |
| Schools forum approvals for centrally held funding | 58 |

| | |
|-------------------------------------------------|----|
| De-delegated services | 60 |
| High needs funding | 64 |
| Completing the authority proforma tool (APT) | 67 |
| Treatment in the APT of new and growing schools | 68 |
| Funding of academies | 70 |
| Timetable | 73 |
| Additional support | 76 |
| Annex 1: Funding for growing schools | 77 |

Introduction

1. This guide helps local authorities, and their schools forums, to plan the local implementation of the funding system for the 2019 to 2020 financial year.
 - 1.1. 2019 to 2020 is the second year of the national funding formula for schools, high needs and central school services.
 - 1.2. In September 2017, we set out the details of the formula for 2018 to 2019 and 2019 to 2020. For 2019 to 2020, we have made some small technical improvements to the formula. These are set out in the [2019 to 2020 policy document](#) and, where they affect local formula arrangements, are also covered in this guidance.
 - 1.3. We have used the national funding formula to calculate the blocks within the dedicated schools grant (DSG) that are allocated to local authorities, and they will sit alongside the early years national funding formula, which was introduced in 2017 to 2018.
2. We have published illustrative local authority level allocations for 2019 to 2020 for the schools, central school services, and high needs, blocks at [NFF tables for schools and high needs](#).
 - 2.1. The allocations we have published contain the actual primary unit of funding (PUF) and secondary unit of funding (SUF) that we will use to calculate each local authority's schools block.
 - 2.2. We will issue final allocations as usual in December 2018, based on pupil numbers recorded in the October census.
 - 2.3. Local authorities should use this guide to model their formulas and plan their budget in consultation with schools forums.
3. We have previously confirmed that in 2019 to 2020, like in 2018 to 2019, each local authority will continue to set a local schools formula, in consultation with local schools.
 - 3.1. In 2019 to 2020, the national funding formula will set notional allocations for each school, which will be aggregated, and used to calculate the total schools block received by each local authority.
4. We are pleased to see the significant progress across the system in moving towards the national funding formula in its first year. In light of this progress, we are confirming now that local authorities will continue to determine local formulas in 2020 to 2021.

5. In line with the approach and commitments set out last year, three key aspects of the schools national funding formula are being updated in 2019 to 2020.

- 5.1. Within the schools block, the government will provide for at least a 1% per pupil increase for each school in 2019 to 2020 through the national funding formula compared to their 2017 to 2018 baseline.
- 5.2. The minimum per pupil funding levels have increased to £3,500 for all primary schools and £4,800 for all secondary schools that have pupils in years 10 and 11.
- 5.3. The gains cap has increased so that schools can attract gains of up to 6.09% against their 2017 to 2018 baselines (to note, the minimum per pupil levels are not gains capped).

6. We are also making some policy changes to the 2019 to 2020 national funding formula. Further details on these, particularly on the new growth methodology, can be found in the [2019 to 2020 policy document](#).

- 6.1. We will be allocating growth to local authorities on a formulaic basis. We are not making any changes to the ways in which local authorities can distribute growth funding.
- 6.2. We have increased the KS3 minimum level used for middle schools to £4,600 and will use this for KS3 only schools. We have introduced a new minimum level of £5,100 for KS4 only schools.
- 6.3. We have reduced the primary low prior attainment factor value to £1,022 to balance the increase in the cohort.

7. We have made a number of smaller changes to the arrangements for calculating local formulas, to support local authorities to mirror the national funding formula. This guidance covers the details of these changes.

- 7.1. We have introduced a new funding floor factor to enable local authorities to mirror the increase of 1% per pupil against 2017 to 2018 baselines.
- 7.2. We have enabled local authorities to mirror the sparsity taper used in the national funding formula.
- 7.3. 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.
- 7.4. The authority pro forma tool (APT) cap now has the functionality to vary the capping and scaling to apply the alternative gains cap used in the national funding formula, meaning that local authorities can allow schools to gain the

greater of either 3% of their 2018 to 2019 baseline, or 20% of their remaining gains. More information on the alternative gains cap can be found in the [capping and scaling section of this guidance](#).

8. 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.

9. Within the high needs block, the government has provided for at least a 0.5% increase adjusted for population changes in 2019 to 2020 and this is reflected in the allocations to local authorities through the high needs national funding formula.

9.1. We will protect the high needs block against 2017 to 2018 baselines, subject to some adjustments explained in [the high needs section of this guidance](#).

10. The schools block will again be ring-fenced in 2019 to 2020. Local authorities are able to transfer up to 0.5% of their schools block funding out with the agreement of their schools forum. Transfers of more than 0.5% may be allowed in circumstances where the Secretary of State has previously allowed a transfer between blocks and where this is again agreed by the schools forum. Further information is included in [the Movement between blocks section of this guidance](#).

Reviewing and consulting on the pre-16 funding formula

12. We expect local authorities to demonstrate to their schools forum that they have consulted locally with all maintained schools and academies when seeking agreement to transfer any funding out of the schools block.

12.1. There will be an exceptions process, which will require Secretary of State approval, for considering transfers above the 0.5% limit, and for transfers opposed by the schools forum.

13. Local authorities must engage in open and transparent consultation with all maintained schools and academies in their area, as well as with their schools forums, about any proposed changes to the local funding formula including the method, principles and rules adopted.

14. Any consultation should include a demonstration of the effect of modelling such changes on individual maintained schools and academies.

14.1. We have provided an updated APT to reflect 2019 to 2020 local formula changes, to help with this modelling.

14.2. Local authorities should communicate proposed formula changes to all bodies affected by the changes.

14.3. The local authority is responsible for making the final decisions on the formula, and each authority's process must ensure that there is sufficient time to gain political approval before the APT deadline in January 2019.

14.4. Political ratification means approval in line with the authority's local scheme of delegation, so this may be decisions made by the council cabinet, cabinet member or full council; the schools forum does not decide on the formula.

15. Local authorities should also ensure that they allow sufficient time for wider consultation with schools, agreement by their schools forum, and political approval if they wish to transfer funding out of the schools block, or submit a disapplication request.

15.1. We have provided more information on this in the [movements between blocks section of this guidance](#).

Delegated funding

Local authority funding formula factors for 2019 to 2020

16. We have made one addition to the list of allowable funding factors in local funding formulas in 2019 to 2020. This will enable local authorities to use a funding floor factor to mirror the increase of 1% per pupil against 2017 to 2018 baselines. We have included further information in the [funding floor factor section of this guidance](#).

17. The full list of allowable factors in 2019 to 2020 is:

| Funding factor | Description and further information |
|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Basic entitlement A compulsory factor</p> | <p>This factor assigns funding on the basis of individual pupils, with the number of pupils for each school or academy based on the October pupil census</p> <ul style="list-style-type: none">• funding is allocated according to an age-weighted pupil unit (AWPU)• there is a single rate for primary age pupils, which must be at least £2,000• there can be different rates for KS3 and KS4, with a minimum of £3,000 for each• local authorities can choose to increase the pupil number count for schools with higher reception pupil numbers in January 2018, rather than the October 2017 census• we do not include reception uplift in the national funding formula; local authorities currently using a reception uplift factor should consider whether to do so in 2019 to 2020• schools with reception uplift will not be financially disadvantaged in the national funding formula calculations, as the funding will remain in their baselines |
| <p>2. Deprivation A compulsory factor</p> | <p>Local authorities can use free school meals (FSM), the income deprivation affecting children index (IDACI), or both, to calculate the deprivation factor</p> <ul style="list-style-type: none">• we measure eligibility for current FSM using the previous October census, and Ever6 FSM (pupils entitled to free meals at any time in the last 6 years) from the previous January census |

| Funding factor | Description and further information |
|-------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> local authorities using FSM to calculate deprivation can choose to use either current FSM, Ever6 FSM, or both the IDACI measure uses 6 bands, and different values can be attached to each band; different unit values can be used for primary and secondary within each band we will automatically set the FSM Ever6 ratio equal to the current FSM ratio for schools where the FSM Ever6 rate is recorded as lower than the current FSM rate |
| <p>3. Prior attainment An optional factor (used by most local authorities)</p> | <p>The prior attainment factor acts as a proxy indicator for low level, high incidence, special educational needs</p> <ul style="list-style-type: none"> we will confirm a separate weighting for new year 7 pupils later in the year <p>We have included more information in the prior attainment section of this guidance.</p> |
| <p>4. Looked-after children (LAC) An optional factor</p> | <p>Local authorities can apply a single unit value for any child who has been looked after for one day or more, as recorded on the LA SSSDA903 return at 31 March 2018</p> <ul style="list-style-type: none"> we map this data to schools using the January school census to identify the number of LAC in each school or academy we do not use a LAC factor in the national funding formula. Instead, we increased the pupil premium plus rate from 2018 to 2019 from £1,900 to £2,300. Local authorities currently using this factor should consider whether to do so in 2019 to 2020 |
| <p>5. English as an additional language (EAL) An optional factor</p> | <p>Pupils identified in the October census with a first language other than English may attract funding for up to three years after they enter the statutory school system</p> <ul style="list-style-type: none"> local authorities can choose to use indicators based on one, two, or three years, and there can be separate unit values for primary and secondary we have used three years in the national funding formula; local authorities should consider this when setting their local formula. |

| Funding factor | Description and further information |
|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>6. Pupil mobility An optional factor</p> | <p>This measure counts pupils who entered a school during the last three academic years, but did not start in August or September (or January for reception pupils)</p> <ul style="list-style-type: none"> • there is a 10% threshold, and funding is allocated based on the proportion above the threshold (for example, a school with 12% mobility will attract pupil mobility funding for 2% of pupils) |
| <p>7. Sparsity An optional factor</p> | <p>Schools that are eligible for sparsity funding must meet two criteria</p> <ul style="list-style-type: none"> • they are located in areas where pupils would have to travel a significant distance to an alternative should the school close • they are small schools <p>This factor now allows for a sparsity taper to mirror the methodology used as part of the national funding formula. We have included more information in the sparsity section of this guidance.</p> |
| <p>8. Lump sum An optional factor (used by all local authorities)</p> | <p>Local authorities can set a flat lump sum for all phases, or differentiate the sums for primary and secondary.</p> <ul style="list-style-type: none"> • local authorities should give middle schools a weighted average, based on the number of year groups in each phase • the maximum lump sum is £175,000, even for schools that receive a London fringe uplift <p>We have included more information in the lump sum section of this guidance, including information for amalgamated schools.</p> |
| <p>9. Split sites An optional factor</p> | <p>The purpose of this factor is to support schools that have unavoidable extra costs because the school buildings are on separate sites</p> <ul style="list-style-type: none"> • allocations must be based on objective criteria for the definition of a split site, and for how much is paid <p>We have included more information in the split sites section of this guidance.</p> |
| <p>10. Rates An optional factor</p> | <p>Local authorities must fund rates at their estimate of the actual cost</p> |

| Funding factor | Description and further information |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (used by all local authorities) | <ul style="list-style-type: none"> • local authorities can make adjustments to rates during the financial year, but this must be done outside of the funding formula • for example, an additional allocation could be made to a school (funded by balances brought forward) • this should be reflected in the Section 251 outturn statement, and in each school's accounts • the effect on the school would be zero, since any rates adjustment will be offset by a change in the cost of the rates |
| <p>11. Private finance initiative (PFI) contracts An optional factor</p> | <p>The purpose of this factor is to support schools that have unavoidable extra premises costs, because they are a PFI school, and to cover situations where the PFI 'affordability gap' is delegated and paid back to the local authority.</p> <p>We have included more information in the PFI section of this guidance.</p> |
| <p>12. London fringe An optional factor, applicable only for five local authorities (Buckinghamshire, Essex, Hertfordshire, Kent, and West Sussex)</p> | <p>The purpose of this factor is to support schools that have higher costs because they are in the London fringe area, and only part of the local authority is in this area. The multiplier is applied to the 6 pupil-led factors, the lump sum factor, and the sparsity factor.</p> <p>The factor can be applied in one of two ways, not both</p> <ul style="list-style-type: none"> • as a multiplier of 1.0156 <ul style="list-style-type: none"> • details of these calculations are in the technical specification for the schools block dataset • as a multiplier of the differential of the area cost adjustment of fringe and non-fringe zones within the local authority <ul style="list-style-type: none"> • this mirrors the national funding formula calculation; the differentials are: <ul style="list-style-type: none"> ▪ Buckinghamshire: 1.0175 ▪ Essex: 1.0335 |

| Funding factor | Description and further information |
|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> ▪ Hertfordshire: 1.0302 ▪ Kent: 1.0364 ▪ West Sussex: 1.0561 |
| <p>13. Exceptional premises factors An optional factor</p> | <p>Local authorities can apply to ESFA to use exceptional factors relating to school premises, for example, for rents, or joint-use sports facilities</p> <ul style="list-style-type: none"> • exceptional factors must relate to premises costs • local authorities should only submit applications where the value of the factor is more than 1% of a school’s budget, and applies to fewer than 5% of the schools in the authority’s area • local authorities can use exceptional premises factors used in 2018 to 2019 (for pre-existing, and newly-qualifying schools) in 2019 to 2020, if the qualification criteria are still met |
| <p>14. Minimum level of per pupil funding for primary and secondary schools An optional factor</p> | <p>The purpose of this factor is to allow local authorities to provide amounts up to the minimum per pupil funding levels for primary and secondary schools</p> <ul style="list-style-type: none"> • where local authorities choose to use this factor, any capping and scaling cannot take the school below the minimum value set in the local formula • local authorities should calculate the minimum per pupil level on the basis of the school’s total funding; this will be set out in the APT guidance • local authorities who wish to reflect the NFF calculation by excluding the premises factors that have been excluded from the NFF calculation can do so through the APT and will not need to submit a disapplication <p>We have included the maximum rates for each phase, and more information on setting a minimum per pupil amount in the schools section of this guidance.</p> |
| <p>15. Funding floor factor An optional factor</p> | <p>The purpose of this factor is to allow local authorities to reflect the NFF calculation of a minimum 1% per pupil increase over 2017 to 2018 baselines</p> |

| Funding factor | Description and further information |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> • if this factor is used all schools within the local authority must be protected against a baseline, even if they were not open in 2017 to 2018 • we will be publishing theoretical baselines for schools which have opened, merged or split since 2017 to 2018; local authorities wishing to amend these theoretical baselines, to take account of local knowledge can do so • the local authority will need to calculate a baseline for new schools that do not have a theoretical baseline <p>We have included more information in the funding floor section of this guidance.</p> |

Table 1: Schools funding factors

Required proportion of funding allocated through pupil-led factors

Local authorities must allocate at least 80% of the delegated schools block funding through pupil-led factors (the factors in lines 1 to 6, 14 and 15 above, and London fringe uplift, where relevant).

