

# Schools Forum

## Agenda

Monday 19 October 2015

2.00 pm

Lilla Huset Professional Development Centre, 191 Talgarth Rd, London  
W6 8BJentre,

### MEMBERSHIP

**Primary Schools: Heads:** Claire Fletcher (St Paul's CE), Wayne Leeming (Melcombe), Kathleen Williams (Holy Cross). **Governors:** Daisy Donovan (Avonmore), Sharon Robinson (John Betts) **Secondary Schools: Head:** Alan Streeter (Phoenix). **Academies and Free Schools:** David McFadden (London Oratory), Peter Haylock (Fulham College Academy Trust), Alissa Douglas (Lena Gardens), Vacancy X 2 Non-Recoupment: Gary Kynaston (Hammersmith Academy), **Nurseries:** Head: Michelle Barratt (RBEYC/Vanessa). **Special Schools:** Head: Cathy Welsh (Jack Tizard). **Alternative Provision Academies:** Nathan Crawley-Lyons (TBAP). **14-19 Representative:** Vacancy **Early Years PVI:** Jane Gleasure (Little People) **Non-voting members**  
**School Business Managers** Tim Scott (Fulham College Academy Trust) and Caroline Collins (Miles Coverdale) **Trade Union Representative:** Dennis Charman(NUT)

**CONTACT OFFICER:** Owen Rees  
Clerking Service Manager  
☎: 07885721279  
E-mail: owen.rees@lbhf.gov.uk

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Members of the public are welcome to attend. A loop system for hearing impairment is provided, along with disabled access to the building.

# Schools Forum Agenda

19 October 2015

<u>Item</u>		<u>Pages</u>
1.	<b>APOLOGIES FOR ABSENCE</b>	
2.	<b>ELECTION OF CHAIR AND VICE CHAIR</b>	
3.	<b>MINUTES OF THE LAST MEETING</b> To agree the minutes of the meeting of the 15 <sup>th</sup> June 2015 as a true and correct record.	1 - 8
4.	<b>MATTERS ARISING FROM THE MINUTES OF THE PREVIOUS MEETING</b>	
5.	<b>HIGH NEEDS BLOCK</b> This report <ul style="list-style-type: none"><li>• Provides an update on resources allocated through Local Authority statement of SEN or EHC resource allocation agreements; signals pressures on HNB as a result of new legislation.</li><li>• Proposes re-establishing HNB Reference Group to adopt a joint approach to management of HNB pressures.</li><li>• Provides an update on the implementation of an enhanced SEN Early Years local offer through implementation of block HNB contingency funding</li></ul>	9 - 13
6.	<b>SCHOOL FUNDING FOR 2016/17</b> This report forms part of the annual process of review and submission between the Authority, the Schools Forum and the Education Funding Agency (EFA) in respect of our proposals around schools funding for 2016/17. The main purpose of this October cycle is to identify to the EFA any changes proposed in individual funding blocks or units or any proposed changes to our centralised budget approaches. It also enables the EFA and Schools to be clear where the Authorities intentions lie in regards to the next years funding approaches.	14 - 46
7.	<b>LA FINANCIAL STRATEGY</b> Verbal Item	
8.	<b>DIRECTORS REPORT, INCLUDING MANAGED SERVICES AND SCHOOL MEALS</b>	
9.	<b>DATE AND VENUE OF NEXT MEETING</b> 18 January 2016	
10.	<b>ANY OTHER BUSINESS</b>	

## London Borough of Hammersmith & Fulham



# Schools Forum Minutes

**Monday 15 June 2015**

Representing	Name	Organisation	Attendance
<b>Primary Schools</b>	<b>5 Members</b>		
Primary Head	Claire Fletcher (CF)	St Paul's CE Primary School	Present
Primary Head	Wayne Leeming (WL)	Melcombe Primary School	Present
Primary Head	Vacant		
Primary Governor	Daisy Donovan (DD)	Avonmore Primary School	Present
Primary Governor	Sharon Robinson (SR)	John Betts Primary School	Present
<b>Secondary schools</b>	<b>1 Member</b>		
Secondary Head	Alan Streeter (AS)	Phoenix High School	Absent
<b>Academies</b>	<b>5 members</b>		
Secondary Non Recoupment Academy Principal	Gary Kynaston (GK)	Hammersmith Academy	Present
Secondary Recoupment Academy Head	David McFadden (DMcf)	The London Oratory School	Apologies
Secondary Recoupment Academy	Sally Whyte (SW)	Lady Margaret School	Apologies
Secondary Recoupment Academy (Observer)	Peter Haylock (PH)	Fulham College Trust	Present
Primary Academy	Elissa Douglas	Lena Gardens Primary School	Apologies
<b>Maintained Nursery Schools</b>	<b>1 member</b>		
Nursery Head	Michael Pettavel (MP)	Randolph Beresford Early Years Centre School	Present
<b>Special Schools</b>	<b>1 member</b>		
Special Schools Head	Jude Ragan (JR)	Queensmill	Apologies
<b>Alternative Provision</b>	<b>1 member</b>		
Alternative Provision Rep	Nathan Crawley-Lyons (NCL)	TBAP	Present
<b>Early Years (PVI)</b>	<b>1 member</b>		
	Vacancy		
<b>14-19 Representative</b>	<b>1 member</b>		
	Vacant		
<b>School Business Manager</b>	<b>2 observers</b>		
Primary (Maintained)	Caroline Collins (CC)	Miles Coverdale Primary School	Apologies
Secondary (Academy)	Tim Scott (TS)	Fulham College Trust	Present
<b>Trade Union</b>	<b>1 observer</b>		
	Dennis Charman (DC)	NUT	Present
<b>Officers in Attendance</b>			
Tri Borough Director of Finance & Resources	Dave McNamara (DM)	Tri Borough Children's Services	Present
Tri Borough Director of Schools Commissioning	Ian Heggs (IH)	Tri Borough Children's Services	Apologies
Tri Borough Assistant Director Special Educational Needs & Vulnerable Children	Alison Farmer (AF)	Tri Borough Children's Services	Present
3BM Managing Director	Andy Rennison (AR)	3BM	Apologies

Minutes are subject to confirmation at the next meeting as a correct record of the proceedings and any amendments arising will be recorded in the minutes of that subsequent meeting.

3BM Schools Finance Director	Remi Oladupo (RO)	3BM	Present
Clerking Service Manager and Clerk to Schools Forum	Owen Rees (OR)	Tri Borough Children's Services	Present

## 1. **APOLOGIES FOR ABSENCE**

There were apologies from Caroline Collins, Ian Heggs, Jude Ragan, Elissa Douglas, Sally Whyte, David McFadden and Andy Rennison.

## 2. **MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting on 16<sup>th</sup> March 2015 were agreed as a true and correct record.

## 3. **MATTERS ARISING FROM THE MINUTES OF THE PREVIOUS MEETING**

### Parking and Teacher Retention

DM noted that teacher retention had been mentioned as an issue, with car parking permits mentioned as one possible way of rectifying the problem. He had been asked to find out which schools were having retention issues, and what measures they would like to see the local authority take, including in relation to parking. He said that he could do this by e-mail or through representative groups. He said that the local authority would consider creating a new permit on a limited basis, but there were concerns about wider application of the argument for permits.

WL asked what the local authority wanted.

DM said that it wanted an assurance that parking was an issue. He said that an open door approach was unlikely. He noted that in another measure to aid retention, the penthouses on the Edward Woods Estate had been earmarked for key worker housing, and that measures to improve teacher retention were a manifesto commitment of the Council administration.

MP said that, following works reducing the number of spaces at his school, he was drawing up a criteria for parking space allocation. He would forward this to DM.

DC said that teacher retention is a complex issue, but was a problem for most schools. He noted that there were a limited number of schools in academy chains, and it was worth looking at how the borough could make itself attractive to come to.

GK welcomed the commitment to the issue shown by the local authority.

### Normand Croft

DM clarified that the reduction in funding to Normand Croft was a result of the decision to stop running under-3 provision by the Governing Body. He said

that the borough was working with the school to manage the current cohort, and planning for the future. He emphasised that the decision to close the provision and the consequent reduction in funding was not a decision of the Schools Forum nor one of the local authority and its administration.

#### **4. DEDICATED SCHOOLS GRANT 2014-15 OUTTURN**

In the absence of Andy Rennison, DM spoke to the report. He noted that table 1 page 9 showed that more was spent than came in, in 14-15. He noted that this was not sustainable, but reflected the pressures on the budget. He said that it had been addressed through 2 year old funding overspill. He said that Table 2 showed the overspend in High Needs.

He said that a number of schools had been or continued to be in financially challenging circumstances, but added that funding was not an open door. He said that schools did need sustainable arrangements for the medium to long term, though there was provision in the short term. He noted that as funding continued to tighten, there will be more pressures on this type of funding. He added that there was likely to be a move to equalise funding through the National Funding Formula.

