

# Public Document Pack



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Date Not Specified

## Notice of Meeting

Dear Member

### **Kirklees Schools Forum**

The **Kirklees Schools Forum** will meet at **Tolson Museum, Ravensknowle Park, Wakefield Rd, Huddersfield, HD5 8DJ** at **10.00 am** on **Friday 10 March 2017**.

The items which will be discussed are described in the agenda and there are reports attached which give more details.

A handwritten signature in black ink, appearing to read "Julie Muscroft".

**Julie Muscroft**

**Assistant Director of Legal, Governance and Monitoring**

Kirklees Council advocates openness and transparency as part of its democratic processes. Anyone wishing to record (film or audio) the public parts of the meeting should inform the Chair/Clerk of their intentions prior to the meeting.

## **The Kirklees Schools Forum members are:-**

### **Forum members are:**

#### **School members:**

Julie Helm, Nursery Schools  
Simon Sloan, Primary Schools  
Jackie Wood, Primary Schools  
Lynn Hill, Primary Schools  
Diana Wilson, Primary Schools  
Marcus Newby, Primary Schools  
Nicky Rogers, Special Schools  
Loz Wilson, Secondary Schools  
Ian Ellam, Secondary Schools  
Gary Johnson, Middle Schools  
Martin Ridge, Pupil Referral Units (Vice chair)  
Michelle Lee, Academies (Chair)  
Ann McCall (Academy)  
Catherine Jubb (Academy)

#### **Non-school members**

Sarah Ellis, Pre-school Learning Alliance  
VACANCY, Post 16  
Gillian Collins, ATL  
Hazel Danson, NUT  
Paula Wescott, NAS/UWT

#### **Supporting LA officers in attendance:**

Angela Farmer, Senior Finance Officer  
David Gearing, Financial Delegation Manager & Minute Clerk  
Liz Singleton, Deputy Assistant Director: Learning and Skills

# Agenda

## Reports or Explanatory Notes Attached

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**Pages**

**1: Apologies for Absence**

To receive.

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**2: Minutes of the Forum meeting held on 2nd December 2016**

1 - 6

To receive and note.

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**3: Matters arising from 2nd December 2016**

To discuss.

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**4: Report on 2017-18 Budget Share allocations**

Contact: David Gearing

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**5: National Funding Formula consultations (Stage 2) - Schools Funding and High Needs**

7 - 14

- Illustrated effects for Kirklees
- Forum response to consultation questions

Contact: David Gearing

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**6: Any Other Business**

To consider.

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**7: Confirm Minutes**

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**8: Date and Time of Next Meeting**

Friday 16 June 2017.

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**THE KIRKLEES SCHOOLS FORUM**  
 meeting held on **Friday 2<sup>nd</sup> December 2016**  
 10:00am at the Tolson Museum, Huddersfield

**Present:**

Julie Helm	Nursery School Heads (1)
Lynn Hill	Primary School Heads (5)
Gary Johnson	Middle School Heads (1)
Ian Ellam, Loz Wilson	High School Heads (2)
Nicky Rogers	Special School Heads (1)
Sarah Wilson	Special Academy Heads (1)
Michelle Lee [Chair], Ann McCall	Academy Heads (3)
Martin Ridge	Pupil Referral Units (1)
	Kirklees Governors (1)
Hazel Danson (NUT), Sarah Ellis (Pre-school Learning Alliance), Paula Wescott (NASUWT)	Non-school members (5)
Angela Farmer (Senior Finance Officer) David Gearing (Financial Delegation Manager); [Minute Clerk] Liz Singleton (Deputy Assistant Director, Learning)	Officers in Support
	Observers

**1. Apologies for absence**

Apologies had been received from Gillian Collins (NASUWT), Catherine Jubbs (Academies), Marcus Newby (Primary Heads) and Diana Wilson (Primary Heads).

**2. Minutes of the Schools Forum Public meeting held on 21<sup>st</sup> October**

The minutes were agreed to be a true record of the meeting.

**3. Matters arising from the Schools Forum Public meeting 21<sup>st</sup> October**

**3.1 Confirmation of Academy Special School representation**

Sarah Wilson, head teacher of Joseph Norton Academy is the new representative to Forum from the Special academy sector. Welcome was given to Sarah attending her first meeting today.