18. The Department for Education will provide updated schools block datasets in December 2018.

18.1. Local authorities should use these datasets when setting their local funding formulas; this will ensure maintained schools and academies are funded on the same basis.

18.2. We will provide a technical specification for the 2019 to 2020 schools block datasets alongside the updated datasets in December 2018. We have provided a [technical specification for the 2018 to 2019 schools block datasets](#).

Prior attainment

19. Local authorities can apply this factor for:

- primary pupils identified as not achieving the expected level of development in the early years foundation stage profile (EYFSP)

- secondary pupils not reaching the expected standard in KS2 at either reading or writing or maths

20. The EYFSP changed in 2013, so from 2019 to 2020 there will be no need for a primary weighting as all primary year groups will represent results under the new framework. As this primary weighting is no longer applicable, local authorities that have been using a primary weighting should consider adjusting the unit value.

21. Since 2017 to 2018, we have weighted the low prior attainment factor for some secondary year groups so that those who have sat the more challenging KS2 tests (introduced in academic year 2015 to 2016) do not have a disproportionate influence within the total for the prior attainment factor in the mainstream formula.

21.1. In 2019 to 2020, we will carry forward the weightings we used in 2018 to 2019 for the year 7 and year 8 cohorts, so they will apply to the year 8 and year 9 cohorts respectively. For the financial year 2019 to 2020, the weightings will be¹:

- pupils in year 8 in October 2018: 58%
- pupils in year 9 in October 2018: 48%

22. We will also be specifying a national weighting for the new year 7 cohort in the 2019 to 2020 schools block dataset. We will calculate this weighting in the same way, by scaling back the proportion of year 7 pupils identified as having low prior attainment (LPA) to a level commensurate with the number of secondary-age pupils identified as LPA in October 2015; before the new, more challenging KS2 test was introduced. We will confirm this weighting in the autumn.

23. The weightings will operate in the same way as last year; the number of pupils identified as having LPA in the data will be multiplied by the relevant weighting to determine the number of pupils eligible for the factor for funding purposes.

24. 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. This will enable local authorities, in most cases, to maintain their LPA factor at previous levels without significant turbulence.

25. LPA funding will be allocated to all pupils identified as not reaching the expected standard at the previous phase, regardless of their year group. It does not only apply to those pupils in their first year of schooling.

¹ These weightings have been rounded.

26. As with current funding arrangements, pupils who have not undertaken the assessment are given the overall average attainment score of their year group, so are taken into account when calculating a school's LPA rate.

Sparsity

27. Schools that are eligible for sparsity funding must meet two criteria:

- they are located in areas where pupils are a significant distance from an alternative should the school close
- they are small schools

28. For the pupils for whom the school is their closest compatible school², the factor measures the distance (as the crow flies) from their home to their second nearest compatible school and the mean distance for all pupils is then calculated. Since the pupil population changes each year, it is possible for a school to be eligible for sparsity funding in one year but not in the next.

29. The school eligibility criteria for sparsity funding are as follows:

| School phase | Maximum average number of pupils per year group | Minimum average distance to second nearest compatible school |
|--------------|-------------------------------------------------|--------------------------------------------------------------|
| Primary | 21.4 | 2 miles |
| Secondary | 120 | 3 miles |
| Middle | 69.2 | 2 miles |
| All-through | 62.5 | 2 miles |

Table 2: Eligibility criteria for schools to attract sparsity funding

30. Pupil numbers include reception to years 11 only; that is, excluding nursery and sixth form pupils.

31. The maximum value for the sparsity factor is £100,000 (including the London fringe uplift), which can be applied as a taper or as a lump sum. If a taper methodology is used, a school will attract sparsity funding in inverse proportion to its average year group

² A school is compatible if the pupil is within its age range and the school accepts pupils of this pupil's gender. Selective schools and those in Wales and Scotland are discounted when identifying the second nearest school.

size. Different values and methodologies can be used for the primary, middle, all-through, and secondary phases.

32. Local authorities can apply a full continuous taper by using the following formula:

$$((\text{max avg group} - \text{actual avg group}) / \text{max avg group}) \times \text{max lump sum}$$

33. Alternatively the taper mirroring the methodology used in the national funding formula is now permissible and does not require a disapplication. Under the national funding formula methodology, schools with an average year group size of less than half the year group threshold receive 100% of the sparsity funding for their phase. Local authorities can apply this methodology by using the following formula:

$$(1 - ((\text{actual avg group} - \text{half of max avg group}) / \text{half of max avg group})) \times \text{max lump sum}^3$$

34. Examples are provided below showing whether a school would receive sparsity funding and how much funding it would receive. These examples assume that the year group size and distance thresholds are as set out by ESFA, although local authorities can reduce the pupil numbers and increase the distance criteria if they wish.

34.1. School A is an infant school with 120 pupils spread across 3 year groups; the average number of pupils per year group size is therefore 40 (120 / 3).

34.2. The average distance to the second nearest compatible school is 2.5 miles.

34.3. School A is not eligible for sparsity funding as the average number of pupils per year group is too high.

| School phase | Average number of pupils per year group | Average distance to second nearest compatible school | Eligible for sparsity funding? |
|--------------|-----------------------------------------|------------------------------------------------------|--------------------------------|
| Primary | 40 | 2.5 miles | No |

³ where actual average year group is less than 100% and more than 50% of the maximum year group

Table 3: Example of a school not eligible for sparsity funding

- 34.4. School B is a primary school with 120 pupils, spread across 7 year groups; the average number of pupils per year group is therefore 17.14 (120 / 7).
- 34.5. The average distance to the second nearest compatible school is 2.2 miles.
- 34.6. School B is eligible for sparsity funding as the average number of pupils per year group is fewer than the maximum and the average distance is greater than the minimum.
- 34.7. If the sparsity value is £100,000, applied using the continuous taper methodology, the school will receive £20,000 ($((21.4 - 17.14) / 21.4) \times 100,000$) (allowing for rounding).

| School phase | Average number of pupils per year group | Average distance to second nearest compatible school | Eligible for sparsity funding? |
|--------------|-----------------------------------------|------------------------------------------------------|--------------------------------|
| Primary | 17.14 | 2.2 miles | Yes |

Table 4: Example of a school eligible for sparsity funding

35. The sparsity distance for each school has been calculated as a crow flies distance. Local authorities are able to make exceptional applications for schools not meeting the distance criterion where they would have significantly higher mileage if road distances had been used.

36. Local authorities can also make an application to ESFA to include an exceptional factor of up to £50,000 for very small sparse secondary schools which would otherwise be unable to attract sufficient funding to remain viable. Local authorities can only apply for an exceptional factor where schools have:

- pupils in years 10 and 11
- 350 pupils or fewer
- a sparsity distance of 5 miles or more

37. Where approval was given in 2018 to 2019 to use an exceptional factor for very small sparse secondary schools, or to the road distance for individual schools, that approval can carry forward to 2019 to 2020 if the latest pupil data has not changed significantly.

38. ESFA will produce sparsity distances for all schools in the schools block dataset and make them available to each local authority.

- 38.1. If a school opens after the sparsity distances have been calculated, the local authority can make an exceptional application for the school.
- 38.2. The process is the same for schools that are affected by neighbouring schools closing.
- 38.3. We will not recalculate the figures during the year in these situations as it should be possible for an estimate to be made for individual schools.
- 38.4. An existing school, qualifying for sparsity funding, would not lose the funding in-year if a new school opened nearby.
- 38.5. Local authorities should agree exceptional applications with their schools forum before submitting to ESFA for consideration.

Lump sum

39. The lump sum may be different for primary and secondary schools and the maximum permitted value for either phase continues to be £175,000 (including the London fringe uplift) in local formulas. All-through schools will receive the secondary lump sum value and middle schools will receive an average lump sum value based on the number of primary and secondary year groups in the school.

- 39.1. This worked example shows how the lump sum amount for a middle school is calculated. In this example, the primary lump sum is set at £100,000, and the secondary lump sum is set at £120,000.
- 39.2. This middle school has a total of 5 year groups; 3 year groups (years 4 to 6) attracting the primary rate, and 2 year groups (years 7 to 8) attracting the secondary rate.

| School phase rate | Lump sum amount |
|----------------------------------------------------|-----------------|
| 3 year groups at primary rate ((3/5) x £100,000) | £60,000 |
| 2 year groups at secondary rate ((2/5) x £120,000) | £48,000 |
| Total rate for all 5 year groups | £108,000 |

Table 5: Example of a middle school's lump sum calculation

40. Where schools have amalgamated⁴ during the financial year 2018 to 2019, or on 1 April 2019, they will retain the equivalent of 85% of the predecessor schools' lump sums for the financial year 2019 to 2020.

40.1. For example, assuming a lump sum of £100,000, the additional payment would be £70,000 $((100,000 \times 2) \times 85\% - 100,000)$. Local authorities can apply to ESFA to reduce this in exceptional circumstances.

41. Where schools amalgamate after 1 April 2019, the new school will receive funding equivalent to the formula funding of the closing schools added together for the appropriate proportion of the year. This means that they receive the combined lump sum for the remainder of the year and 85% in the following year, as outlined above.

42. Local authorities may apply to ESFA to provide a second year of protection. Applications must specify the level of protection sought, although in general we would not expect the additional protection to exceed 70% of the combined lump sums. We will consider applications on a case-by-case basis.

Split sites

43. A local authority formula can include a factor to provide additional funding to schools that operate on more than one site.

43.1. Criteria for providing extra funding should be clear and transparent, incorporating clear and objective trigger points, and a clear formula for allocating additional funding.

43.2. All schools and academies that meet the criteria will be eligible for split site funding.

43.3. Schools sharing facilities, federated schools and schools with remote sixth forms or remote early years provision are not eligible for split site funding.

44. Examples of clear trigger points are:

- the sites are a minimum distance apart, as the crow flies, and the sites are separated by a public highway

⁴ The definition of an "amalgamated school" includes one that has extended its age range as a direct consequence of another closing (for example, an infant school closes and the junior school extends to become a primary school).

- the provision on the additional site does not qualify for an individual school budget share through the DSG
- the school has remote playing fields, separated from the school by a minimum distance, and there is no safe walking route for the pupils
- a percentage of staff are required to teach on both sites on a daily basis, to support the principle of a whole school policy and to maintain the integrity of the delivery of the national curriculum
- a minimum percentage of pupils are taught on each site on a daily basis

45. Examples of a clear formula for funding schools with split sites are:

- a lump sum payment
- a per pupil rate
- a rate per square metre of the additional site

46. Values for primary and secondary schools may be different. There may be one rate of payment for the first additional site, and a separate rate for each additional site. Payment rates may be stepped, for example as the distance between sites increases.

Private finance initiative (PFI)

47. Methodologies for funding PFI schools must be objective and clear, and capable of being replicated for academies.

47.1. The purpose of the factor is to fund the additional costs to a school of being in a PFI contract, not necessarily the full cost as some costs may be covered within other factors.

47.2. An acceptable methodology would generally contain some of the features set out below.

47.3. These examples are intended to help local authorities formulate a clear process for funding; it is unlikely that a local authority would need to incorporate all of the features into its own policy.

47.4. If a PFI factor is used, all PFI schools should receive it; there may be different arrangements between contracts but, within a contract, all PFI schools should receive funding on an equivalent basis.

47.5. This does not necessarily mean all schools should receive the same amount per pupil, but they should be treated on a consistent basis.