A forum member asked if the contingency level was normal. RO said that it was a lot higher due to unspent two-year old funding, almost 3 million of two year old spend. DM noted that work in high needs was necessary, as demand was increasing but income falling.

CF asked if there was a Communications strategy to Heads on nursery places.

DM said that there would be a lead in period to any change. He said that the local authority was not changing in its position, but would adjust in relation to Government policy.

MP noted that there may be a mismatch to the 30 hour offer and the rate paid for a full-time place.

DM said that while the current expenditure was unlikely to be met, the additional funding would be helpful.

DM won't change primary and secondary split either .

WL stated that falling numbers of pupils in the borough would create the most issues for schools

DM said that the expectation was stable numbers, but there was a need capacity to support schools with falling rolls. He noted that there were more places than demand in some areas, and that needs to be kept under review. He noted that on page 11 of the report, a school had asked for a proposal to establish a provision to establish a falling rolls fund. This set aside a portion of funding which automatically be available to Good or Outstanding schools whose numbers fell by a certain percentage. This approach had never

previously been adopted in Hammersmith and Fulham. DM said that the decision was for schools and the Schools Forum, however.

DD asked if there was a trend or common denominator to schools which experienced a dramatic drop in rolls.

DM said that it tended to follow an event, which triggered further consequences. He gave examples such as Phoenix and Sullivan as schools who had received additional funding in these circumstances. He said that the local authority expected schools with falling rolls to look to improve their offer, especially where there had not been such an event.

DC asked how financial support for schools was carried out now.

DM said that funding is available through the balances in the Fund. By contrast, a fund for falling rolls would be annual, and would put money aside from the main Schools Block. All schools would contribute to a fund for falling rolls.

MP asked if the likelihood of reduced underspends and related impact on balances strengthened the case for a falling rolls fund.

DM explained that the timeframe for introducing a falling rolls fund. He noted the schools also had a Minimum Funding Guarantee which reduced the rate at which their funding could fall.. GK noted that top-slicing the funding could create pressures on all schools.

MP asked if academies would be affected by the introduction of a falling rolls fund. DM said that this depended on where they fell in terms of contribution.

The Forum asked to receive a paper on the establishment of a falling rolls fund at its October meeting.

### School Balances

DM noted these were shown in Appendices 2 and 3, with committed and uncommitted. He said that the local authority would look at movement from year to year, as it will show schools' financial health if they are using uncommitted balances to subsidise in year expenditure. He noted that there was £5 million uncommitted.

MP asked about balances at academies. TS said that accounts were published on an academy's website. DM said that officers would gather that information to present as a comparator.

DC asked whether it was possible to judge the effectiveness of the formula from the balance levels. DM said that the formula was broadly correct in the local authority's review, and that it was difficult to

In response to comments by GK on the percentage of budget spent on staff, DM noted that this was often over 80%. GK noted the need for schools to

take responsible decisions on that, and that schools needed to be notified of this. DM said that the local authority would be re-emphasising to schools the need for 3 year budget plans, and would look at returns and CFR budgets to see the reasons for allocation

MP noted that balances were kept relatively high at his school, given the instability of funding for children's centres, with money kept high in case of the funding being discontinued.

DM acknowledged this, but noted that that schools needed to align expenditure with income in the medium term.

WL asked if the level of uncommitted balances was concerning.

DM said that this was a Forum matter. The Forum would need to consider whether schools were retaining excessive balances.

In response to a question from AF, DM acknowledged that there would need to be work with individual schools to understand what was committed, the documentation supporting that, as well as the extent to which balances would be used to support expenditure. He noted that there were legitimate reasons why carryforward would be growing, and gave schools planning for future works as an example.

## **RESOLVED**

- (i) That the report be noted, and
- (ii) That a report be on the falling rolls fund be presented to the next meeting of the Forum.

## **5. SCHEME FOR FINANCING SCHOOLS**

DM noted that there was regular guidance from the EFA issued and adopted locally, and overlaying additional financial regulations. He noted that the borough was needed to refresh the guidance. He said that the intention was to consult and asking for input.

He reported that the revisions would address the debit card issue, possibly through a procurement card approach. He said that the scheme will go out to consultation, and that there was a recognised need to modernise the approach to controls.

TS said that he had brought forward the Fulham College guidance. He noted the schools made use of a debit card. He said that any fraud was easily detected. .

DM acknowledged that concerns about increased fraud risk through electronic transactions could be addressed through proper controls, with electronic transfer the most efficient method of avoiding fraud.

DM noted that other areas of concern included photocopier contracts (where there were finance lease issues), maintenance (schools need to make adequate provision for it from their budgets) and maintenance of caretaker's houses, which was school's responsibility. DM emphasised that the Council was only responsible for major investment.

DC asked if there was work ongoing on collective contracting.

MP said that it has been done in the past, but can be very difficult to do the contracting. DM said that the school meals contract was an example of that. He said that he would discuss the issue with Rachel Wright-Turner and report back.

## **6. HIGH NEEDS - FUNDING ARRANGEMENTS**

AF gave an update on the High Needs Block (HNB) and on the operation of contingency arrangements in the previous academic year. She said that the report contained information showing where contingency funds had been allocated, and the total given. She also gave an update on the implementation of an enhanced SEN Early Years local offer through implementation of block HNB contingency funding.

She said that there would be a fuller report in October on HNB.

MP asked if the schools delivering the enhanced local offer for Early Years would still be eligible for interim funding.

AF confirmed that they would

### **RESOLVED**

That the report be noted.

## **7. DIRECTOR'S REPORT INCLUDING MANAGED SERVICES UPDATE**

### Managed Services

DM noted that when, reported to the Forum in March, Managed Services was still at the project stage and implementation still in progress. He reported that there had been significant issues with the set-up of the system following . He said that the scale of change had hampered the transition and the situation was unlikely to get there before September. He said that the local authority was putting every effort into resolving the issues through BT.

DR confirmed that he and his staff were working hard to identify issues and escalate them. He said that BT now had a dedicated person working on schools issues. He said that he had taken the Chief Operating Officer of BT to visit Chelsea Academy to hear first-hand the issues that schools were experiencing. DM said that officers would seek to ensure that the experiences of primary schools were also reflected.



Schools Forum members thanked officers for their work in trying to amend the situation. They noted that the positive was that the majority of payments had been made in time, but that there remained difficulties in terms of systems arrangements which indicated an absence of planning from BT prior to implementation. DM said that the local authority was listening and responding, and that more resources from BT had been put in place meaning that the service should improve. DR noted that there were likely to be back-end issues that were yet to come light.

DM noted that any missed payment to staff was unforgivable, and noted that there was provision to make emergency payments. He said that the chief concern was the reversion of changes made on one payroll for the next. He said that there had been no prepay roll report to allow changes to be requested. He said that the money for payroll was still in school's accounts, and BT had yet to collect an invoice.

MP asked if there was anything schools could tell their staff if there were issues. DC gave the example of an individual who might make a larger student payroll. DM said that any exceptions of this nature should be sent to DR.

DR noted that the local authority would drop intercepting and batching payslips, and this duty would go back to BT in July. He said that schools should monitor how this was executed.

#### School Meals Contract

DM reported that the school meals contract was in the process of establishing frameworks for the lot. He said that the current price would be cheaper for primaries, but there would need to be an update for secondaries on what was coming through. He said that it affected H & F schools the most as they comprised the majority of schools in the contract, and that contract arrangements needed to be worked through. He said that the sequencing would likely see Hammersmith and Fulham are the last borough to call off from the contract,

#### Vote of Thanks

The Schools Forum recorded its thanks to Sally White, Bernie Peploe, Michael Pettavel, Jude Ragan for their work on the Schools Forum.

### **8. ANY OTHER BUSINESS**

MP said that at the head's conference, Heads had asked whether CAMHS and Community CAFS received top-sliced funding from DSG. AF said that these were health funded but that she would check on the relationship to DSG.

MP said that there had also been concerns raised that the Courtyard was under pressure due to the number of Tri-Borough pupils purchasing places.

AF said that Westminster schools have recognised the issue and have funded their own provision in Beechcroft from October,. She said that this would reduce pressure in LBHF with only RBKC spot purchasing from both provisions.

Dates for the following year

Dates would be circulated after the meeting. It was agreed that Lila Huset would host the next meeting.

Meeting started: 2.15pm  
Meeting ended: 3.50pm

Chairman .....