**3.2 Education Services Grant (ESG) update / Autumn Statement**

Yesterday the Education Funding Agency at last issued an updated version of the operational guidance document for schools revenue funding 2017-18 and also released supplementary guidance for local authorities about historic commitments funded from the DSG. The main new points were summarised in a briefing paper for Forum.

The EFA has confirmed that the Education Services Grant general funding rate (currently £77 per pupil in maintained schools) for Councils will end at 31<sup>st</sup> March 2017. A transitional lower rate of around £50 per pupil will be paid for the period April to August 2017 – this equates to about £20 per maintained pupil over the financial year 2017-18.

School improvement

Following the withdrawal of the ESG general duties funding, there will be several different ways that school improvement can be funded in future: -

- A new **School Improvement Grant** to local authorities will be introduced from September 2017 to cover monitoring and commissioning of school improvement and intervention in failing schools. The allocation, from a national pot of £50m, will largely be based upon the numbers of pupils in schools maintained by the Council.
- There will also be a new **Strategic School Improvement Fund** (£140m nationally) created for academies and maintained schools *“aimed at ensuring resources are targeted at the schools most in need of support to drive up standards, use their resources more effectively and deliver more good school places.”* Further information on the operation of the fund will be released shortly.
- School Improvement services have been **added to the list of potential de-delegated arrangements**. Maintained schools could choose to de-delegate a pot of funding in addition to the statutory duties provided for by the new School Improvement Grant.
- The **school improvement commissioning fund budgets** currently retained within the DSG Schools Block under the heading of ‘Combined Budgets’ cannot continue into 2017-18. The EFA has clarified what can still be retained as ‘historic commitments’ going forward and the definition does not permit funds to be retained for this purpose in future. (This would not preclude the potential to move to some sort of trading arrangement to pool funding if schools and academies felt it was worth doing. However, more detail is needed about the operation of the new SI Grant and SSI Fund before a sensible way forward can be plotted).

Officers have a meeting with the Regional Schools Commissioner next week which might further clarify roles and responsibilities for school improvement under the new approach being taken.

### Retention of schools funding

The Regulations will permit local authorities to propose to retain DSG funding towards the cost of the continuing statutory and regulatory duties previously funded by the Education Services Grant.

The retained duties grant (a rate of £15 per pupil educated in local schools and academies) will be moved into the DSG from April 2017. Table 6 in the guidance document specifies the duties which fall to be discharged from the near £1m to be added into the DSG. The local authority will bring a proposal to Forum to retain as much of this sum as is needed to fulfil those duties on behalf of all schools.

The general duties grant is to disappear next year (alternative school improvement arrangements excepted) but, unlike the retained duties, no funding will transfer into the DSG. This was intended to happen against a background of Councils losing responsibility for running schools. The bill to enact that change has recently been withdrawn but the £600m national saving from the removal of ESG general duties still stands. It is grossly unfair that Councils keep all the same duties to discharge but the funding to support them has not been reinstated. Local authorities are free to make a case to their maintained schools to retain funding to cover statutory duties previously funded by the general rate ESG.

Any retention proposals arising out of the removal of ESG will be brought to Forum at the earliest opportunity.

## Historic Commitments

Following clarification from the EFA of what can still be retained within DSG as 'historic commitments' we will no longer be able to run the school improvement commissioning funds via the DSG (see under School Improvement heading above). The School Safeguarding Officer post also cannot be funded by retained DSG in future – a traded service arrangement will instead need to be put in place from April 2017.

The only historic commitment that can still be funded from the Retained account is the cost of ongoing pension commitments taken on by the DSG prior to April 2013. When the pupil-driven Central Schools Block comes into being it is expected that around £170k of additional funding will be added to Kirklees' allocation to cover these pension costs.

### **3.3 Early Years National Funding Formula update**

Further information about the Early Years National Funding Formula was also released yesterday by the Education Funding Agency. This included an operational guide to the new arrangements and updated indicative figures for our Early Years funding block. Officers will meet with the Early Years working group to shape the revised funding arrangements to apply from 2017-18. Forum will be updated about progress at the January briefing meeting.

### **3.4 Exceptions applications – meeting of submission deadline**

It was confirmed that the agreed exceptions applications were uploaded to the Education Funding Agency portal a few days in advance of the submission deadline of 30<sup>th</sup> November.