48. Examples of a clear formula for funding PFI schools are:

- allocations are in accordance with an original governors' agreement

- allocations reflect the difference between the PFI contractual cost and the grant received by the local authority, less any local authority contribution

49. Methodologies for calculating allocations could include:

- a percentage of the school's budget share
- a per pupil rate
- a rate per square metre of floor area
- a historical lump sum previously agreed, and indexed by a percentage per year

50. Agreements can refer to proportions or elements of the school's budget share, which, due to changes in funding arrangements, may have changed significantly. Where this situation occurs, we would expect schools and local authorities to work together to agree an alternative arrangement, so that neither party is significantly disadvantaged.

Requesting exceptional premises factors

51. Local authorities can request the inclusion of additional factors in their formula for exceptional circumstances.

51.1. ESFA may approve additional factors in cases where the nature of the school premises gives rise to significant additional costs greater than 1% of the school's total budget, and where such costs affect fewer than 5% of the schools (including academies) in the authority.

52. Where local authorities have already received approval for exceptional premises factors in the previous six years, they can continue to use the approved factors if the criteria are still being met.

52.1. Where an exceptional factor has already been approved for particular schools, it's permissible for a further school or schools to receive the factor where a change in circumstances meets the existing approved criteria, providing that the cost to the additional school exceeds 1% of its budget share (as calculated through the APT), and that the factor still applies to fewer than 5% of schools in the authority.

53. Local authorities should apply to ESFA for any new exceptional premises factors in 2019 to 2020, setting out the rationale for the factor, and demonstrating that the criteria are met.

53.1. Local authorities are requested to submit any applications for exceptional factors before 28 September 2018. We will then be able to get decisions back to authorities before the APT is issued in December. Any later

requests must be submitted before 20 November 2018 for them to be considered in order to meet the APT deadline.

53.2. Exceptional factors previously approved include:

- rents
- joint use of leisure facilities by contractual agreement
- building schools for the future (BSF) schemes (additional contribution to lifecycle maintenance costs)
- hire of PE facilities
- listed buildings
- school with a farm included as part of its educational provision

53.3. Each application is considered on its own merits and it should not be assumed that a future application would be successful simply because it falls into one of the categories shown above.

53.4. Local authorities are not obliged to request additional factors, but in considering whether to do so, they should look at the circumstances of academies and free schools as well as maintained schools.

53.5. Local authorities can apply for an exceptional factor by attaching the [disapplication proforma](#) to the [ESFA contact form](#).

The minimum per pupil funding level for schools

54. The national funding formula will provide local authorities with per pupil funding of at least £3,500 for each primary school, and £4,800 for each secondary school that has pupils in years 10 and 11, based on the school's total core funding.⁵ We have increased the KS3 rate used to calculate the minimum for middle schools to £4,600 and will also use this rate for KS3 only schools. We have also introduced a new minimum amount of £5,100 for KS4 only schools.

55. Local authorities can choose to include a minimum per pupil factor in their formula to allow them to implement this policy locally.

56. The per pupil minimum funding levels are set out below.⁶

⁵ Schools total core funding excludes funding for premises, mobility and growth.

⁶ Secondary schools that are new and growing will receive the secondary school minimum amounts even if they do not yet have pupils in year 10 and 11.

| School phase | 2019 to 2020 minimum per pupil funding level |
|----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Primary school | £3,500 |
| All-through school | <p>£4,042</p> <p>A weighted average of the primary and secondary minimum per pupil funding levels that applies to every all-through school.</p> <p>The calculation is</p> $(\text{£}3,500 \times 7) + (\text{£}4,800 \times 5)$ <p>Divided by 12</p> |
| Secondary school (with KS3 and KS4 pupils) | £4,800 |
| KS3 only schools | £4,600 |
| KS4 only schools | £5,100 |
| Middle schools (including secondary schools with primary year groups and exclusively KS3 or KS4 secondary year groups) | <p>Minimum per pupil funding level depends on the year groups in each school.</p> <p>If the school does not have a KS4 number on roll, the calculation is as follows:</p> $(\text{£}3,500 \times \text{number of primary year groups}) + (\text{£}4,600 \times \text{number of KS3 year groups})$ <p>This number is then divided by the total number of primary and KS3 year groups.</p> <p>If the school has KS3 and KS4 number on roll, the calculation is as follows:</p> $(\text{£}3,500 \times \text{number of primary year groups}) + (\text{£}4,800 \times \text{number of secondary year groups})$ <p>This number is then divided by the total number of year groups.</p> <p>If the school does not have a KS3 number on roll, the</p> |

| School phase | 2019 to 2020 minimum per pupil funding level |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>calculation is as follows:</p> $(\text{£}3,500 \times \text{number of primary year groups}) + (\text{£}5,100 \times \text{number of KS4 year groups})$ <p>This number is then divided by total the number of primary and KS4 year groups.</p> <p>For some schools, we do not have year group counts. For example, new and growing schools, and splits or amalgamations. In these cases, we have applied the following values:</p> <ul style="list-style-type: none"> • Primary: 7 • KS3: 3 • KS4: 2 |

Table 6: Minimum per pupil funding in 2019 to 2020

57. Local authorities should calculate the minimum per pupil level on the basis of the school's total funding.

57.1. The technical detail of the calculations used in the national funding formula (NFF) to provide the minimum levels of per pupil funding are set out in the technical specifications document.

57.2. Local authorities which wish to reflect the NFF calculation by excluding the premises factors that have been excluded from the NFF calculation can do so through the APT and will not need to submit a disapplication.

57.3. Schools receiving the minimum per pupil factor are exempt from capping and scaling.

57.4. Once capping and scaling have been applied this should not take the budgets of other schools lower than the minimum per pupil level, if the authority is using this factor.

Variations to pupil numbers

58. Local authorities are no longer expected to request approval to increase the pupil numbers used for calculating funding for specific schools where:

- there has been, or is going to be, a reorganisation
- a school has changed, or is going to change, its admission limit

58.1. However, we expect local authorities to present any pupil variations to their schools forum, to illustrate the impact to overall funding, and on specific schools' budgets.

59. In general terms, we would wish to continue to provide protection for all schools, including those with downward trends in pupil numbers, so any request for a negative adjustment would still require a disapplication, and need to include compelling evidence as to why this should be approved. Other increases not falling within the categories above would require a disapplication.

60. Where a new school is due to open, the regulations require that local authorities should estimate the pupil numbers expected to join the school in September and fund accordingly, again explaining the rationale underpinning the estimates.

61. Under these regulations, local authorities should estimate pupil numbers for all schools and academies, including free schools, where they have opened in the previous seven years, and are still adding year groups.

61.1. Local authorities can adjust estimates each year, to take account of the actual pupil numbers in the previous funding period.

61.2. We have included [more information in the treatment in the APT of new and growing schools section of this guidance](#).

62. From 2017 to 2018, all mainstream free schools have been recoupable from the first year of opening. This means ESFA will provide funding directly to the free schools opening, and recoup the funding from local authorities from the estimated pupil numbers in the APT.

63. Whilst the [growth fund](#) is a suitable route for short-term increases in pupil numbers and bulge classes, local authorities should vary pupil numbers in situations where the scale of change in numbers is sufficiently great and permanent that it should be applied to all factors in the formula.

64. If pupil numbers are not adjusted upwards to reflect actual intake, we will adjust amounts recouped to enable us to properly fund academies and free schools affected by this.

64.1. We have included [more information in the flowchart at Annex 1 about when to request a variation, and when to use the growth fund.](#)

Funding Floor Factor

65. The Secretary of State confirmed in July 2017 that the national funding formula (NFF) will provide for at least a 1% per pupil increase in respect of each school between its 2017 to 2018 baseline and 2019 to 2020.

65.1. We have reflected these increases in local authority level schools block allocations, based on aggregated individual notional school allocations.

66. We have created a new, optional factor to allow local authorities to mirror the funding floor protection against 2017 to 2018 used in the NFF. Local authorities will continue to have the flexibility to set a positive minimum funding guarantee (MFG). We have included [more information in the MFG section of this guidance](#).

67. The funding floor factor will ensure that the amount a school is allocated through the local formula is at least 1% greater than the school's 2017 to 2018 funding floor baseline. This increase will be exempt from any capping and scaling applied by the local authority through their formula.

67.1. This factor is fixed at a 1% increase. Local authorities will not be able to vary this percentage. If local authorities want to provide a positive increase to all schools but do not want to set this at 1% against 2017 to 2018, they should not use this factor and instead use their existing flexibility to set a positive MFG.

68. We will pre-populate the authority proforma tool (APT) with the 2017 to 2018 funding floor baselines used in the NFF.

68.1. These baselines include the pupil led funding the school received in 2017 to 2018 (except funding through the mobility factor), and the difference between the lump sum and sparsity funding they received in 2017 to 2018 and the lump sum and sparsity funding they attracted under the NFF in 2018 to 2019.

68.2. These baselines do not include funding the school received through the premises factors, the mobility factor, or any one-off funding in 2017 to 2018.

69. For most schools, the 2017 to 18 funding floor baselines will be the same as those used in the NFF in 2018 to 2019. For a small number of schools, this is not the case. These schools include:

69.1. New schools that are included in the NFF for the first time in 2019 to 2020: we have calculated theoretical baselines for these schools using the average 2017 to 2018 baseline for schools of the same phase within the same local authority. [More information on how we have calculated these baselines is set out in the NFF schools block technical note.](#)

69.2. Schools that have amalgamated since 2017 to 2018: We have added together the predecessor schools' baselines, but only using one lump sum, and divided this by the pupil count to create a per pupil baseline.

69.3. Schools that have split since 2017 to 2018: Where schools have split but are the same phase as their predecessor school, we have used the same 2017 to 2018 baseline as their predecessor school. Where schools have split into schools that are a different phase from their predecessor school, we have calculated a theoretical baseline using the same approach as for new schools.

70. If local authorities choose to use this factor, a baseline must be entered for all schools.

70.1. Where we have calculated a theoretical baseline, local authorities can amend this baseline without submitting a disapplication if this is more appropriate given their local knowledge. Local authorities should discuss this with the relevant school.

70.2. If local authorities are entering a new school on the APT that we have not provided a theoretical baseline for, they can mirror the methodology we have used by:

- multiplying the local authority specific primary or secondary baseline rate by the school's planned pupil numbers at full capacity (we will provide the baseline rates to local authorities)
- adding the lump sum that the local authority set in 2017 to 2018, subtracting the NFF lump sum (including area cost adjustment), then
- dividing the total by the school's planned pupil numbers at full capacity

70.3. In cases where the local authority has calculated a theoretical baseline, as above, they may amend this baseline, to take account of local knowledge, without submitting a disapplication. Local authorities should discuss this with the relevant school.

70.4. Local authorities will not be able to adjust actual 2017 to 2018 baselines, that is those that are not theoretical. This is because the baselines we have provided are those used in the NFF, and the purpose of this factor is to enable local authorities to mirror the formula precisely.

71. Funding through this factor will count towards the requirement for local authorities to spend a minimum of 80% of their funding through the pupil led factors.

Interaction between the funding floor factor and the MFG

72. Local authorities that want to pass on gains through the NFF funding floor will generally be able to do so by setting a positive MFG, without needing to use the optional funding floor factor. This will also give local authorities the flexibility to manage affordability in the context of changing pupil characteristics, high needs budget transfers or growth funding top slices.

73. We anticipate that local authorities aiming to mirror the NFF may need to use the funding floor factor in scenarios where either:

- only some schools in the area are on the funding floor in the NFF, so setting a positive MFG would not achieve the same outcome as the funding floor
- the amount that schools received in 2018 to 2019 is very different from the amount they attracted under the national funding formula

74. We would recommend that local authorities model both options and consider the impact at a local level.

75. If a local authority does use the funding floor factor, they are still required to set an MFG. This is to ensure that schools are still protected against significant year-on-year changes. For a small number of schools, this may mean that the MFG brings the school above the level it has attracted through the 2019 to 2020 NFF.

Minimum funding guarantee

76. Local authorities will continue to set a pre-16 MFG in their local formulas, to protect schools from excessive year-on-year changes and to allow changes in pupil characteristics (for example, reducing levels of deprivation in a school) to flow through.

76.1. Local authorities will continue to be able to set an MFG between minus 1.5% and plus 0.5% per pupil.

76.2. Local authorities will need to consult on the level of the MFG, as with the rest of the formula.

77. The MFG applies to pupils in reception to year 11. Early years pupils, and post-16 pupils are excluded from the calculation.

77.1. The following formula factors are automatically excluded from the MFG calculation, as not doing so would result in excessive protection, or would be inconsistent with other policies:

- the 2019 to 2020 lump sum; this is excluded from both the baseline and 2019 to 2020 funding so that schools are protected against significant change in the lump sum between years

- any higher lump sum paid under the regulations in 2018 to 2019 for amalgamated schools; this is excluded from the baseline only
- any higher lump sum to be paid under the regulations in 2019 to 2020 for amalgamating schools; this is excluded from the 2019 to 2020 funding only
- the 2019 to 2020 sparsity factor; this is excluded from both the baseline and 2019 to 2020 funding so that schools are protected against significant change in the sparsity value between years
- rates; these are excluded from both the baseline and 2019 to 2020 funding, at their respective values for each year

78. The regulations relating to the MFG allow for technical adjustments. These do not need approval from the Secretary of State but will need to be shown and explained in the tables contained within the APT. They include:

- where a budget was held centrally in the previous financial year and has now been delegated; this could include services that were previously funded centrally but have now been delegated, or additional funding released to schools as historic commitments have ended
- movement of funding from the schools block to the high needs block, but only where the high needs block is now responsible for funding amounts that had previously been met by a school's delegated budget; in other words, there is a transfer of funding responsibility, not just a transfer of funding between blocks to meet cost pressures
- where an authority has previously used the LAC factor in their local formula but is no longer doing so because the pupil premium plus funding has been increased rather than including a LAC factor in the NFF

79. All other funding will be in the MFG baseline and there will be no other automatic adjustments. Local authorities can, however, exclude other premises factors from the MFG without a disapplication, if they wish to mirror the NFF.