Contact officer: Owen Rees  
Committee Co-ordinator  
Governance and Scrutiny  
☎:  
E-mail:

## **SCHOOLS FORUM – London Borough of Hammersmith & Fulham**

### **REPORT BY TRI-BOROUGH ASSISTANT DIRECTOR FOR SEN & VULNERABLE CHILDREN**

#### **HIGH NEEDS – FUNDING ARRANGEMENTS FOR Autumn Term 2015**

This report;

- \* Provides an update on resources allocated through Local Authority statement of SEN or EHC resource allocation agreements; signals pressures on HNB as a result of new legislation.
- \* Proposes re-establishing HNB Reference Group to adopt a joint approach to management of HNB pressures – for decision.
- \* Provides an update on the implementation of an enhanced SEN Early Years local offer through implementation of block HNB contingency funding – for comment

#### **Introduction**

1. The Local Authority has high aspirations for children with SEN and as such the strategic approach to High Needs Funding that has been adopted to date has been based on the premise that there is a continuum of local provision for local children funded from the High Needs Block, which, in the long term, supports young people with SEN in gaining employment and becoming independent in or near their local community.
2. The London Borough of Hammersmith & Fulham is keen to support early years settings, schools and FE providers in having a well resourced Local Offer to meet children's additional learning needs.

#### **Funding for Children with a statement of SEN or an EHC Plan**

3. The premise underpinning High Needs Funding is that the majority of children have their additional learning needs met in mainstream schools from available resources (notional SEN budget Element 2) and interim SEN contingency funding (Element 3) with provision for the children with complex needs such that they have an Education, Health and Care Plans (EHCPs) or statement of SEN funded through Top Up.
4. The London Borough of Hammersmith & Fulham is responsible for maintaining approximately 800 statements of SEN or Education, Health and Care Plans for children with special educational needs. This is an increase of approximately 50 young people for whom the LA is now responsible for maintaining an EHC Plan or

Statement of SEN; the increase is attributable to a number of factors associated with the introduction of the Children and Families Act, not least the widening of the age range from 0-25, with high expectations of parents of young people with complex SEN that education will continue beyond 19 years of age. As a consequence of these changes and increased demand there is a forecast overspend for the LBHF High Needs Block.

HNB	Forecast Spend	Budget	Variance
Total	£18,451,471.27	£16,467,000.00	-£1,984,471.27

5. The LA is of the view that it is important head teachers and LA officers work in partnership to manage this pressure together. The proposal is to re-establish the HNB reference group to undertake this work. The schools forum is asked to consider this proposal and to make a decision in this regard.

### **Funding for Early Years Enhanced SEN offer**

6. It has been identified by the Early Years Sector that upfront and early intervention achieves better outcomes for children.
7. To enable the Local Authority to offer enhanced SEN provision in a small number of Early Years settings which act as hubs of expertise for other settings within a wider geographical area Early Years High Needs Block Reference Group members have developed a set of criteria for four EY settings in WCC to deliver an enhanced SEN local offer over a three year period (see Appendix i). Key expectations are that these early years settings are champions for and promote the following with regard to children who have learning needs and/or delayed development:
- Speech, language and communication
  - Partnership with parents
  - Integrated assessment
  - Transition to primary school
8. At the nursery heads strategic planning meeting on 30<sup>th</sup> March 2015, it was agreed that the following nurseries would receive annual funding of £40K for three years to deliver Westminster's enhanced Early Years SEN offer:

James Lee & Bayonne – Pat Logan  
 Vanessa Nursery – Michele Barrett  
 Randolph Beresford – Michele Barrett

9. The Early Years High Needs Block Reference Group will be developing the model of practice and expectations of an enhanced SEN offer during the coming year.

### **High Needs Block Top Up Payments**

10. Top Up Payments are made termly. Schedules are sent to schools two weeks before half term with a two week period for schools to return schedule corrections. Please note schools need to ensure that returned updates to the schedules include children

who are resident in other Boroughs and have removed children who are no longer on the school roll.

## **APPENDIX i**

### **Criteria for provision of:**

#### **Special Educational Needs and Disabilities Enhanced Local Offer**

The provision of an SEN Enhanced Local Offer delivered in Maintained Nursery Schools, Children's Centres or PVI settings which have been judged good or outstanding by Ofsted has been approved by Schools' Forums (March-June 2015).

The enhanced SEN Local Offer will be funded through High Needs Block contingency funding at a value of £40K for three years.

The enhanced SEN offer will be provided by EY Settings which:

- Have high aspirations for children with special educational needs and disabilities
- Make sure that children with SEN get the support they need so that they achieve outcomes agreed with parents and, as appropriate specialist practitioners
- Ensures SEN children have time to engage with children who do not have SEN.
- Has a designated teacher and/or other practitioner responsible for SEN (the SENCo)
- Include parents in the planning of SEN provision and the review of progress

EY Settings will:

- Publish an SEN Policy
- Make reasonable adaptations and provide a welcome to support the admission of disabled children and/or those with SEN
- Take steps to ensure SEN children have equal opportunities
- Provide facilities to enable access to all learning and the broad range of activities
- Publish an Accessibility plan

Maintained nursery schools, Children's Centres or PVIs work in partnership with the local authority to review provision that is available locally, and develop a Local Offer that meets requirements set out in the following:

- Equality Act 2010
- Early Years Framework
- Special Educational Needs & Disabilities Code of practice 0-25 2015
- Children and Family Act 2014

Maintained Nurseries, Children's Centres or PVIs:

- Take account of the views of the parents/carers and children with SEN about the SEN offer
- Monitor and track progress and development of pupils with SEN. All practitioners maintain records of children under their care as required under the EYFS framework and these records are available to parents

- Support professional development of staff so that practitioners feel confident in working with children with SEN
- Engage with the LA in relation to Education, Health and Care single assessments, joint commissioning and implementation of personal budgets
- Has arrangements in place for involving outside agencies/specialists in planning collaboratively to meet children's SEN
- Completes a progress check between the ages of 2 and 3, where possible as an integrated review with health visitors, covering the prime areas of the Early Years Foundation Stage.
- All settings must have a graduated approach to children with SEN with four stages of action: assess, plan, do and review.
- SEN support includes planning and preparation for transition, before a child moves to another setting or school. The current setting agrees with parents the information shared as part of this planning process.

EY Settings will also ensure that;

- They provide affection, stability and a purposeful and structured experience
- They build a child's sense of mastery and competence
- They give children opportunities, responsibilities and trust in an environment which is both stimulating and educational
- In short, they must put the child at the centre of everything they do and have high aspirations and expectations of achievement

#### **Enhanced SEN Local Offer:**

Allocation of block contingency annual funding of £40K for 3 years to deliver an enhanced Early Years SEND Offer is dependent on the Early Years Setting having confident practice in the areas set out above and below.

:

- Ofsted rating of good or outstanding;
- Location within or near an area of socio-economic deprivation (given the high correlation between SEN, poor educational outcomes and socio-economic deprivation)
- Demonstrable experience of meeting the needs of children with a range of SEN
- Capacity to demonstrate fulfilment of the following.

Early Years Setting that are:

#### **A champion for early identification of special educational needs.**

A champion EY setting demonstrates effective practice in their own setting and has capacity to champion practice in other settings and/or for practitioners who deliver in other settings.

- Providing integrated assessment within 6 weeks of admission
- Identifying groups of children whose development is dependent on their learning
- Planning and delivering intervention matched to individual and/or group need

- Monitoring progress of children whose learning is significantly different to age related expectation
- Reviewing plans of intervention and revising the SEN support programme to support continued progress

**A champion for the development of children’s speech, language and communication:**

- Has an identified language and communication champion who has enhanced training and/or experience in speech, language and communication development and/or interventions
- Applies the principles of Every Child a Talker
- Provides and supports other EY settings in providing Drop In sessions for parents and group ‘learning to talk’ sessions
- Holds termly surgeries for practitioners from local EY settings

**A champion for working in partnership with parents**

- Provides evidence-based approaches to support parents in their parenting of children of SEN
- Supports other settings/practitioners in ways to encourage and develop parental engagement further
- Preparing helpful up-to-date information about the child’s needs

**A champion for supporting transition to school**

- Actively engages parents and the SENCo/teachers of local schools in transition planning
- Supports planning for primary transfer taking a pro-active approach to supporting parents engagement with the Local Authority and schools

**Safeguarding**

Having due regard to children’s safe-guarding, including ensuring the early years setting makes arrangements with a view to safeguarding and promoting the welfare of children.

# Agenda Item 6

## School Funding for 2016/17

### Introduction

This report forms part of the annual process of review and submission between the Authority, the Schools Forum and the Education Funding Agency (EFA) in respect of our proposals around schools funding for 2016/17. The main purpose of this October cycle is to identify to the EFA any changes proposed in individual funding blocks or units or any proposed changes to our centralised budget approaches. It also enables the EFA and Schools to be clear where the Authorities intentions lie in regards to the next years funding approaches.

### Background

Forum will recall that in 2015/16, former Non Recoupment Academies (NRAs) were brought into the local authorities' Dedicated Schools Grant (DSG). It will recall that we had a vigorous discussion around the planned increase and initial lack of financial resource in relation to our NRAs. This position was resolved to compensate the Local Authority, however, due to the structured approach required as part of the budget setting process, the forum will need to reconfirm one of these decisions to enable the Authority to submit this year's pro-forma.

The budget setting process is designed to ensure that Local Authority approaches are consistent and in line with both Forum and ultimately Governments expectations. As time progresses, more and more standardisation is being developed to help nationally move towards a more homogenised approach to individual school funding. This will ultimately facilitate further conversations and consultations around a National Funding Formula.

### 2016/17 Budget Setting Process

#### *Non Recoupment Academies (NRAs)*

2015/16 was the first year of change and the approach taken was a singular cash sum added to each Local Authority's 2015/16 DSG allocation, to fully compensate for the schools funding levels. At this stage in the cycle last year, we had significant challenge due to the growing rolls of several of these schools. We discussed the impact of these and successfully lobbied and received additional funding to fully compensate our schools block.

For 2016/17, the EFA have again made changes to their approach. Their strategy is to mainstream the funding for both NRAs and other schools within a local authority school block into a single unit of funding. Whilst this will make future funding for the EFA easier, in LBHFs case, further discussion with EFA is required as the NRAs average unit of funding is higher, at £6,961.85 than the £6,240.96 applicable in our



school block. The simple rationale for the different levels is the predominance of secondary pupils in the NRA group. As these schools continue to increase in rolls, the lower smoothed unit funding rate in the current approach could potentially create some small financial pressures.

The approach for 2016/17 to consolidate the funding levels is set out below:

- (Step 1) The 2015/16 schools block funding allocations prior to deductions for recouplement academies plus the 2015/16 NRA cash addition
- (Step 2) The 2015/16 total schools block pupil numbers plus the number of funded pupils in the NRAs for 2015/16.
- Dividing the total schools block funding amount for 2015/16 [Step 1] by the total schools block pupil numbers [Step 2] and rounded to the nearest whole number.

The calculation for Hammersmith & Fulham is shown in the table below:

<b>Table 1 - Calculation of the 2016/17 (SBUF) Settlement</b>					
	A	B	C	D	E
	Schools Block	SBUF	NRA	Pupil Numbers	Funding
2015/16	LBHF orig school block	£6,240.96		13,745	£85,781,995
	NRA	£6,961.85		2,475	£17,230,577
	<b>Total Funding in 2015/16</b>			<b>16,220</b>	<b>£103,012,572</b>
2016/17	New unit of funding as calculated by total funding divided by total pupil numbers	<b>£6,350.96</b>			

Forum are approached to note the table and the potential small financial risks moving forward. Officers will feedback to the January Forum with an update on the EFA's views on the final unit of funding.

## Schools Block Funding 2016/17 Process

### Delegated Funding to Schools

The process requires our proposed delegated funding to schools to be reported to the EFA on the combined modelling tool and pro-forma and the Authority Pro-forma Tool (APT). EFA will then calculate the academy budgets based on the formula set out in the pro-forma.

Forum must approve the Authority Pro-forma Tool, to allow the authority to submit to the EFA by 30<sup>th</sup> October 2015, to allow them to check for compliance with regulations.

There are no increases or fundamental changes proposed by government to funding for 2016/17, beyond the adjustment for NRAs discussed earlier in this report and at this stage the authority has no significant changes planned. It is proposed to use the funding rates set out in Table 2 which are exactly the same as 2015/16 to complete the authority pro-forma.

If Forum wish to change rates following the October census or further pressures in specific areas we can revisit this in future forums.

<b>Table 2 Summary of 2016/17 Notional School Block Funding Rates</b>				
		Number	Rate	Funding
Basic Entitlement	Primary	9,734.50	£3,564.86	34,702,130
Basic Entitlement	Secondary	6,544.00	£5,163.86	33,792,300
FSM6	Primary	4,235.05	£1,010.55	4,279,730
FSM6	Secondary	2,957.89	£1,709.62	5,056,868
IDACI Band 1	Primary	463.93	£600.00	278,358
IDACI Band 2	Primary	640.89	£650.00	416,579
IDACI Band 3	Primary	1,426.86	£700.00	998,802
IDACI Band 4	Primary	1,601.95	£750.00	1,201,463
IDACI Band 5	Primary	1,497.15	£800.00	1,197,720
IDACI Band 6	Primary	2,170.62	£850.00	1,845,027
IDACI Band 1	Secondary	302.17	£850.00	256,845
IDACI Band 2	Secondary	434.04	£900.00	390,636
IDACI Band 3	Secondary	974.15	£950.00	925,443
IDACI Band 4	Secondary	995.91	£1,000.00	995,910
IDACI Band 5	Secondary	937.05	£1,100.00	1,030,755
IDACI Band 6	Secondary	1,172.44	£1,150.00	1,348,306
Looked After Children	All	47.61	£800.00	38,088
English as An Additional Language (EAL3)	Primary	2,683.58	£290.83	780,466

English as An Additional Language (EAL3)	Secondary	357.56	£707.10	252,831
Mobility	Primary	97.90	£250.00	24,475
Mobility	Secondary	23.20	£250.00	5,800
Prior Attainment	Primary	2,758.23	£593.15	1,636,044
Prior Attainment	Secondary	1,139.73	£686.16	782,037
Lump Sum	All	48	£100,000.00	4,800,000
Split Sites				32,741
Rates				661,889
Historical Sixth Form Funding				706,610
MFG				466,208
<b>Total Funding for Schools Block Formula</b>				<b>98,904,058</b>

The difference between the provisional 2016/17 settlement and the funding to schools is ultimately available for the de-delegated and centrally retained schools block services. As previously discussed at forums this budget continues to be under pressure and options around future viability of services in this category will be presented to the January School Forum.

There are currently financial and service pressures around:

- The centrally retained services (due to continued Academisation)
- SEN (due to volume and price pressures)
- Continued pressures on schools on external (goods and services) and internal (incremental drift and potentially National Insurance changes) costs
- Ongoing funding for the growth in academies, maintained and free schools

The January Forum will further discuss the impact of these and potential mitigation strategies.

In order to submit the APT, we have used the NRA numbers already approved for 2015/16. Unfortunately, the ATP tool uses October 2015 numbers as a baseline, therefore, Forum formally need to confirm that we need to increase these from the initial tool provided to the Authority, to the real numbers subsequently agreed by EFA. The authority will work with the effected schools to finalise the growth numbers individually for 2016/17 in preparation for the January Forum.

<b>Table 3 - Non Recoupment Academy Numbers in APT</b>			
	Funded pupil Numbers in 2015/16	Pupil Numbers used in APT as starting point for 2016/17	Original Numbers in 2016/17 Model
Fulham Boys Schools	145	145	75
West London Free School	545	545	475
West London Primary Free School	155	155	120
Earls Court Primary	47.5	47.5	30
Hammersmith Academy	551	551	481
Ark Conway	157	157	122
<b>Total</b>	<b>1600.5</b>	<b>1600.5</b>	<b>1303</b>

**Recommendation** – Forum to confirm that the Authority uses the 2015/16 numbers for NRAs in its 2016/17 APT model as set out in Appendix 1 and submit to the EFA.

### **Early Years Block**

This continues to be based on participation and will be announced after the spending review.

### **High Needs Block**

This block also assumes 2015/16 funding levels and is to be revised post spending review. This area continues to have volume pressures and these are especially focused on post 16 where the national funding approach would appear slightly disjointed from the national educational strategy of supporting learners up to 25. We are currently in the process of preparing and submitting funding data to the EFA and will update at the January Forum.

### **Areas of Local prioritisation through centrally retained budgets**

Local Authorities are allowed to retain funds for specific local priority issues within a prescribed set of rules and regulations as set out by the EFA. Clearly these funds have impact on individual schools and reflect, usually, cheques and balances that Forums feel support its local circumstances. The three key areas are identified below:

#### **Targeted support above the notional SEN budget**

The guidance indicates that targeted support can be provided where there is a disproportionate number of pupils with a type of SEN that is not reflected in the local formula, even where their needs are less than the £6,000 threshold. Criteria for allocating such support should be clear and as simple as possible and should apply

to a minority of the authority's schools (the formula should address the majority) and should avoid creating perverse incentives.

We currently feel that our funding approach around Special Needs is not disadvantaging specific groups, although a further extension of the "Decoupled" Funding would potentially require a more creative approach.

For Forums information specific examples recommended by the EFA are provided in Appendix 2.

### **Growth Criteria**

The guidance indicates Local authorities may top slice the DSG in order to create a growth fund to support schools, which are required to provide extra places in order to meet basic need within the authority, including pre-opening, diseconomy and reorganisation costs. The growth fund may not be used to support schools in financial difficulty.