80. The majority of approvals to disapply the MFG for 2018 to 2019 were specific to that year, and ESFA does not expect these to be repeated; we will not carry forward any previous approvals.

80.1. Local authorities are requested to submit any applications to disapply the MFG for 2019 to 2020 using the [disapplication proforma](#) by 28 September 2018. We will then be able to get decisions back to local authorities before the APT is issued in December. Any later requests must be submitted before 20 November 2018 in order for them to be considered in order to meet the APT deadline.

80.2. Local authorities should provide information on the equality impact assessment for any disapplication request.

81. Exceptional requests to disapply the MFG will only be considered if there is a significant change in a school's circumstances or pupil numbers.

81.1. ESFA will only consider applications where the inclusion of a factor in the MFG will lead to significant inappropriate levels of protection.

81.2. Local authorities should provide detailed information on the financial impact of any request.

82. Examples of MFG disapplication requests that have been approved previously include:

- schools that previously qualified for a split site, PFI or exceptional factor, but are no longer eligible (or vice versa)
- where the normal operation of the MFG would produce perverse results for very small schools with falling or rising rolls
- secondary schools that are admitting primary age pupils who would otherwise be over protected at the secondary age weighted pupil unit of funding
- where over protection would otherwise occur, for example where additional funding has been distributed in the previous year and the authority can demonstrate that the funding is genuinely one-off

83. The worked example below shows how the MFG will be calculated (based on a MFG of minus 1.5%):

| Line | Description | Items and calculation | Amount |
|------|----------------------------------------------------------------------------------------------------------|-----------------------|------------|
| 1 | School budget share (SBS) 2018 to 2019 (inclusive of any MFG and capping) | | £2,115,000 |
| 2 | 2018 to 2019 rates | | £90,000 |
| 3 | 2018 to 2019 additional lump sum for amalgamating schools | | £70,000 |
| 4 | 2019 to 2020 lump sum | | £100,000 |
| 5 | 2019 to 2020 sparsity value (including any additional sparsity funding for very small secondary schools) | | £30,000 |
| 6 | Agreed MFG exclusions and technical adjustments | | £0 |
| 7 | 2018 to 2019 MFG baseline | 1 - (2+3+4+5+6) | £1,825,000 |
| 8 | Funded number on roll at October 2017 | | 500 |

| Line | Description | Items and calculation | Amount |
|------|----------------------------------------------------------------------------------------------------------|------------------------|------------|
| 9 | MFG baseline value per pupil | 7 / 8 | £3,650 |
| 10 | MFG protected value per pupil | 9 x 98.5% ⁷ | £3,595 |
| 11 | Formula funding 2019 to 2020 | | £1,983,200 |
| 12 | 2019 to 2020 rates | | £95,600 |
| 13 | 2019 to 2020 lump sum | | £100,000 |
| 14 | 2019 to 2020 sparsity value (including any additional sparsity funding for very small secondary schools) | | £30,000 |
| 15 | Agreed MFG exclusions and technical adjustments | | £0 |
| 16 | 2019 to 2020 base funding | 11 - (12+13+14+15) | £1,757,600 |
| 17 | Funded number on roll October 2018 | | 490 |
| 18 | 2019 to 2020 base funding per pupil | 16 / 17 | £3,587 |
| 19 | Guaranteed level of funding | 10 x 17 | £1,761,673 |
| 20 | MFG adjustment | 19 – 16 | £4,073 |
| 21 | Final 2019 to 2020 SBS | 11 + 20 | £1,987,273 |

Table 7: Example of a school's minimum funding guarantee calculation

84. The MFG calculation for mainstream schools applies only to schools block funding. Funding from the early years block, high needs block or from ESFA for post-16 pupils are excluded from the calculation, so have not been shown here as they do not form part of the schools block formula funding.

85. We will provide a consistent methodology to those local authorities that have received approval to disapply the MFG because the profile of primary and secondary age pupils in a school is changing.

⁷ Assuming the local authority sets an MFG of -1.5%

Capping and scaling

86. It is likely that protection will still be required in some areas as a result of changes to formulas so we will again allow overall gains for individual schools to be capped as well as scaled back to ensure that the formula is affordable.

86.1. Capping and scaling must be applied on the same basis to all schools. It no longer has to be applied only to the extent that it offsets the cost of the MFG since that could prevent local authorities from coming close to the NFF.

86.2. Local authorities and their schools forums will therefore need, as part of their formula modelling, to determine whether and how to limit gains. This remains a local decision and is not affected by the cap on gains in the NFF.

87. ESFA will apply caps and scales to academy budgets on the same basis as for maintained schools, although the values may differ from those shown in the APT since the actual baseline position for the academy may not be the same as that shown in the dataset.

88. Capping and scaling factors must not be applied to schools that have opened in the last seven years, and have not reached their full number of year groups. This definition of new and growing schools does not include existing schools that are extending to include a new phase, and have empty year groups in the new phase. Where a local authority is using the minimum funding level factor or the funding floor factor, capping and scaling must not take a school below the level set by those factors.

89. In the 2019 to 2020 NFF illustrative figures, some schools gain more than 6.09% on their 2017 to 2018 baselines because an alternative gains cap methodology has been applied. Under this methodology, they would receive the maximum of either:

- 6.09% gain on their baseline
- 36% of their remaining cash gains under the fully implemented NFF

89.1. Therefore, if a school was due to receive a 10% increase in funding over their 2017 to 2018 baseline, they would receive a 6.09% gain on their transitional protection baseline, as this is greater than 36% of 10% (3.64%).

89.2. Alternatively, if a school was due to receive a 25% increase in funding over their 2017 to 2018 baseline, they would receive 36% of 25% (9.75%), as this is greater than 6.09%.

90. The APT will allow local authorities to model this methodology, also checking that each school's funding per pupil is above the relevant minimum per pupil funding level or funding floor level and allocate additional funding if required. As the MFG is calculated against the funding a school received in 2018 to 2019 (rather than 2017 to 2018) the

method in the APT allocates 20% of the school's remaining cash gains under the fully implemented NFF.

91. Local authorities are requested to submit any applications to use the alternative gains cap before 28 September 2018. In any case other non-block movement disapplications must be submitted before 20 November 2018 in order for them to be considered in order to meet the APT deadline.

Other funding allocations

92. In addition to the mainstream schools budget share (or general annual grant for academies), schools and academies may receive other types of funding. The most common sources include:

- [early years funding](#)
- [high needs funding](#)
- [post-16 funding](#)
- [pupil premium](#)
- [PE and sport premium](#)
- [universal infant free school meals](#)

Redetermination of budget shares

93. It's not permissible to make an in-year redetermination of schools' budget shares other than in the explicit circumstances allowed for within the school finance regulations, which relate to:

- sixth form funding
- early years funding
- reallocation of funding for excluded pupils
- rates

94. Any DSG underspend brought forward from the previous year can be used to support the growth or falling rolls fund in the schools block, the central school services block, the high needs block, or the early years block.

94.1. The local authority would need to consult its schools forum, and would have to approve allocations from the underspend to any central budgets, where amounts have to be approved by the forum.

94.1.1 We have included [more information in the schools forums approvals for centrally held funding section of this guidance](#).

95. Alternatively, local authorities can carry forward an underspend to the next funding period and allocate it to schools via the funding formula. In this situation, the local authority would again need to consult with its schools forum.

96. Local authorities can adjust rates outside of the funding formula; at year-end, those adjustments must be reflected as being part of the individual schools budget (ISB) in the S251 outturn statement and in the school's accounts.

96.1. The effect on the school will be zero since any change in reported funding will be offset by an equal and opposite change in the cost of the rates.

Redetermination of budgets where pupils have been excluded

97. Where pupils are excluded, funding should flow in-year from the school that has excluded the pupil to the provision that takes responsibility for the pupil.

97.1. If a school subsequently admits a pupil who has been permanently excluded during that financial year, it should then receive additional funding.

97.2. The provisions here also apply to pupils who leave a mainstream school for reasons other than permanent exclusion, and are receiving education funded by the local authority other than at a school.

97.3. The provisions also act independently of whether a particular pupil has been on the census in the first place, and whether the school has received funding for them.

Deductions from the excluding school's budget

98. The finance regulations apply specifically to mainstream maintained schools.

98.1. When a pupil is excluded from a mainstream maintained school, the local authority must deduct from the school's budget in-year the amount within the formula relating to the age and personal circumstances of that pupil, pro rata to the number of complete weeks remaining in the financial year from the 'relevant date'.

98.2. This means the deduction should cover not just the basic entitlement but also the relevant amounts for pupil-led factors, such as free school meals or English as an additional language, where the pupil would attract funding through those criteria.

98.3. Where the pupil is funded according to the post-16 formula, the amount attributable to the pupil is £4,000.

98.4. The 'relevant date' is the sixth school day following the date of permanent exclusion.

99. The following worked example demonstrates how the deduction from the excluding school's budget should be calculated, where the 'relevant date' is 1 October, with 26 weeks remaining in the financial year.

| Funding formula factor | Amount |
|-------------------------------------------------|---------------|
| Basic entitlement | £4,000 |
| Free school meals | £500 |
| English as an additional language | £300 |
| Sub-total | £4,800 |
| Pro-rata total for 26 weeks | £2,400 |
| Deduction from excluding school's budget | £2,400 |

Table 8: Example of calculating the deduction from a school's budget for a pupil excluded in-year.

100. The only exception to using the number of weeks remaining in the financial year is where the exclusion takes place after 1 April, in a school year where the pupil would normally have left at the end of that school year.

100.1. In that case, the calculation is based just on the number of weeks left until the end of the school year.

101. Where the excluded pupil is eligible for the pupil premium, the budget must be adjusted on the same basis as the calculations above.

102. The deduction should also include the amount of a financial adjustment order as made under regulation 25(5)(b) of the [School Discipline \(Pupil Exclusions and Reviews\) \(England\) Regulations 2012](#), where this is relevant.

103. The adjustment for a particular exclusion relates only to the current financial year and cannot be applied to subsequent years.

Additions to the admitting school's budget

104. Where a mainstream maintained school admits a pupil who has previously been permanently excluded, then the authority must increase the school's budget in-year.

104.1. The increase must be at least the amount of the deduction taken off the excluding school, multiplied by the number of complete weeks remaining in

the financial year, and divided by the number of complete weeks remaining in the financial year from the 'relevant date'.

105. In the example above, if a school then admitted the pupil from 1 January, this is with 13 weeks of the financial year remaining. As this is half the 26 weeks originally remaining, the admitting school should have its budget increased by at least £1,200.

106. Where the pupil is eligible for the pupil premium, the same principles apply as set out above.

107. The principles also apply where the school's governing body subsequently reinstates a permanently excluded pupil.

108. The increase can also include an amount up to the amount of the financial adjustment order where this was applied to the excluding school.

Academies

109. Most academies have provisions in their funding agreement that require the same adjustments to their budgets if requested to do so by their local authority. The wording in model funding agreements states:

"If asked to by a local authority, the academy trust must enter into an agreement with that local authority that has the effect that where:

- the academy admits a pupil who has been permanently excluded from a maintained school, the academy itself, or another academy with which the local authority has a similar agreement; or
- the academy trust permanently excludes a pupil from the academy

the arrangements for payment will be the same as if the academy were a maintained school, under regulations made under section 47 of the School Standards and Framework Act 1998."

110. As the wording relates to the finance regulations, the adjustments should also relate to the local authority financial year; local authorities can change this to the academy financial year, by local agreement.

111. Some of the oldest academies do not have any provisions in their funding agreement. In these situations, any adjustments would have to be by agreement between the local authority and academy.

Inter-authority funding transfers

112. There is a separate set of regulations covering the movement of excluded pupils across local authority boundaries. These are the:

- [Education \(Amount to Follow Permanently Excluded Pupil\) Regulations 1999](#)
- [Education \(Amount to Follow Permanently Excluded Pupil\) \(Amendment\) \(England\) Regulations 2001](#)

112.1. These regulations cover situations where a pupil is excluded from a maintained school in one authority, and is either:

- subsequently provided with education in the same financial year at a maintained school, or otherwise than at school in a second authority
- subsequently provided with education in the same financial year at a pupil referral unit, or otherwise than at school in a second authority, and then at a maintained school or otherwise than at school in a third authority

113. The calculation is on the same basis described in the [deductions from the excluding school's budget section](#), using the number of weeks remaining in the financial year from the 'relevant date', but the payments are between the authorities concerned. There would also be a proportional repayment if the pupil was subsequently reinstated by the governing body.

Growth fund

114. Growth funding is within local authorities' schools block NFF allocations. For 2019 to 2020, growth funding will be allocated to local authorities using a new formulaic method based on lagged growth data. Details of this are set out in the [policy document](#). The change in the method of funding local authorities has not changed the way in which authorities can allocate funding locally.

114.1. As it is within the schools block, a movement of funding from the schools formula into the growth fund would not be treated as a transfer between blocks. The schools forum would still need to agree the total growth fund.

115. The growth fund can only be used only to:

- support growth in pre-16 pupil numbers to meet basic need
- support additional classes needed to meet the infant class size regulation
- meet the costs of new schools

116. Local authorities are responsible for funding these growth needs for all schools in their area, for new and existing maintained schools and academies.

116.1. Local authorities should fund all schools on the same criteria, discussed below.

116.2. Where growth occurs in academies that are funded by ESFA on estimates, ESFA will use the pupil number adjustment process to ensure the academy is only funded for the growth once.

117. The costs of new schools will include the lead-in costs, for example to fund the appointment of staff and the purchase of any goods or services necessary in order to admit pupils.

117.1. They will also include post start-up and diseconomy of scale costs. These pre and post start-up costs should be provided for academies where they are created to meet basic need.

117.2. ESFA will continue to fund start-up and diseconomy costs for new free schools where they are not being opened to meet the need for a new school as referred to in [section 6A of the Education and Inspections Act 2006](#).

118. The growth fund may not be used to support:

- schools in financial difficulty; any such support for maintained schools should be provided from a de-delegated contingency
- general growth due to popularity; which is managed through lagged funding

119. The growth fund may not be the most appropriate source of funding for growing schools and local authorities should consider varying pupil numbers where there is a more permanent and significant change to numbers, and where it's appropriate for the change to be reflected in the funding formula.

119.1. Local authorities will not need to submit a disapplication request for an increase to numbers where this is due to a change to the admission limit or a local reorganisation.

120. Local authorities are required to produce criteria on which any growth funding is to be allocated, which must be agreed by the schools forum.

120.1. The schools forum must also be consulted on the total size of the growth fund from each phase, and should receive regular updates on the use of the funding.

120.2. ESFA will check the criteria for compliance with the regulations.

121. The criteria should provide a transparent and consistent basis for the allocation of funding, which may be different for each phase.

121.1. Criteria for allocating growth funds should contain clear objective trigger points for qualification, and a clear formula for calculating allocations with these criteria applying to all schools on the same basis.

121.2. Compliant criteria would generally contain some of the features set out below:

- support where a school or academy has agreed with the authority to provide an extra class in order to meet basic need in the area (either as a bulge class or as an ongoing commitment)
- additional support where a school has extended its age range (the majority of funding would be paid through the funding formula where the local authority should seek a variation in pupil numbers)
- support where a school has temporarily increased its pupil admission numbers (PAN), by a minimum number of pupils, in agreement with the authority
- support for KS1 classes where overall pupil numbers exceed a multiple of 30, by a minimum number of pupils
- pre-opening costs, initial equipping allowance, or diseconomy of scale allowance, for new maintained schools and academies; including new academies where the school is opening in response to basic need

122. Methodologies for distributing funding could include:

- a lump sum payment with clear parameters for calculation (usually based on the estimated cost of making additional provision for a new class, or the estimated start-up costs)
- a per pupil rate (usually based on AWPU, and reflecting the proportion of the year which is not funded within the school's budget share)
- a per pupil rate, with a maximum ceiling

123. Where growth funding is payable to academies, the local authority should fund the increase for the period from the additional September intake through until the following August.

123.1. Local authorities should enter the cost of growth funding for the April to August period, along with appropriate justification, on the recoupment tab of the APT so that the recoupment calculation can be adjusted accordingly.

124. ESFA will not make growth fund recoupment adjustments for diseconomy of scale, or start-up funding; local authorities should not enter these on the recoupment tab of the APT.

124.1. This funding will continue to be met from the local authority's growth fund.

125. Where schools have agreed an expansion in pupil numbers with the local authority, the school should ensure that they understand the methodology for funding the increase and are content that the expansion is deliverable within the funding available.

126. Local authorities should report any unspent growth funding remaining at the year-end to the schools forum.

126.1. Funding may be carried forward to the following funding period, as with any other centrally retained budget, and local authorities can choose to use it specifically for growth.

127. Any overspent growth funding will form part of the overall DSG surplus or deficit balance.

Falling rolls fund

128. Local authorities may set aside schools block funding to create a small fund to support good schools with falling rolls, where local planning data shows that the surplus places will be needed within the next three financial years.

128.1. The schools forum should agree both the value of the fund and the criteria for allocation, and the local authority should regularly update the schools forum on the use of the funding.

128.2. As with the growth fund, the falling rolls fund is also within the national funding formula schools block.

129. Criteria for allocating falling rolls funding should contain clear objective trigger points for qualification, and a clear formula for calculating allocations. Differences in allocation methodology are permitted between phases.

129.1. Compliant criteria would generally contain some of the features set out below:

- support is available only for schools judged good or outstanding at their last Ofsted inspection (this is a mandatory requirement)
- surplus capacity exceeds a minimum number of pupils, or a percentage of the published admission number
- local planning data shows a requirement for a minimum percentage of the surplus places within the next three years
- formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort
- the school will need to make redundancies in order to contain spending within its formula budget

129.2. Methodologies for distributing funding could include:

- a rate per vacant place, up to a specified maximum number of places (place value likely to be based on AWPU)

- a lump sum payment with clear parameters for calculation (for example, the estimated cost of providing an appropriate curriculum, or estimated salary costs equivalent to the number of staff who would otherwise be made redundant)

130. Where falling rolls funding is payable to academies, the local authority should fund the increase for the period from the additional September intake through until the following August.

131. Local authorities should report any falling rolls funds remaining at the end of the financial year to the schools forum.

131.1. Funding may be carried forward to the following funding period, as with any other centrally retained budget, and local authorities can choose to use it specifically for falling rolls.

Movements between blocks

132. From April 2018 local authorities' DSG has consisted of 4 blocks of funding:

- schools block
- central school services block
- high needs block
- early years block

132.1. The schools block will again be ring-fenced in 2019 to 2020, but local authorities will retain limited flexibility as outlined below

132.2. Local authorities may transfer up to 0.5% of their schools block funding into another block, with the approval of their schools forum.

132.3. In cases where ESFA notified the local authority that they could transfer an amount more than 0.5% for 2018 to 2019, the local authority will be able to replicate this with schools forum approval for 2019 to 2020, and do not need to submit another request to transfer the same percentage amount or less.

132.4. Local authorities wishing to make a transfer should consult with all local maintained schools and academies, and the schools forum should take into account the views of the schools responding before giving their approval.

133. Local authorities must submit a disapplication request using the disapplication proforma to the Secretary of State in cases where:

- the local authority wishes to move more than 0.5% of the schools block, except in cases where a transfer of more than 0.5% was approved by

Ministers in 2018 to 2019 and the local authority wish to make the same or a reduced transfer in 2019 to 2020 and have schools forum approval

- the schools forum has turned down a proposal from the authority to move funding out of the schools block, but the authority wishes to proceed with the transfer

134. Local authorities making a block movement disapplication request should submit proposals by 30 November 2018.

134.1. This will enable us to communicate decisions back, in time for local authorities to submit the APT within the deadline, and provide maintained schools with their budget shares. Schools forum meetings should be arranged so that requests can be considered prior to the deadline for submission.

135. It's possible that there may be exceptional situations where authorities need to amend their request, for example:

- the demand for high needs provision has changed significantly and unexpectedly
- the final pupil numbers in the October census are significantly different from the expected numbers

135.1. Local authorities will therefore be allowed to amend disapplication requests already submitted where there are significant changes. We have included [more information on the implications for APT submissions in the completing the authority proforma tool section of this guidance](#).

135.2. Local authorities should submit the amended disapplication request by 16 January 2019 at the latest.

135.3. In these circumstances, local authorities will need to consider how they manage the timetable for setting their school budgets so that the notifications to schools of their budget shares, and the parallel ESFA process for notification of academy grants, are not delayed.

135.4. We suggest timetabling schools forum meetings to discuss budgets in November, December, and January, in case of any amendments to disapplications that need to be made. This is to ensure time for schools forum to be informed and vote on proposed changes. Further to this, arrangements for political ratification should be timetabled to take account of this later date for amended requests.

135.5. We will only consider new disapplication requests in exceptional circumstances.

136. We expect that most proposals by local authorities to move funding from their schools block will arise as a result of pressures on their high needs budgets. All local authorities are expected to keep their local offer of special provision under review, and to plan ahead strategically to ensure good quality provision can be developed and sustained in line with available resources. It is particularly important that mainstream schools are clear about how they contribute to the local offer, and how the extent of that contribution can affect the need for more specialist provision and the costs that local authorities consequently have to meet from their high needs budgets.

136.1. Further help and guidance has been offered, including capital funding, the opportunity to express interest in opening new special free schools, and a benchmarking tool to facilitate a better understanding of how a local authority's expenditure on high needs compares with that of other authorities, and to prompt local discussion of how current spending patterns might need to change.

136.2. We will aim to update the benchmarking tool for the latest section 251 budget data and January school census pupil data in autumn 2018.

137. Any proposal to transfer funding from the schools block should be presented along with a range of evidence to back up the proposal, both to schools as part of the local consultation and to the schools forum in seeking their approval. Schools forum discussions should include appropriate representation from special schools and other specialist providers.

138. We expect the evidence presented to the schools forum to include:

- details of any previous movements between blocks, what pressures those movements covered, and why those transfers have not been adequate to counter the new cost pressures; for example, if mainstream school exclusions have increased leading to more expenditure on alternative provision
- a full breakdown of the specific budget pressures that have led to the requirement for a transfer
 - this should include the changes in demand for special provision over the last three years, and how the local authority has met that demand by commissioning places in all sectors (mainstream and special schools, further education and sixth form colleges, independent specialist provision and alternative provision)
 - it's particularly important that any changes in the provision for mainstream school pupils with high needs are highlighted so that those schools can understand both why a transfer of funds from the schools block might be needed, and how future transfers might be avoided

- a strategic financial plan setting out how the local authority intends to bring high needs expenditure to levels that can be sustained within anticipated future high needs funding levels
 - the local authority should demonstrate an assessment and understanding of why the high needs costs are at a level that exceeds the expected final high needs funding allocation, and that plans are in place to change the pattern of provision where this is necessary, as well as to achieve greater efficiency in other ways
 - the schools forum can only give approval for a one-off transfer of funding out of the 2019 to 2020 schools block
 - the local authority should give details of whether the cost pressure is such that they would anticipate the need to seek schools forum approval for a transfer in subsequent years, if this is permitted, and how they are planning ahead to avoid such transfers in the longer term
- as part of the review and planning process, the extent to which collaborative working is being developed as a means of securing suitable high needs placements at a cost that can be afforded
 - we expect effective partnership between the local authority, those institutions offering special and alternative provision (including mainstream schools), and parents; and between the local authority and neighbouring authorities
- any contributions from health and social care budgets towards the cost of specialist places
- how any additional high needs funding would be targeted to good and outstanding primary and secondary schools that provide an excellent education for a larger than average number of pupils with high needs, or to support the inclusion of children with special educational needs in mainstream schools
 - examples of schools that illustrate how the local authority would support such inclusive practice are also useful
- details of the impact of the proposed transfer on individual schools' budgets as a result of the reduction in the available funding to be distributed through the local schools funding formula
- the extent to which schools more generally support the proposal, including details of the outcome of local school consultations, the options or proposals that were subject to consultation, how many schools agreed, disagreed or did not respond

139. Any disapplication request to the Secretary of State, seeking approval either to exceed the 0.5% transfer limit (except in cases where the Secretary of State has previously approved a larger transfer in 2018 to 2019), or to override a schools forum rejection of their proposed transfer, should be accompanied by the information outlined above. This information should be as presented in published papers considered by the

schools forum, alongside the published minutes of relevant schools forum meetings, recording the discussion at the meetings, and details of the vote leading to the forum decision. We suggest planning schools forum meetings dates with this in mind. Failure to provide this documentation will result in a delay to the decision.

140. The department will take the following into account:

- the information presented to schools in the consultation and the details of how schools responded to the consultation
- the information presented to the schools forum, and how they responded to what the local authority was seeking
- any evidence of a marked and recent transfer of responsibility for children with high needs from mainstream schools to the local authority. Such evidence could be a significant increase in school exclusions requiring more alternative provision, or a significant decrease in the proportion of children with education, health and care plans in mainstream schools, since the schools and high needs blocks were baselined against the authority's planned spending in 2017 to 2018. If the local authority can quantify the additional pressure on their high needs budget, this may strengthen the case for transferring funds

141. Movements from the central school services block to the schools block, or from the high needs block to any other block, are not subject to any limit and can be made in consultation with the schools forum.

142. Movement from the early years block can be made in compliance with the early years pass through rate conditions, and in consultation with the schools forum.

143. Any local authority considering a transfer of funding out of the high needs, or early years, funding blocks should ensure adequate consultation, both with the relevant representatives on the schools forum (including any relevant sub-groups), and with any providers likely to be affected by the transfer.