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 extra classes in order to meet a basic need (either as a bulge class or on-going commitment)
- Additional support where a school has extended its age range
- Support where a school has temporarily increased its roll by X more pupils in agreement with the local authority and
- Pre-opening costs / initial equipping allowance / diseconomies of scale allowance for new maintained schools and recoupment academies; including new academies where school is opening in response to basic need.

Methodologies for distributing funding will include:

1. A lump sum payment with clear parameters for calculation usually based upon the estimated cost of making additional provisions for a new class or estimated start-up costs.
2. £x per pupil (usually based on AWPU) and reflecting the proportion of the year which is not funded within the schools budget (currently used by LBHF)
3. £x per pupil, with a maximum ceiling.

Appendix 2 contains examples of growth funding used in Ealing, Solihull, Staffordshire and Worcestershire. The growth funding paid to Hammersmith & Fulham schools is very similar to the Worcestershire model.

Our approach is:

Additional funding is provided as a lump sum to a school based on  $7/12^{\text{ths}}$  of the pupil numbers expected multiplied by AWPU for that phase provided that:

- The LA have approved the extra capacity
- The LA have requested the extra capacity
- The EFA have approved / requested the extra capacity and are providing funding

This ensures the school is provided with sufficient funding to develop the offer for students.

### **Falling Rolls Criteria**

The guidance allows Local Authorities to top slice the DSG in order to create a small fund to support good schools with falling rolls, where local planning data show that the surplus places will be needed in the near future. Compliant criteria would contain some of the features set out below:

- Support is available for schools judged Good or Outstanding at their last OFSTED inspection (note this is a mandatory requirement)
- Surplus capacity exceed x pupils or x% of published admission numbers
- Local planning data shows a requirement for at least x% of surplus places within the next x years
- Formula funding available to the school will not support provision of an appropriate curriculum for an existing cohort
- The school will need to make redundancies in order to contain spending within its formula budget

Methodologies for distributing funding could include:

- £x per vacant place, up to a specified maximum places (based on AWPU)
- A lump sum payment with clear parameters for calculation such as the estimated cost of providing the curriculum or estimated salary equivalent to the number of staff who would otherwise be made redundant.

Some examples include:

1. Devon – Schools judged Good or Outstanding, reduction in numbers when comparing to previous October census that resulted in substantial disruption to provision of education in the school. Admissions demographic data evidences the reduction is temporary, the school roll includes at least 80% of pupils that live within the area. Reduction due to pupils migrating to other schools is not eligible.
2. Dorset – Schools must be graded Good or Outstanding by OFSTED on the date of approval for normal year of transfer (years 3,5,7 and 9 depending on whether infants, junior, primary middle, secondary or upper school) Surplus capacity in affected year groups exceeds 24 pupils or 20% of the expected number of pupils ( whichever is lower) based on the average of the January census figure for the normal transfer for the previous 5 years.

3. Having – good or outstanding OFSTED at their last inspection plus surplus capacity as the October count date exceeds 15% of the published admission number in the following year groups:

Financial Year	2014/15	2015/16	2016/17	2017/18	2018/19
Year Group	7	7 & 8	7,8, & 9	7,8,9,& 10	7,7,9,10 & 11

Local planning data shows a requirement for at least 90% of surplus places within the next 5 years, formula funding will not support provision of appropriate curriculum of the existing cohort and the school will need to make redundancies in order to contain spending within its formula budget.

Funding is distributed as follows: 85% of the appropriate AWPU x vacant places below 85% of the PAN

Other examples included in Appendix 2 includes Hertfordshire and Portsmouth.

In LBHF, the Forum asked us to review and implement a falling rolls policy, historically our approach was that we would:

- Fund 5/12<sup>ths</sup> of the difference between the previous year's AWPU and the following years AWPU to enable the school to maintain its staffing structure until the end of the academic year. This calculation is made before the minimum funding guarantee is applied as that protects the school for broader changes too.

This approach would still appear fair and is recommended as the policy to adopt as it is simple and ensures schools with roll challenges have protection. The EFA prescription is that this can only apply where schools are rated Good or Outstanding and Forum's views about sympathy towards schools not in those categories should be shown.

Local Authority Funding Reform Proforma

LA Name: Hammersmith and Fulham  
 LA Number: 205

**Pupil Led Factors**

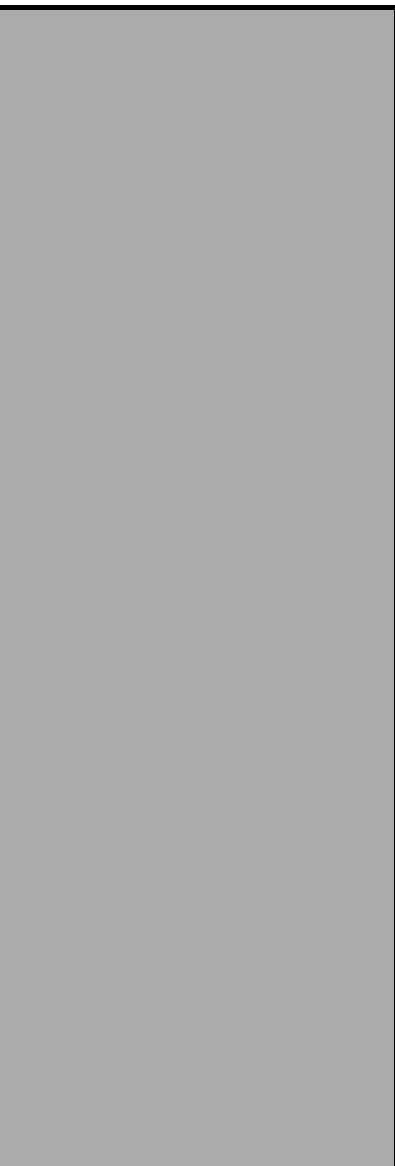
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Reception uplift	No	Pupil Units		0.00					
	Description	Amount per pupil		Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)	
	Primary (Years R-6)	£3,564.86		9,734.50		£34,702,130	£68,494,430	35.25%	2.95%	
	Key Stage 3 (Years 7-9)	£5,163.86		3,978.00		£20,541,835		20.87%	2.53%	
	Key Stage 4 (Years 10-11)	£5,163.86		2,566.00		£13,250,465		13.46%		
	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
2) Deprivation	FSM6 % Primary	£1,010.55		4,235.05		£4,279,734	£20,222,433	20.54%	18.41%	
	FSM6 % Secondary		£1,709.62		2,957.89	£5,056,867				26.40%
	IDACI Band 1	£600.00	£850.00	463.93	302.17	£535,201			7.00%	8.90%
	IDACI Band 2	£650.00	£900.00	640.89	434.04	£807,220			11.10%	15.40%
	IDACI Band 3	£700.00	£950.00	1,426.86	974.15	£1,924,240			27.00%	33.00%
	IDACI Band 4	£750.00	£1,000.00	1,601.95	995.91	£2,197,370			31.40%	35.40%
	IDACI Band 5	£800.00	£1,100.00	1,497.15	937.05	£2,228,476			35.30%	37.80%
	IDACI Band 6	£850.00	£1,150.00	2,170.62	1,172.44	£3,193,326			51.20%	53.80%
	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
3) Looked After Children (LAC)	LAC X March 14	£800.00		47.61		£38,088	£1,101,661	0.04%	100.00%	
4) English as an Additional Language (EAL)	EAL 3 Primary	£290.83		2,683.58		£780,465		1.05%	100.00%	
	EAL 3 Secondary		£707.10		357.56	£252,833			100.00%	
5) Mobility	Pupils starting school outside of normal entry dates	£250.00	£250.00	97.90	23.20	£30,275	0.03%	100.00%	100.00%	
	Description	Weighting	Amount per pupil	Percentage of eligible Y1-2 and Y3-6 NOR respectively	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
6) Prior attainment	Low Attainment % new EFSP	100.00%	£593.15	42.13%	2,758.23	£1,636,042	£2,418,080	2.46%	100.00%	
	Low Attainment % old FSP 78			21.04%						
	Secondary pupils not achieving (KS2 level 4 English or Maths)		£686.16		1,139.73	£782,038				100.00%