DSG Balances

144. An increasing number of local authorities are now incurring a deficit on their overall DSG account, largely because of overspends on the high needs block.

145. With effect from 2019 to 2020 the department intends to tighten up the rules under which local authorities have to explain to us their plans for bringing the DSG account back into balance.

146. We intend to require a report from any local authority that has a DSG deficit of more than 1% as at 31 March 2019. This report will need to be discussed with the

schools forum and set out the authority's plans for bringing the DSG account back into balance.

147. We will consult local authority representatives during the autumn of 2018 about the detailed implementation of these new rules.

Central school services block (CSSB)

Introduction

148. In 2019 to 2020, ongoing responsibilities will continue to be funded in broadly the same way as previously with updated baselines in line with the 2018 to 2019 DSG allocations. The [technical note](#) sets out the formula in more detail including rates for gains and floors.

149. Funding for historic commitments will be allocated at the same level as in 2018 to 2019. Our expectation remains that expenditure from DSG will reduce over time as contracts and other commitments reach their end points and we will continue to monitor this expenditure year-on-year. We will seek explanations of expenditure recorded on section 251 returns where this is not reducing as expected.

150. From 2020 to 2021, we expect to start to reduce the historic commitments element of the CSSB where local authorities' expenditure has not reduced. We do not believe it is fair to maintain indefinitely significant differences in funding between local authorities which reflect historic decisions.

151. However, at this stage we are not proposing any changes to the regulations. Current regulations require authorities to spend no more on historic commitments than they did in the previous year and require such expenditure to have the approval of the schools forum. Therefore, authorities would still be able to maintain spending on historic commitments at current levels, using other funding.

152. The [duties included in the CSSB are set out in the left hand column of table 9](#) which is followed by [more information about school improvement](#).

153. Where local authorities hold duties in relation to all schools (as set out in schedule 2, parts 1 to 5 of the School and Early Years Finance Regulations 2017), all schools must be treated on an equivalent basis.

153.1. Local authorities should not be treating voluntary aided schools, foundation schools or academies, differently from maintained schools in the services they provide to them; this is set out in the DSG conditions of grant.

153.2. Schools such as voluntary aided schools, foundation schools and academies, cannot therefore be charged for services that are provided free of charge to community and voluntary controlled schools, and paid for out of the centrally held DSG. For example, although admissions appeals are not a duty that the local authority holds in relation to all schools, we would still expect all schools to be treated fairly and equitably by the local authority.

153.3. This does not include funding that has been retained centrally from maintained school budgets only (as set out in schedule 2, parts 6 and 7), where some statutory duties relate to community and voluntary controlled schools only. However, in these situations authorities should not charge voluntary aided and foundation schools if requested to provide services to these schools and where there is no charge to community and voluntary controlled schools for the same service.

Services for maintained schools

154. Local authorities can fund some services relating to maintained schools only from maintained school budget shares, with the agreement of maintained school members of the schools forum.

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

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

156. Local authorities should set a single rate per 5 to 16 year old pupil for all mainstream maintained schools, both primary and secondary; in the interests of simplicity, this should be deducted from basic entitlement funding.

156.1. We will not allow adjustments to other factors, and the rate will not include early years or post-16 pupils, who are funded through different formula.

156.2. Local authorities can choose to establish differential rates for special schools and PRUs if the cost of fulfilling the duty is substantially different for these schools. The rate will be expressed per-place rather than per pupil for special schools and PRUs⁸.

157. As with de-delegation, the amount to be held by the local authority will be determined after MFG has been applied.

158. If a school converts to academy status, ESFA will recoup the amount retained for that school from the local authority's DSG for the remaining months of the financial year that the school is an academy.

⁸ The multipliers used in ESG previously were 3.75 for PRUs, and 4.25 for special schools.

158.1. The academy will be reimbursed in its monthly general annual grant (GAG) payment from the point of conversion.

158.2. Unlike for [de-delegated services](#), there will be no phased transfer of funding following conversion so there will be immediate recoupment of this part of the budget.

158.3. For example, if a school converts on 1 January 2020 (three months prior to the end of the financial year), ESFA will recoup three twelfths of the retained amount relating to that school.

159. Local authorities should provide sufficient evidence to their schools forum to enable them to make an informed decision on the amount of funding to be held centrally. This could include:

- planned total spending for 2019 to 2020 on each of the headings set out in [tables 9a to 9i below](#)
- spending shown to at least the level of detail provided in the 2019 to 2020 section 251 budget statement
- comparable figures for previous years' spending, split where relevant between those relating to all schools, and those for maintained schools only
- consequences for the funding and delivery of each of the services provided, if the request was not approved
- the impact on individual school budgets, and their overall financial position
- the impact on the local authority if the amount was not held centrally
- detail of the results of the equalities impact assessment carried out to assess the impact of the central retention of the funding on children or other people who have one or more of the protected characteristics under the Equality Act 2010

Central services that may be funded with agreement of schools forums

160. The split of services between responsibilities local authorities hold for all schools, and those that relate to maintained schools only are shown in the tables below.

160.1. Responsibilities held by local authorities for all schools (shown in the first column) are funded from the central schools services block, with the agreement of schools forums.

160.2. Responsibilities held by local authorities for maintained schools only (shown in the second column) are funded from maintained schools budgets only, with agreement of the maintained schools members of schools forums.

160.3. We have included references to the relevant schedules in the current [Schools and Early Years Finance \(England\) Regulations 2018](#). These will all be reflected in similar regulations for 2019 to 2020.

Statutory and regulatory duties

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

| Responsibilities held for all schools | Responsibilities held for maintained schools only |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>2, 17)</p> <ul style="list-style-type: none"> • Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21) | <p>governing body (Sch 2, 62)</p> <ul style="list-style-type: none"> • Functions related to local government pensions and administration of teachers' pensions in relation to staff working at maintained schools under the direct management of the headteacher or governing body (Sch 2, 73) • Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 76) • HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition or organisation of staff (Sch 2, 64); determination of conditions of service for non-teaching staff (Sch 2, 65); appointment or dismissal of employee functions (Sch 2, 66) • Consultation costs relating to staffing (Sch 2, 67) • Compliance with duties under Health and Safety at Work Act (Sch 2, 68) • Provision of information to or at the request of the Crown relating to schools (Sch 2, 69) • School companies (Sch 2, 70) • Functions under the Equality Act 2010 (Sch 2, 71) • Establish and maintaining computer systems, including data storage |

| Responsibilities held for all schools | Responsibilities held for maintained schools only |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>(Sch 2, 72)</p> <ul style="list-style-type: none"> • Appointment of governors and payment of governor expenses (Sch 2, 73) |

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

Education welfare

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

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

Asset management

| Responsibilities held for all schools | Responsibilities held for maintained schools only |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions (Sch 2, 14a) • General landlord duties for all buildings owned by the local authority, including those leased to academies (Sch 2, 14b) | <ul style="list-style-type: none"> • General landlord duties for all maintained schools (Sch 2, 77a & b (section 542(2)) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have: <ul style="list-style-type: none"> • appropriate facilities for pupils and staff (including medical and accommodation) • the ability to sustain appropriate loads |

| Responsibilities held for all schools | Responsibilities held for maintained schools only |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> • reasonable weather resistance • safe escape routes • appropriate acoustic levels • lighting, heating and ventilation which meets the required standards • adequate water supplies and drainage • playing fields of the appropriate standards • General health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc. Act 1974) • Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012) |

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

Central support services

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

| Responsibilities held for all schools | Responsibilities held for maintained schools only |
|---------------------------------------|-----------------------------------------------------------------------------------------|
| | centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 56) |

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

Premature retirement and redundancy

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

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

Monitoring national curriculum assessment

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

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

Therapies

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

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

Other ongoing duties

| Responsibilities held for all schools | Responsibilities held for maintained schools only |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Licences negotiated centrally by the Secretary of State for all publicly funded schools (Sch 2, 8); this does not require schools forum approval • Admissions (Sch 2, 9) • Places in independent schools for non-SEN pupils (Sch 2, 10) • Remission of boarding fees at maintained schools and academies (Sch 2, 11) • Servicing of schools forums (Sch 2, 12) • Back-pay for equal pay claims (Sch 2, 13) • Writing to parents of year 9 pupils about schools with an atypical age of admission, such as UTCs and studio schools, within a reasonable travelling distance ⁹ (Sch 2, 23) | <ul style="list-style-type: none"> • No functions |

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

Historic commitments

| Responsibilities held for all schools | Responsibilities held for maintained schools only |
|---------------------------------------|---------------------------------------------------|
| | |

⁹Funding for this duty was previously delivered to local authorities via a s.31 grant. Additional funding will be added to the CSSB baseline for this from 2018 to 19.

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

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

Additional note on central services

Services set out in the tables above will also include administrative costs and overheads relating to these services (regulation 1(4)) for:

- expenditure related to functions imposed by or under chapter 4 of part 2 of the 1998 Act (financing of maintained schools), the administration of grants to the authority (including preparation of applications) and, where it's the authority's duty to do so, ensuring payments are made in respect of taxation, national insurance and superannuation contributions
- expenditure on recruitment, training, continuing professional development, performance management and personnel management of staff who are funded by expenditure not met from schools' budget shares and who are paid for services
- expenditure in relation to the investigation and resolution of complaints
- expenditure on legal services

161. School improvement is not included in the arrangements set out in the above tables; local authorities receive a separate grant covering their statutory intervention functions and monitoring and commissioning of school improvement support.

161.1. This grant is up to £50 million per full year, allocated to local authorities based on the number of maintained schools, an area cost adjustment and

top-up to ensure each local authority receives a minimum allocation of £50,000.

161.2. Further information on this fund is available in the [published school improvement grant guidance](#).

161.3. Schools forums can agree to de-delegate further funding for additional school improvement provision, in 2019 to 2020; we have included [more information in the de-delegated services section of this guidance](#)).

Schools forum approvals for centrally held funding

162. A number of the services that are covered by funding that is held centrally are subject to a limitation of no new commitments or increases in expenditure from 2018 to 2019.

162.1. This limit does not now apply to admissions or the servicing of schools forums.

162.2. Schools forum approval is required each year to confirm the amounts on each line.

162.3. The following table sets out the level of approval required for each service and for funding of brought forward deficits.

163. When using centrally held funding, local authorities must treat maintained schools and academies on an equivalent basis.

| Centrally retained service | Approval required |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • high needs block provision • central licences negotiated by the Secretary of State | <p>Schools forum approval is not required (although they should be consulted)</p> |
| <ul style="list-style-type: none"> • funding to enable all schools to meet the infant class size requirement • back pay for equal pay claims • remission of boarding fees at maintained schools and academies • places in independent schools for non-SEN pupils | <p>Schools forum approval is required on a line-by-line basis</p> |

| Centrally retained service | Approval required |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • admissions • servicing of schools forum • contribution to responsibilities that local authorities hold for all schools • contribution to responsibilities that local authorities hold for maintained schools (voted on by relevant maintained school members of the forum only) • de-delegated services from the schools block (voted on by the relevant maintained school members of the forum only) | |
| <ul style="list-style-type: none"> • central early years block provision • any movement of funding out of the schools block • any deficit from the previous funding period that is being brought forward and is to be funded from the new financial year's schools budget (this should be specifically agreed at the time the budget is set, using the latest estimated outturn position) • any brought forward deficit on de-delegated services which is to be met by the overall schools budget | <p>Schools forum approval is required</p> |
| <ul style="list-style-type: none"> • capital expenditure funded from revenue <ul style="list-style-type: none"> • projects must have been planned and decided on prior to April 2013; no new projects can be charged • details of the remaining costs should be presented • contribution to combined budgets <ul style="list-style-type: none"> • where the schools forum agreed prior | <p>Schools forum approval is required on a line-by-line basis. The budget cannot exceed the value agreed in the previous funding period, and no new commitments can be entered into.</p> <p>Read establishing local authority DSG baselines for more information.</p> |

| Centrally retained service | Approval required |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| <p>to April 2013 a contribution from the schools budget to services which would otherwise be funded from other sources</p> <ul style="list-style-type: none"> • existing termination of employment costs <ul style="list-style-type: none"> • costs for specific individuals must have been approved prior to April 2013; no new redundancy costs can be charged • prudential borrowing costs <ul style="list-style-type: none"> • the commitment must have been approved prior to April 2013 • details of the remaining costs should be presented • SEN transport where the schools forum agreed prior to April 2013 a contribution from the schools budget (this is now treated as part of the high needs block but still requires schools forum approval as a historic commitment) | |
| <ul style="list-style-type: none"> • funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy • funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years | <p>Schools forum approval is required on a line-by-line basis, including approval of the criteria for allocating funds to schools</p> |

Table 10: Level of approval required for centrally retained services

De-delegated services

164. De-delegated services are for maintained schools only; funding for de-delegated services must be allocated through the formula but can be passed back, or 'de-delegated', for maintained mainstream primary and secondary schools with schools forum approval.

164.1. De-delegation does not apply to special schools, nursery schools, or PRUs.

164.2. Where de-delegation has been agreed for maintained primary and secondary schools, our presumption is that the local authority will offer the service on a buy-back basis to those schools and academies in their area which are not covered by the de-delegation.

164.3. In the case of special schools and PRUs, the funding to buy such services will be included in any top-up payments.

165. Any decisions made to de-delegate in 2018 to 2019 related to that year only; new decisions will be required for any service to be de-delegated in 2019 to 2020.

166. From 2017 to 2018, schools forums have been able to agree to de-delegate further funding for additional school improvement provision for maintained schools.

166.1. This provision sits alongside the school improvement grant for statutory local authority intervention functions. This grant commenced in September 2017.

166.2. We have included [more information in the school improvement grant section of this guidance](#).

167. Schools forum members for primary maintained schools and secondary maintained schools must decide separately for each phase whether the service should be provided centrally; the decision will apply to all maintained mainstream schools in that phase.

167.1. They must decide on fixed contributions for these services so that funding can then be removed from the formula before school budgets are issued.

167.2. There may be different decisions for each phase.

167.3. The services which may be de-delegated are:

- additional school improvement services
- contingencies (including schools in financial difficulties and deficits of closing schools)
- behaviour support services
- support to underperforming ethnic groups and bilingual learners
- free school meals eligibility
- insurance
- museum and library services
- staff costs supply cover (for example, long-term sickness, maternity, trade union and public duties)
- licences and subscriptions; except for the following, which are paid for by DfE:

- Christian Copyright Licensing International (CCLI)
- Copyright Licensing Agency (CLA)
- Education Recording Agency (ERA)
- Filmbank Distributors Ltd. (for the PVSL)
- Mechanical Copyright Protection Society (MCPS)
- Motion Picture Licensing Company (MPLC)
- Newspaper Licensing Authority (NLA)
- Performing Rights Society (PRS)
- Phonographic Performance Limited (PPL)
- Schools Printed Music Licence (SPML)

168. Local authorities should make a clear statement of how the funding is being taken out of the formula for each de-delegated service. For example:

- primary insurance £20 per pupil
- secondary behaviour support services £30 per FSM pupil

168.1. There should be a clear statement of how contingencies and other resources will be allocated.

168.2. Academies will continue to receive a share of funding for these services in their delegated budget.

169. Where de-delegation is agreed, middle schools will potentially be subject to two different decisions, and the unit value for de-delegation can be different for primary and secondary age pupils.

169.1. For example, if the primary sector agreed to de-delegate a service but the secondary sector did not, middle schools in the authority would have their formula allocation reduced only for their primary pupils at the agreed primary school rate.

170. 2019 to 2020 de-delegation arrangements for schools converting to academy status are shown in the following table:

| Academy conversion date | De-delegation arrangements |
|-----------------------------------|-------------------------------------------------------------------------|
| On, or before, 1 April 2019 | No de-delegation |
| 2 April 2019 to 1 September 2019 | Local authority retains any de-delegated funding until 1 September 2019 |
| 2 September 2019 to 21 March 2020 | Local authority retains any de-delegated funding until 31 March 2020 |

Table 11: De-delegation arrangements for schools converting to academy status

171. After the dates specified, the academy will receive the full formula allocation and ESFA will recoup this from the local authority.

172. The local authority should continue to provide the services to new academies where funding is de-delegated, if they are asked to do so.

172.1. If the local authority is unable to provide the requested service, we expect the local authority and the academy to come to an arrangement to pay the funding directly to the academy.

173. Where there has been agreement that a school is entitled to receive an allocation from a de-delegated contingency fund, that agreement should be honoured if the school converts to an academy at any point in the year.

173.1. Where a school converts to an academy in the period 2 April to 1 September 2019, local authorities will have an opportunity to present an evidence based case to ESFA to request a recoupment adjustment for the period 2 September 2019 to 31 March 2020.

174. Local authorities should report any unspent de-delegated funding remaining at year-end to their schools forum.

174.1. Local authorities can carry funding forward to the following funding period as with any other centrally retained budget, and can choose to use it specifically for de-delegated services.

175. If there is a brought forward overspend on de-delegated services from 2018 to 2019, the schools forum has to specifically approve funding of this overspend, from the 2019 to 2020 schools budget, as a separate decision from any decisions on the overall underspend or overspend on central expenditure.

High needs funding

176. Last year, we set out the details of the high needs national funding formula for 2018 to 2019 and 2019 to 2020. We explained that, as well as including relevant data updates, two key aspects of the formula would enable local authorities to see further increases in their high needs funding allocations in 2019 to 2020, subject to changes in pupil and student numbers and their movement between local authorities (captured by the basic entitlement factor update, and import export adjustment). These two elements in the formula are:

- the funding floor: the funding floor will increase so all authorities will attract at least a 1% gain per head of population, subject to changes in estimated population, against their 2017 to 2018 baselines
- gains under the formula: the gains cap will increase to 6.09% compared to 2017 to 2018 baselines. We have used compounded figures so that underfunded local authorities can gain a further 3% on top of the 3% they gained in 2018 to 2019

177. Further details on the methodology used for the high needs formula are set out in the [high needs technical note](#).

178. We are also taking forward a number of technical changes to high needs funding, some of which have implications for the high needs national funding formula, including:

- funding for special free schools places to be included in local authorities' high needs allocations, with the method of determining the free schools' place funding aligned to the process for special academies
- developing a better method of allocating funding for hospital education, by combining local authority spending data with NHS data to develop a new, formulaic hospital education factor in the high needs national funding formula, which better responds to the number of patients needing education. Any changes for 2019 to 2020 will be incorporated into the high needs allocations through the formula as part of the updates and adjustments to the provisional high needs allocations
- considering a number of changes to the way post-16 high needs funding is allocated, including whether we could simplify the arrangements by introducing a flat rate for some elements of funding normally calculated through the post-16 national funding formula

179. More information on these changes and proposals can be found in the [national funding formula for schools and high needs 2019 to 2020](#) with more detail to be published in the high needs operational guide in September.

180. The high needs block supports provision for pupils and students with special educational needs (SEN) and disabilities (SEND), from age 0 to 25, and alternative

provision (AP) for pupils who, because of exclusion, illness or other reasons, cannot receive their education in mainstream schools.

181. The [high needs funding 2018 to 2019: operational guide](#) provides more information on how the funding arrangements work for all types of provision. This will be updated for 2019 to 2020 in September 2018.

182. Details of the [new national funding formula for high needs](#) were published last year. [Provisional high needs block allocations](#) for 2019 to 2020 have now been published, alongside technical notes explaining the calculations.

183. For 2019 to 2020, the funding formula includes a funding floor that provides a minimum 1.0% increase to the amount of its DSG that it planned to spend on high needs in 2017 to 2018 on a per head of population basis. This will apply to every local authority that is not receiving more than that level of increase under the rest of the formula. It is important to note that the funding floor and gains calculations do not take account of changes to the basic entitlement factor amounts as a result of pupil number changes, or of the import export adjustments. Both of these elements of the formula will be subject to updates in December 2018 and in the first half of 2019 as follows:

183.1. An adjustment will be made to reflect changes between the 2017 to 2018 and 2018 to 2019 academic years in the number of pupils and students in maintained special schools and special academies. This adjustment will be made through an update of the pupil and student numbers used in the basic entitlement factor in the high needs national funding formula. This factor generates £4,000 in respect of each pupil or student in these types of specialist provision, so if the total number in a local authority changes, this affects the amount of funding in their high needs block allocation.

183.2. There is also an import and export adjustment in the high needs national funding formula. This is a net adjustment of £6,000 per pupil or student which reflects any imbalance between the number of pupils and students who live outside the local authority area but attend schools and colleges in the area, and those who live in the local authority area but who are placed by the authority in schools or colleges elsewhere.

184. Details of these adjustments are available in the high needs national funding formula tables and are available in the [technical note](#). The underlying data used in the latest 2018 to 2019 adjustments is available to local authorities via the document exchange.

185. Further information about these adjustments will be available in the high needs operational guide to be published in September 2018.

186. To prepare for academic year 2019 to 2020 allocations of high needs place funding to institutions, local authorities should consult with their maintained schools, local

academies and FE institutions. Local authorities also need to consider the availability of provision in centrally funded institutions (non-maintained special schools and special post-16 institutions) when planning for 2019 to 2020.

187. ESFA will ask local authorities to provide information about the number of high needs places in academies and FE institutions to be funded in the following academic year.

188. Although ESFA will ask the local authority in whose area the academy or FE institution is located to make the return, it is a requirement that the place numbers include places commissioned by other local authorities because the import and export adjustment compensates local authorities for placements of pupils and students on a lagged basis.

189. The adjustments outlined above will reflect the funding distribution in those local authorities where the academies and FE institutions in their area have a significant number of pupils or students who live in other local authority areas; communication with institutions and other local authorities to confirm the number of places they intend to use is therefore important. So is the need to review the data which underpins the import export adjustments because it shows the number of places commissioned by other local authorities for the institutions located in a local authority area. The high needs funding operational guide to be published in September 2018 will provide more information about how the arrangements for notifying ESFA of place numbers in the case of academy and FE institutions will work.

190. In the case of AP, local schools' commissioning activity and plans should also be considered.

191. Place numbers should reflect both recent commissioning activity and strategic planning to secure suitable SEND provision and AP in line with local authorities' and schools' statutory responsibilities.

192. ESFA will issue information in October 2018 about the process for notification of changes to place numbers for the 2019 to 2020 academic year, at institutions funded directly by ESFA, including academies and FE colleges.

193. Local authorities will continue to be able to make changes to the number of pre and post-16 places funded in maintained schools and PRUs at a local level without the need to notify ESFA in advance.

194. If a school or PRU intends to become an academy, to ensure the academy receives the correct place funding direct from ESFA, local authorities should notify the project lead of the agreed number of places for 2018 to 2019 and 2019 to 2020 before conversion.

195. As in previous years, following the publication of information about local authorities' DSG allocations in December 2018, ESFA will deduct from the local authority's overall high needs allocation the amount required to fund the places in those institutions that receive place funding direct from ESFA.

196. The amount deducted will include adjustments to reflect changes to place numbers notified to ESFA.

Completing the authority proforma tool (APT)

197. Local authorities must report their local funding formula to ESFA on a combined modelling tool and proforma, the APT.

197.1. ESFA will calculate academy budgets based on the formula set out in the proforma.

197.2. While local authorities can use their own spreadsheet modelling for their formula, we strongly recommend the APT is populated alongside their own models to ensure consistency between them and avoid unnecessary delay in the submission process.

197.3. To help local authorities plan and model their funding formula, we have provided an APT formulated with the 2018 to 2019 dataset, this is for planning purposes only.

197.4. A final APT will be available in December with information from the October census, and the DSG settlement announced.

197.5. Local authorities must submit their final APT by 21 January 2019.

197.6. Where a local authority has made a significant change to a disapplication request for a movement from the schools block by 16 January 2019, we recognise that we will need to extend its APT deadline.

197.7. We will aim to make final decisions in time to allow the local authorities concerned to submit their APT by 21 February 2019. Local authorities considering this should ensure that they have procedures in place to still meet the requirement to calculate maintained school budgets by 28 February 2019, this includes gaining political ratification of budgets.

198. The APT is an integrated tool which contains a range of information, including the underpinning data for school level allocations, details of how split site and PFI allocations have been calculated, and the methods used for de-delegation of services.

198.1. The APT contains a range of validation checks to identify inconsistencies in the data local authorities have entered, and to highlight where required data and information may be missing.

198.2. Local authorities should ensure that all validation checks are passed before submitting the APT; we will issue detailed guidance on how to use the APT, and can work with local authorities individually where needed.

199. Local authorities must ensure they have built the relevant political approval into their planning as the [deadlines shown in the timetable](#) below are critical to achieving the advantages of issuing earlier budgets.

199.1. We appreciate that formulas often have to be approved by the local authority's cabinet or lead member, so it is important that the forward plan takes account of this.

199.2. To speed up the approval process in January, once the DSG and pupil numbers are known, we strongly advise that local authorities obtain earlier approval for the principles they will use to balance the budget if pupil numbers turn out differently to the estimates they used.

199.3. Examples could include scaling back the basic per pupil entitlement across all key stages or carrying forward any marginal shortfall on DSG to the following financial year.

Treatment in the APT of new and growing schools

200. Regulations require local authorities to provide estimated numbers on the APT for new schools and schools that have opened in the last seven years that do not yet have pupils in every year group.

200.1. This means it is not necessary for local authorities to apply for a pupil number variation in these situations.

201. As the APT covers the financial year, and year groups join at the start of an academic year, we would generally expect the estimated numbers to reflect seven twelfths of the financial year.

201.1. We need to understand details of the academic year numbers as well so that relevant academies can be funded on that basis (this also applies to variations in pupil numbers where there are changes in age range).

201.2. Local authorities should work with the schools concerned to provide the most accurate and realistic estimate based on the latest admissions and demographic data.

202. The regulations are not prescriptive about how future numbers on roll should be calculated, however methodologies could include:

- $[\text{October 2018 NOR (from APT)} \times 5/12] + [\text{October 2019 estimated NOR} \times 7/12]$
- $\text{October 2018 NOR (from APT)} + 7/12 \text{ October 2019 estimated intake in new year group}$

203. Where a school is filling a large number of empty places in existing year groups, it may be more appropriate to consider the estimated number on roll of the whole school rather than simply considering the size of the new cohort.