**Other Factors**

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
7) Lump Sum	£100,000.00	£100,000.00			<b>£4,800,000</b>	4.88%	0.00%	0.00%
8) Sparsity factor	£0.00	£0.00			<b>£0</b>	0.00%	0.00%	0.00%
Please provide alternative distance and pupil number thresholds for the sparsity factor below. Please leave blank if you want to use the default thresholds. Also specify whether you want to use a tapered lump sum for one or both of the phases.								
Primary distance threshold (miles)		Primary pupil number average year group threshold		Fixed or tapered sparsity primary lump sum?	Fixed			
Secondary distance threshold (miles)		Secondary pupil number average year group threshold		Fixed or tapered sparsity secondary lump sum?	Fixed			
Middle schools distance threshold (miles)		Middle school pupil number average year group threshold		Fixed or tapered sparsity middle school lump sum?	Fixed			
All-through schools distance threshold (miles)		All-through pupil number average year group threshold		Fixed or tapered sparsity all-through lump sum?	Fixed			
9) Fringe Payments					<b>£0</b>	0.00%		
10) Split Sites					<b>£32,741</b>	0.03%	0.00%	
11) Rates					<b>£661,889</b>	0.67%	0.00%	
12) PFI funding					<b>£0</b>	0.00%	0.00%	
13) Sixth Form					<b>£706,610</b>	0.72%	0.00%	
14 ) Exceptional circumstances (can only be used with prior agreement of EFA)								
Circumstance					<b>Total (£)</b>	<b>Proportion of total pre MFG funding (%)</b>	<b>Notional SEN (%)</b>	
Additional lump sum for schools amalgamated during FY15-16					<b>£0</b>	0.00%	0.00%	0.00%
Additional sparsity lump sum for small schools					<b>£0</b>	0.00%	0.00%	
Exceptional Circumstance3					<b>£0</b>	0.00%	0.00%	
Exceptional Circumstance4					<b>£0</b>	0.00%	0.00%	
Exceptional Circumstance5					<b>£0</b>	0.00%	0.00%	
Exceptional Circumstance6					<b>£0</b>	0.00%	0.00%	

<b>Total Funding for Schools Block Formula (excluding MFG Funding Total) (£)</b>				<b>£98,437,845</b>	<b>100.00%</b>	<b>£11,122,159</b>
15) Minimum Funding Guarantee (MFG is set at -1.5%)				#VALUE!		
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)				No		
Capping Factor (%)	1.50%	Scaling Factor (%)	1.50%			
Total deduction if capping and scaling factors are applied				£0		
				<b>Total (£)</b>	<b>Proportion of Total funding(%)</b>	
MFG Net Total Funding (MFG + deduction from capping and scaling)				£466,208	0.47%	
High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)				£0.00		
Additional funding from the high needs budget				£0.00		
Growth fund (if applicable)				£120,296.00		
Falling rolls fund (if applicable)				£0.00		
<b>Total Funding For Schools Block Formula</b>				<b>£98,904,053</b>		
<b>% Distributed through Basic Entitlement</b>				<b>69.58%</b>		
<b>% Pupil Led Funding</b>				<b>93.70%</b>		
<b>Primary: Secondary Ratio</b>				<b>1 :</b>	<b>1.34</b>	











Education  
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Appendix 2

# **Schools revenue funding 2016 to 2017:**

**Criteria for allocating the growth fund,  
falling rolls fund and targeted high needs  
funding**

**Version 1: July 2015**

## Contents

Introduction	3
Targeted support above the notional SEN budget	4
Growth criteria	9
Falling rolls criteria	14

## Introduction

1. This document has been produced by the Education Funding Agency (EFA) to help local authorities and their schools forums set clear and objective criteria for allocating central funding to schools, such as targeted support for schools with disproportionate numbers of pupils with high needs, growth funding and falling rolls funding. It includes examples of local authorities' criteria which were approved as compliant for the financial year 2014-15. These examples were originally published in the operational guide for 2015-16.
2. Where a local authority retains central funding within the DSG, it must be used for the equal benefit of maintained schools and academies in the area.



## Targeted support above the notional SEN budget

3. Local authorities should continue to provide additional funding outside the main funding formula for mainstream schools and academies on a consistent and fair basis where the number of their high needs pupils cannot be reflected adequately in their formula funding and where it would be unreasonable to expect them to pay for the costs of the first £6,000 of additional support for all high needs pupils. Targeted support can also be provided where there are a disproportionate number of pupils with a type of SEN that is not able to be reflected in the local formula, even where the costs of meeting their needs are less than the £6,000 threshold. Criteria for allocating such support should be clear and as simple as possible, should apply to a minority of the authority's schools and academies (the formula should address the majority) and should avoid creating perverse incentives. Some examples of local authority criteria have been provided below as an aid to local authorities which are still formulating their criteria. Where authorities are considering modelling their own criteria on these examples, we would recommend that they contact the appropriate contributor to understand how the process has worked in practice.

### Cheshire West and Chester

4. Additional funding from the high needs budget will be distributed under the following criteria. A school's notional SEN budget must be sufficient to meet the first £6,000 of the cost of additional support for each high needs pupil on roll recognising any part year effect of starters and leavers. For schools up to and including 150 pupils, the notional SEN budget must also be sufficient to cover £6,000 for every 1:50 pupils. Therefore, additional funding will be made available from the high needs block if notional SEN < (number of high needs pupils \* £6,000) + (£6,000 for every 1:50 pupils for schools with 150 or fewer pupils). Reviews will be carried out on a termly basis.

### Derbyshire

5. In order to qualify for additional funding, a school's shortfall must be significant and in excess of 1% of the school's overall school budget and estimated income (i.e. Schools Block, EYSFF, Post 16 EFA formula and Growth Fund: KS1 Class Size funding), including balances brought forward. The school will self-fund the equivalent of the first 1% of this overall figure. shortfall.

There are 5 contextual considerations that are taken into account, as appropriate, for every contingency claim:

- a) The level of actual brought forward school balances and estimated year end school balances are insufficient to reasonably support the anticipated funding shortfall
- b) A 2 or 3 Year Budget Plan is not an appropriate way forward
- c) Redundancy is not the more appropriate option

- d) For claims that relate to an AEN/SEN issue, Special Educational Needs Teaching Assistant Training and Advice (SENTA) provision on a two to one (or greater if appropriate) ratio must be considered and demonstrated to be unsuitable. Schools do not have to provide the first 9.5 hours of a statement (deemed to be equivalent to the £6,000) on a one to one basis and it MAY be that the school is able to save funding by having two to one arrangements in some cases
- e) The school must identify how it has spent/will spend the published 'Notional SEN Budget'

6. One other consideration specific to SENTA claims is that the total number of stated SENTA hours <9.5 for pupils in Reception to Year 11 (i.e. the overall requirement for multiples of £6,000), when expressed as a proportion of all Reception to Year 11 pupils at the school, must be in the upper quartile for the whole sector.

Example: 4 pupils in a school of 100 have statements for more than 9.5 hours each.

$(4 \times 9.5\text{hrs}) = 38$  divided by 100 = 0.38 hours per all pupils

#### **Gloucestershire**

7. Schools & Academies will be expected to contribute the first £6,000 of the additional educational support provision for high needs pupils and students from their delegated budget - this is over and above the cost of standard teaching and learning (which is funded by the age weighted pupil unit (AWPU). The number of high needs pupils for whom schools are expected to contribute will be restricted to one for every 75 pupils on roll, rounded to the nearest whole number. The £6,000 and 1 in 75 numbers will be adjusted for any pupils not present for the full year.

8. E.g. If NOR is 200 and the school have 4 high needs pupils who have each been assessed with additional high needs (above the AWPU) of £15,000. Then the responsibility for costs is:

- For first 3 pupils ( $200 \text{ NOR} \div 75$  & rounded) the school pays £18,000 (3 X £6,000) and the LA pays the rest as a high needs top up £27,000 (3 X £9,000)
- For the 4th pupil the LA pays £15,000 (both the £6,000 element and the £9,000 element) as a high needs top up

#### **Hackney**

9. Additional funding is allocated to any primary school which has a higher than the threshold of pupils with statements. The threshold is the borough average + 1.03%. The data is taken from a count in each January, taken as a percentage of the previous October roll. The allocation is number of pupils over the threshold x £6,000 x 55% for a 1 FE; x 30% for a 2 FE and x 20% for a 2.5 FE school

## Herefordshire

10. A process has been agreed to help mitigate the impact on schools of having to fund the first £6,000 for each Band 3 & 4 pupil. For example, four band 4 pupils in a school would lead to additional expenditure of £24,000 (i.e. 4x £6,000).

11. An "MFG" style protection scheme based on limiting additional school expenditure on Band 3 & 4 pupils to 1.5% per pupil has been agreed. The average per pupil funding for primary pupils is approximately £4,000 and using this figure as a standard for all schools this per pupil funding amount converts to a maximum reduction of £60 per pupil at the MFG percentage of 1.5% in 2013/14. It is proposed to limit any primary school's extra SEN costs as follows:

<b>Number of primary pupils</b>	<b>Maximum cost of "£6,000" SEN – primary schools</b>
50	£3,000
100	£6,000
150	£9,000
200	£12,000
250	£15,000
300	£18,000
400	£24,000
500	£30,000
600	£36,000

**Table 1: MFG protection in Herefordshire**

12. The cap on schools gaining through the funding formula will be reduced slightly in order to fund the costs of protection and a budget transfer will be made to the high needs block.

## Kirklees

13. The high needs budget will make additional support allocations to those schools which evidence disproportionality between the notional high needs funding assumed to be within their schools block formula allocation and the costs of providing for those high needs pupils. Such disproportionality will initially be defined as where the number of high needs SEN statement children comprises more than 2% of the school's overall number on roll and the school's notional SEN budget figure is less than 80% of the amount calculated by multiplying their number of high needs statement children by the expected £6,000 school contribution per child. Once a school is 'flagged up' by this method its

budget position will be scrutinised to firstly ensure that their high needs top-up funding accurately reflects the pupils' current needs and then to determine whether the school can meet its SEN responsibilities within its available resources. If the need for additional high needs budget support is proven then that allocation will be based upon the identified difference between that school's notional SEN funding amount and the result of multiplying their number of SEN statement children by £6,000. E.g. the school has a notional SEN budget figure of £47,523 and eleven statemented children on roll (11 x £6,000 =) £66,000. The difference would be rounded down to the next lowest multiple of £6,000 so the support allocation in this case would be £18,000. It is intended that the existing high needs budget would stand the cost of such allocations.

### **South Gloucestershire**

14. This allocation is based on a threshold of statemented support pupils (over a determined level of need), compared to the October 2013 school census number on roll, excluding resource base pupils. South Gloucestershire resident pupils and pupils resident in other local authorities are included in this calculation.

15. The threshold of high needs pupils to pupils on roll is currently set at 1.25% and at a rate of £6,000 per notional pupil.

16. For example, a school with 4 pupils over 106 units and 275 pupils as at the October 2013 census would receive the following:

- 4 pupils as a % of 275 = 1.4545%
- Less 1.25% = 0.2045%
- October 2013 pupil x 0.2045% = 0.56pupil
- 0.56 pupils x £6,000 = £3,375 per year or £281.24 per month
- High incidence funding will be recalculated when actual pupils are known

### **Southend**

17. Additional funding will be allocated to those schools which indicators suggest are experiencing the very highest incidence of low cost SEN in relation to all schools in the borough. The indicators to be used are the SEN register and the low attainment data used in setting the Local Formula, both are expressed as a percentage of the pupil population in a school. The two % scores will be averaged to produce a 'combined score'. Those schools whose 'combined score' exceeds thresholds expressed as % to be set at the 85th, 90th and 95th percentiles of the total population of Primary and Secondary schools will be deemed to be experiencing HILC SEN relative to the group. Funding will be awarded on a taper, where the 'combined score' will be multiplied by the NOR and rounded to the nearest whole pupil. The number of pupils between the first and second thresholds (set at the 85th and 90th percentiles) will attract £600/£350 each; primary/secondary, the number of pupils between the second and third thresholds (90th

and 95th percentiles) will attract £800/425, and the number of pupils exceeding the final threshold (95th percentile) will attract £1000/500.

## Growth criteria

18. Local authorities may topslice the DSG in order to create a Growth Fund to support schools which are required to provide extra places in order to meet basic need within the authority, including pre-opening, diseconomy and reorganisation costs. The growth fund may not be used to support schools in financial difficulty (any such support for maintained schools would be provided from a de-delegated contingency) or general growth due to popularity. Criteria for allocating growth funds should contain clear objective trigger points for qualification and a clear formula for calculating allocations. 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 PAN by X or more pupils in agreement with the authority
- Support for KS1 classes where overall pupil numbers exceed a multiple of 30 by X or fewer pupils
- Pre-opening costs / initial equipping allowance / diseconomy of scale allowance for new maintained schools and recoument academies, including new academies where the school is opening in response to basic need

19. Local authorities should request a variation to pupil numbers where there is a more permanent and significant change to numbers and where it is appropriate for the change to be reflected in all relevant formula factors and not just a marginal cost or AWPU only allocation.

20. Methodologies for distributing funding could include:

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

21. Where growth funding is payable to academies, the local authority is required to fund the increase for the period from the additional September intake through until the following August. Local authorities should enter the cost of growth funding for the April –

August period, along with appropriate justification, on the recoupment tab of the APT so that the recoupment calculation can be adjusted accordingly.

22. Growth fund adjustments will not be made for diseconomy of scale or start-up funding, so these should not be shown on the recoupment tab of the APT. This funding will continue to be met from the local authority's growth fund.

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

24. Some examples of local authorities' compliant criteria are shown below (these do not mean we are endorsing the amounts used):

### **Ealing primary schools**

25. £60,000 per additional form of entry (pro-rata for 0.5 FE) for Reception increases agreed by the LA for the September intake (for infant and primary schools) and Year 3 (Junior Schools).

26. Where building works are required and agreed by the LA costing in excess of £2m, £15,000 a year for two financial years, the timing of the release of funding will be following the approval of statutory proposals or the increase in the school's planned admission number where statutory proposals are not required. Funding may be released earlier at the discretion of the LA.

### **Ealing high schools**

27. £75,000 per FE for planned expansion in places agreed by the LA.

28. Where building works are required and agreed by the LA costing in excess of £2m, £15,000 a year for two financial years, the timing of the release of funding is following the approval of statutory proposals or the increase in the school's planned admission number where statutory proposals are not required. Funding may be released earlier at the discretion of the LA.

29. In both sectors, in exceptional cases, for example where additional furniture, learning resources or support staff costs are required which cannot be charged to capital, a case may be made to the LA for additional revenue funding up to a maximum of £15,000 one-off payment.

### **Solihull**

30. Qualification for funding through the pupil growth scheme is based upon a set of principles as follows:-

31. Additional funding will be made available to schools and academies in circumstances where:

- the Council carries out a formal consultation and approves to increase the capacity of a school

- a school/academy carries out a formal consultation at either the request of the Council or supported by the Council
- the Council requests a school/academy to increase their PAN to meet localised demand
- a school/academy admits a significant increase in pupils to meet demand from new housing developments at the request of the Council

32. Additional funding will be made in relation to the number of additional pupils taken or the number of agreed places purchased. Reference may be made to the number of classes required and may include consideration of the number of pupils leaving the school in that year.

33. Any allocation will be based on the teacher element of the AWPU, and will reflect the period September to March only (as additional funding will then flow through the October pupil count) for maintained schools and September to August for academy schools (as additional funding does not flow through until the start of the next academic year). Additional funding may be made available for pupil resources where the provision is a significant expansion of provision, particularly where a new key stage is being provided.

34. No allocation will be made to a school/academy where the school/academy:

- has surplus places and then takes additional children up to the PAN
- admits over PAN at their own choice
- admits extra pupils where those pupils have a reasonable alternative school place
- is directed and/or requested to admit additional pupils as a result of errors, appeals, fair access protocol, SEN, LAC etc. as these numbers will be extremely low on an individual school basis
- provides an additional infant class to meet class size legislation

#### **Staffordshire**

35. Growth funding would be provided to a primary school where:

- the County Council agree that exceeding PAN (temporarily) or increasing the PAN (permanently) is necessary to meet population growth (not simply popularity growth or one school's desire to increase capacity)
- the County Council agree that the creation of an additional class is necessary and is directly related to exceeding PAN

36. The class is additional if it requires a change in the school's current or historical class organisation or number of classes.



37. Schools that have historically operated mixed age classes or have a PAN in a multiple of 15 would be normally expected to operate some mixed-age classes. (The growth funding cannot be used only to reduce class sizes).
38. A school's compulsory school-age range is increased the additional classes created would be funded. (e.g. when an infant school is converted into a primary school, it would be funded for each additional junior class created).
39. Funding would be provided only for the first academic year that an additional class is created.
40. Where one additional class was needed in an area but agreement cannot be reached to fund one school, the funding allocation may be split between two or more schools.
41. Assuming that the additional class is created in September, the primary school would receive funding equivalent to:
- 7/12ths salary cost of a 1 FTE teacher (Main Scale 6)
  - 7/12ths salary cost of a 0.5 FTE teaching assistant (Grade 4)
  - £3,000 towards the cost of resources and materials
42. If the class is created between September and April, the amount would be reduced by a 1/7th for each whole month that the class is not needed.
43. Schools must comply with the infant class size legislation (and any school funded would not also receive separate infant class size funding).