204. The 2019 to 2020 APT will automatically convert the financial year estimated pupil numbers to pupil numbers expected in the academic year and local authorities should assure themselves that these are correct.

205. For a school to be classed as a growing school, it has to have opened in the last seven years, and not have all year groups present yet.

205.1. Academies with predecessor schools are not considered as new schools for this purpose.

205.2. If a school has opened in the last seven years and is already taking in pupils in all year groups, there is no requirement to estimate numbers.

205.3. Existing schools which are extending their age range or becoming all-through are unlikely to be classed as growing, unless they also opened in the last seven years.

206. The regulations allow retrospective adjustments in the following financial year so that schools are appropriately funded if actual numbers are different from the estimates.

206.1. This is a matter for local decision, but we would generally expect such a mechanism.

206.2. Local authorities can choose whether to use a threshold.

207. All mainstream free schools are now recoupable from the first year of opening.

207.1. Local authorities should estimate pupil numbers and characteristics for these schools, as was the case already for those opened under the presumption arrangements.

208. To help local authorities estimate the recoupment amounts for these schools, ESFA will again include a dataset of free schools predicted to open in the next year (with expected pupil numbers) when we send out the final APT in December.

208.1. We will ask local authorities, when submitting the APT, to combine the data provided with their own local knowledge to determine the most accurate estimate of the number of pupils for new free schools.

209. ESFA will recoup for newly opening free schools based on the information local authorities have provided in their APT

209.1. If the actual pupil numbers at newly opening free schools differ from the estimates provided in the 2018 to 2019 APT, local authorities should make a retrospective adjustment on the 2019 to 2020 APT, unless the local authority guaranteed the pupil numbers in the previous year.

209.2. If local authorities did not show a new free school in the 2018 to 2019 APT and it opens before March 2019, local authorities should show this as a retrospective adjustment in the 2019 to 2020 APT, and we will recoup accordingly.

210. ESFA will check for required amendments by cross-referring to October 2018 school census data when validating the 2019 to 2020 APT.

210.1. We will adjust recoupment in 2019 to 2020 for any new free schools where an authority fails to show, or incorrectly shows, a retrospective adjustment.

211. The ISB should reflect funding for the period in the year that the new free schools are open, and we will therefore recoup the figure shown on the APT in full.

211.1. We will not pro-rata the calculation in respect of these academies.

Funding of academies

212. Most academies are funded on census in the same way as maintained schools are.

212.1. Academies that meet the definition of a new school will be funded on their estimates, rather than the census, because this is the provision in their funding agreements.

212.2. There is then a retrospective pupil number adjustment applied by ESFA in the following year.

213. Local authorities can choose how to estimate numbers for the APT, and whether and how to use a retrospective adjustment.

213.1. It is therefore possible that the numbers the academy is funded on, and the subsequent adjustment, may differ. This is essentially no different to other

variations which may occur between the amount recouped and the amount funded because of different baselines being used.

213.2. However, where the academy is taking on basic need growth, such as through a bulge class, the local authority should allocate funding to the academy in the same way as it would for a maintained school, and according to the same criteria.

213.3. We will adjust recoupment in 2019 to 2020 for any academy where an authority fails to show, or incorrectly shows, basic need growth.

214. Where the local authority has agreed a guaranteed number of pupils to a new academy to ensure viability, this should be indicated in the APT.

214.1. In this case, ESFA will use the APT estimate to fund the new academy, instead of the normal estimate process; the local authority should provide commentary on the APT to explain their rationale.

215. The APT guidance has been updated to cover the situation where there is a need to adjust pupil numbers for more than one year.

215.1. If this is the case then the academic year calculation will be incorrect, as the APT cannot handle adjustments for more than one year.

215.2. In these circumstances, local authorities should add an additional spreadsheet to the commentary sheet providing a full breakdown of the calculation; further details will be provided in the APT guidance.

216. Several older academies will also be funded on estimates because of a clause in their funding agreement.

216.1. Most of these academies will have all year groups present now (or may always have had them) so there would normally be no need for local authorities to vary pupil numbers on the APT; unless there was a change of age range, major restructuring, or the addition of extra classes to meet basic need.

216.2. In this case, the local authority should allocate funding to the academy according to its growth criteria in the same way as it would for a maintained school; this could be through amendments to the pupil numbers on the APT, or through specific funding from the growth fund.

216.3. ESFA will ensure through the pupil number adjustments process that the academy is only funded for the growth once.

216.4. We will adjust recoupment in 2019 to 2020 for any academy where an authority fails to show, or incorrectly shows, basic need growth.

217. Where academies are funded based on the census, we will use any approved variations to pupil numbers submitted by the local authority, as with age range changes for established schools.

217.1. It is imperative that local authorities make all maintained schools and academies aware of the consequences for their budget of any variations to pupil numbers; details of the effect on individual schools should be sent out with a clear explanation.

218. Where academies are funded on estimates, and there is a variation to pupil numbers on the APT, local authorities need to be clear in their communications to them that their APT modelling is for their own budgeting purposes only and will not have the same effect on the academies' budgets.

219. Where a local authority makes additional funding available to schools during the course of the year from central funds outside the formula, for example, to settle equal pay liabilities, it must treat academies in the same way as maintained schools.

Timetable

220. The timetable for the data checking and calculation of the blocks is shown below:

| Date | DfE or ESFA activity | Local authority activity |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| July 2018 | <p>Operational guidance published setting out arrangements for 5 to 16 mainstream schools implementation for 2019 to 2020.</p> <p>NFF arrangements for 2019 to 2020 for schools, central school services and high needs published</p> <p>Draft APT issued to local authorities.</p> | |
| September 2018 | <p>High needs funding operational guide for 2019 to 2020 issued to local authorities.</p> <p>Further information to illustrate 2019 to 2020 growth allocations will be provided to local authorities.</p> | |
| 28 September 2018 | | <p>Deadline for submitting requests (for response by December) for:</p> <ul style="list-style-type: none"> • MFG exclusions • exceptional premises factors • sparsity factors • lump sum variations for amalgamating schools • pupil number reductions |
| 4 October 2018 | School census day. | School census day. |
| October to November 2018 | Check and validate school census. | Check and validate school census. |

| Date | DfE or ESFA activity | Local authority activity |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 20 November 2018 | | Deadline for submitting requests (for response by the APT deadline) for: <ul style="list-style-type: none"> • MFG exclusions • exceptional premises factors • sparsity factors • lump sum variations for amalgamating schools • pupil number reductions |
| 28 November 2018 | School census database closed. | |
| 30 November 2018 | | Deadline for submitting requests for: <ul style="list-style-type: none"> • movement of funding out of the schools block which is above the limit of 0.5%, or which the schools forum has not approved, or both |
| Mid-December 2018 | Final APT issued to local authorities, containing October 2018 census-based pupil data and factors. Publication of 2019 to 2020 DSG schools block (prior to academies recoupment), central school services block and revised high needs block allocations for 2019 to 2020. | |
| Late 2018 | Publication of initial early years block allocations. | |
| Mid-January 2019 | | Schools forum consultation |

| Date | DfE or ESFA activity | Local authority activity |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| | | and political approval required for final 2019 to 2020 funding formula. |
| 21 January 2019 | | Deadline for submission of final 2019 to 2020 APT to ESFA. |
| 28 February 2019 | | Deadline for confirmation of schools budget shares to mainstream maintained schools. |
| February to March 2019 | 2019 to 2020 allocation statements issued to post-16 institutions, academies, and NMSS. | |
| February 2019 | Publication of 2019 to 2020 high needs place numbers at institution level. | |
| 29 March 2019 | Confirmation of 2019 to 2020 general annual grant for academies open by 9 January 2019. | |
| April 2019 | First DSG payments to local authorities based on 2019 to 2020 allocations, including academies recoupment (DSG allocations updated termly for in-year academy conversions), FE high needs place funding deductions, and other adjustments. | |
| Summer 2019 | Early years block updated for January 2019 early years pupil numbers. | |
| Summer 2020 | Early years block updated for January 2020 early years pupil numbers (pro rata seven twelfths, as this relates only to the period September 2019 to March 2020) | |

Table 12: Timetable for data checking, and calculation of funding blocks

Additional support

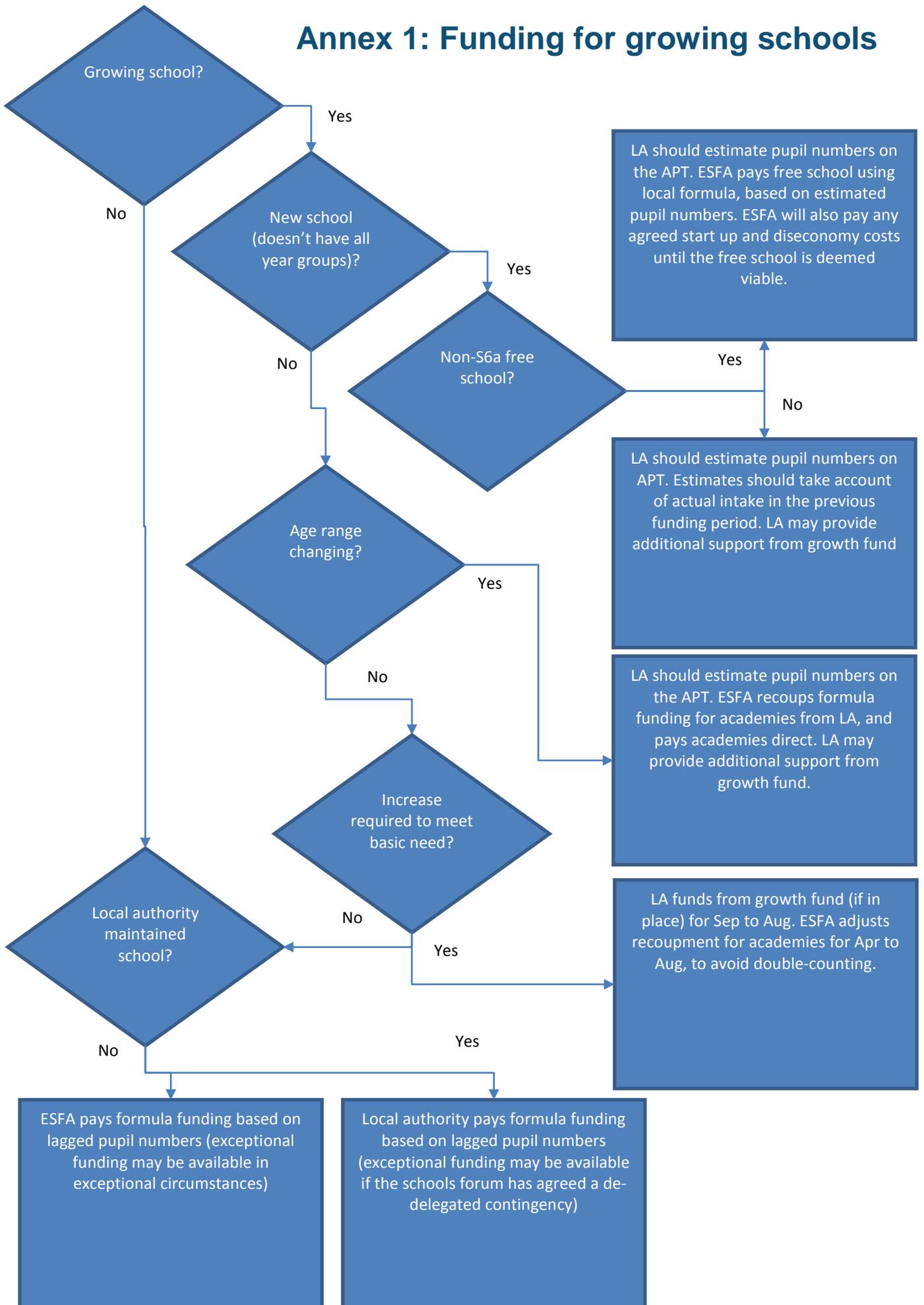
221. We'll continue to offer support to local authorities, where possible, as they continue to implement the funding reforms. We are interested in seeing local authority proposals as they are developed and are happy to offer advice through the process.

222. In most cases, local authorities should submit any questions about the detail and practical implications of implementation by using the [ESFA enquiry form](#).

223. Local authorities should submit applications for MFG exclusions, exceptional factors, or disapplication of the regulations using the [disapplication proforma](#) attached to the [ESFA enquiry form](#).

224. ESFA values the regional meetings of local authority finance officers, which provide the opportunity to discuss practical issues and share best practice. Please make every effort to attend, and we'll ensure that officials continue to attend these meetings.

Annex 1: Funding for growing schools





Education & Skills
Funding Agency

© Crown copyright 2018

This publication (not including logos) is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

To view this licence:

visit www.nationalarchives.gov.uk/doc/open-government-licence/version/3

email psi@nationalarchives.gsi.gov.uk

write to Information Policy Team, The National Archives, Kew, London, TW9 4DU

About this publication:

enquiries www.education.gov.uk/contactus

download www.gov.uk/government/publications



Follow us on Twitter:
[@educationgovuk](https://twitter.com/educationgovuk)



Like us on Facebook:
facebook.com/educationgovuk