**Start-up funding for new schools:**

44. Where a new school or academy is established in response to basic need for pupil places, funding will be made available in recognition of costs incurred before the school opens. A one-off payment of £50,000 will be made for a two form entry (or larger) primary school, or £25,000 for smaller than two-form entry schools.
45. Funding is also available to support diseconomies of scale when a school or academy opens without a full complement of year groups. Payments will be made over two years as shown below, with 50% paid in the year of opening and the remaining 50% the following year.
- Academy is more than 90% full £0
  - Gradual build-up of pupils after Academy starts off 80-90% full £10k
  - Gradual build-up of pupils after Academy starts off 70-80% full £35k
  - Gradual build-up of pupils after Academy starts off 60-70% full £60k
  - Gradual build-up of pupils after Academy starts off 50-60% full £85k
  - Gradual build-up of pupils after Academy starts off 40-50% full £105k

- Gradual build-up of pupils after Academy starts off 30-40% full £135k

### **Worcestershire**

46. Additional funding will be made available in circumstances where:
- the LA carries out a formal consultation and approves to increase the capacity of a school
  - the LA requests schools to increase their PAN and the school has the capacity
  - the LA requests schools to admit significant additional pupils as a consequence of a school closure
47. Additional funding will be made in relation to the number of additional pupils taken.
48. Funding will be given on a 7/12th basis to cover September to March each year. (The period April to August will be covered by the schools budget based on numbers from the October census).
49. Any allocation will be based upon the AWPU and will be relevant to the key stage.
50. No allocation will be made to a school that has not been the subject of a consultation where a school:
- has surplus places and then takes additional children up to the PAN
  - admits over PAN at their own choice
  - as directed and/or requested to admit additional pupils as result of errors, appeals, fair access panel, SEN, LAC, etc. as these numbers will be extremely low on an individual school basis
51. Funding will be allocated on the increase in actual numbers on the difference in pupils leaving and joining. For example in a primary school between the numbers leaving Year 6 and numbers entering Reception for 7 years from date of increased capacity.

## Falling rolls criteria

52. Local Authorities may topslice the DSG in order to create a small fund to support good schools with falling rolls where local planning data show that the surplus places will be needed in the near future. Criteria for allocating falling rolls funding should contain clear objective trigger points for qualification and a clear formula for calculating allocations. 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 (note that this is a mandatory requirement)
- Surplus capacity exceeds x pupils or x% of the published admission number
- Local planning data shows a requirement for at least x% of the surplus places within the next x 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

53. Methodologies for distributing funding could include:

- £x per vacant place, up to a specified maximum places (place value likely to be based on AWPU)
- a lump sum payment with clear parameters for calculation (e.g. the estimated cost of providing an appropriate curriculum, or estimated salary costs equivalent to the number of staff who would otherwise be made redundant)

54. Some examples of local authorities' compliant criteria are shown below:

### Devon

55. The falling rolls criteria in Devon are listed below:

- Schools judged good or outstanding at last Ofsted inspection
- there is a reduction in numbers when comparing the October School census with the previous October census that results in substantial disruption to the provision of education in the school
- admissions demographic data evidences that the reduction is temporary
- the school's roll includes at least 80% of the pupils that live within its area
- the reduction in numbers due to pupil migration to other local schools is not eligible. Schools will be expected to cover the temporary funding shortfall from existing carry forward balances prior to application to the Falling Rolls Fund

- funding will be allocated up to the AWPU rate for the difference between the current year October number on roll and the lower of number on roll at the previous October census and the forecast number on roll using admissions data

## **Dorset**

56. School requesting support to mitigate the short-term financial impact of falling rolls must be graded Outstanding or Good by OFSTED on the date of approval.

57. Falling rolls will only be calculated on the normal year(s) of transfer (YR, Y3, Y5, Y7 and Y9 depending on whether Infant, First, Junior, Primary, Middle, Secondary or Upper School). Schools which normally have more than one age of transfer, due to differences in neighbouring schools transfer age, may have more than one calculation/payment.

58. Surplus capacity in affected year group(s) exceeds 24 pupils or 20% of the number of pupils expected (whichever is the lower), based on the average\* of the January census figures for the normal year of transfer for the previous 5 years. (\*The average will remove any anomalies such as bulge classes or managed changes in area provision).

59. Local planning data for the pyramid shows a requirement for at least 70% of the surplus places within the following 3 academic years. This is calculated as the 5yr average for the year group less the number on roll for the year group \* 70% added to NOR for the year group, must be the predicted NOR for the year group in the school within the next 3 years.

60. It must be demonstrated that formula funding available to the school will not support provision of an appropriate curriculum for the remaining cohort (e.g. evidence will need to be provided to show the impact on meeting basic curriculum requirements or on the pupils being unable to continue part completed examination courses).

61. Any MFG the school receives will be deducted from the grant amount (as with our policy on pupil growth).

62. In the first instance any shortfall in funding due to falling rolls should be made up from any school surplus above 1.7% for a secondary school, 2.7% for a primary or special school or £20,000 whichever is the higher, (as it is anticipated that the school will have been planning for this eventuality) and this will be taken into account when considering an application.

63. Schools will be funded at 100% of AWPU for the agreed number of pupils (through determining the difference between the average from the historic model and the actual level) beyond 24 pupils/20% in the relevant cohort.

64. Funding provided will be a one off payment and not a continuing payment as the cohort moves through the school.

## **Payment**

65. In the academic year when falling rolls occur, the school will receive 7/12ths of funding at the previous census level. The falling rolls payment will therefore be made in the later part of the academic year – the next financial year. (A falling roll intake in 2013 will be a claim in the financial year 2014-2015 and the surplus will be the carry forward into that financial year). Academies will be required to provide the LA with details of their financial position to demonstrate whether or not there is a surplus to take into account.

### **Havering**

66. Support is available only for schools judged Good or Outstanding at their last Ofsted inspection (this is a mandatory requirement).

67. Surplus capacity as the October count date exceeds 15% of the published admission number in the following year groups:

<b>Financial Year</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
<b>Year Group</b>	7	7 & 8	7, 8 & 9	7, 8, 9 & 10	7, 8, 9, 10 & 11

**Table 2: Surplus capacity support in Havering**

68. Local planning data shows a requirement for at least 90% of the surplus places within the next 5 years.

69. Formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort.

70. The school will need to make redundancies in order to contain spending within its formula budget.

71. Formula for distributing funding:

- 85% of the appropriate AWPU x per vacant place below 85% of the PAN. e.g.
- First Year of Funding - PAN: 192; 85%: 163
- Year 7 NOR October 2013: 70
- Difference between 85% of PAN and Yr7 NOR: 93
- $93 \times \text{KS3 AWPU} \times 85\%$  ( $\text{£}4,551.86 \times 85\% = \text{£}3,869$ ) =  $\text{£}359,824$
- Second Year of Funding - PAN: 192; 85%: 163
- Year 7 NOR October 2014: 120
- Year 8 NOR October 2014: 70
- Difference between 85% of PAN and Yr7 NOR: 72
- Difference between 85% of PAN and Yr8 NOR: 93
- Total difference = 165
- $165 \times \text{KS3 AWPU} \times 85\%$  ( $\text{£}4,551.86 \times 85\% = \text{£}3,869$ ) =  $\text{£}638,398$

## **Hertfordshire**

72. The Fund has the following eligibility criteria:

- The school/academy has fewer than 550 pupils (excluding sixth form) in the October census prior to the start of the financial year
- The number of places offered by the school across year groups 7 to 11, if full, is greater than 550
- The authority has forecast that at least 110 places will be required from the school in year 7 (year 9 for upper schools) by Autumn Term 2017, otherwise there will be an absolute shortfall of capacity in the relevant planning area
- The school is Good or Outstanding. The date at which Ofsted category data will be taken will be 31 August prior to the start of the financial year to which funding relates, except that a school which becomes Good or Outstanding during the subsequent Autumn term prior to the start of the financial year shall also be eligible

73. The allocation formula takes account of the size of the school but also incorporates a ceiling on allocations. It also takes into account any MFG protection funding the school receives in its budget share to avoid duplicating it.

74. The formula for determining an allocation to an eligible school is:

- KS3 calculation:  $330 - \text{actual number of KS3 pupils on roll} \times \text{KS3 AWPU} \times 50\%$
- KS4 calculation:  $220 - \text{actual number of KS4 pupils on roll} \times \text{KS4 AWPU} \times 50\%$
- sum of the result of above capped at £250,000
- deduct any MFG protection funded received by the school
- equals the allocation from the Fund

## **Portsmouth**

75. The fund is only available to Primary and Secondary maintained schools or Academies in Portsmouth.

76. Financial support will only be available for schools:

- Judged Good or Outstanding at their last Ofsted inspection
- The school or academy has seen a reduction in pupils between the October 2012 census and the October 2013 census of 30 or more pupils or has surplus capacity 20% of the published admission number
- Local planning data shows a requirement for at least 50% of the surplus places within the next 3 financial 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
- Where the school does not have a surplus revenue balance as at the 31st March 2014 in excess of 5%(secondary) or 8% (primary) of its school budget share for the previous funding period (or the relevant academic years in the case of academies)

77. Schools and academies who believe they meet the above criteria in 2014-15 must submit a request for financial support to the Finance Manager for Education and Children's Services by 15 April 2014.

78. Funding will be issued using the following formula:

- The decrease in the number on roll between October 2013 and October 2014 census
- Multiplied by the value of the 2014 to 2015 basic per pupil entitlement factor
- For secondary schools the basic per pupil entitlement factor for key stage 3 will be used.

79. The maximum allocation to a school or academy from the fund will be limited to £300,000.



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