## **4. De-delegation decisions 2017-18**

Officers in Support attended the 23<sup>rd</sup> November Kirklees High School Heads (KHSH) meeting to explain the de-delegated budgets for maintained schools and the need to decide upon the arrangements for financial year 2017-18. There were no dissenting voices to the proposal to de-delegate to the same pattern and the Secondary maintained sector Forum reps confirmed they had received no feedback from colleagues following the meeting.

The same opportunity for comment will be given to maintained primary heads at head teacher meetings in early January. If a proposal is made to de-delegate funds for school improvement following the new guidance received it will need to be considered by both maintained school sectors.

Although the maintained secondary school heads have accepted the current pattern of de-delegation for 2017-18, this will once again not include Trade Union Duties. This was claimed to be a somewhat unusual position – the NUT national office contends that de-delegation of TU duties has not been agreed in just 21 local authorities. There was some discussion around the absence of some sort of Service Level Agreement to set out what 'benefits' schools could expect to receive for their purchase. This was certainly raised by one head teacher at the KHSH meeting. It is questionable whether a formal SLA would actually work for TU Duties. It was suggested that a precis of previous advice to schools on the matter be made available again to explain the benefits for schools of taking a local approach to TU facilities time. The inclusion of a TU Duties page in the Partnership brochure was also suggested. School Governors need to be provided with the same guidance on the topic. It

would also be helpful if some explanation could be given to explain the differences between regional union official roles and those of the local facilities time officials.

## 5. Centrally-retained Budgets 2017-18

The DSG centrally-retained account also has to be agreed with Forum via annual review. The issue needs to be raised at the January head teacher meetings. The table below details the 2016-17 retained account.

Budget heading	2016-17 £	Comments re 2017-18
Pupil Growth Fund	600,000	Continue
Falling Rolls Fund	100,000	Continue
Servicing of Schools Forum	31,000	Potential to reduce by £10k?
School Admissions, Planning etc	833,500	Continue
National Copyright Licences	293,400	Continue. Inflation + pupil volume increase to provide for
School Safeguarding Officer	48,400	<b>Remove.</b> Traded Service to create
Primary Commissioning Fund	171,500	<b>Remove.</b> Consider as part of school improvement review
Secondary Commissioning Fund	278,800	<b>Remove.</b> Consider as part of school improvement review
Historic Pension Commitments	170,400	Continue
Provision for missing LAC/NEET	45,100	Continue
<b>TOTALS</b>	<b>£2,572,100</b>	

The updated EFA guidance indicates that funding freed up from disallowed historic commitments should be recycled to either schools or high needs. It would make sense for the former School Safeguarding Officer funds to be added into base AWPU funding for 2017-18 to support the new traded service. The route for the disallowed commissioning funds is less clear cut and requires further consideration.

It was requested that the £833,500 figure in the above table be broken down into its component budgets for the admissions service and the school organisation and planning team. It was noted that the regulations have now been amended to remove the cap on retained schools admissions budget provision.

## 6. Kirklees Council Cabinet paper on Schools Funding 2017-18 - timescales

Officers have pulled together an initial draft of a Cabinet paper to report to Council the changes to School funding arrangements for 2017-18, including formal decisions from the maintained sectors about de-delegation and centrally-retained budget provisions made on behalf of all school types. There is scope to revise the paper up to 19<sup>th</sup> December to include updates for recent announcements. The key dates for the remainder of this year's schools funding business are: -



6 <sup>th</sup> January	Head Teacher Briefing
11 <sup>th</sup> January	Kirklees High School Heads (KSHS) meeting
12 <sup>th</sup> January	Kirklees Primary Heads (KPH) meeting
13 <sup>th</sup> January	Schools Forum briefing meeting
17 <sup>th</sup> January	Cabinet consideration of the report about 2017-18 Schools Funding
20 <sup>th</sup> January	EFA schools funding pro forma submission deadline

## **7. Any other business**

No other business was raised.

## **8. Dates and times of next meetings [start times to be confirmed]**

Friday 10<sup>th</sup> March 2017

Venue: Tolson Museum

Friday 16<sup>th</sup> June 2017

Venue: Tolson Museum

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## NATIONAL HIGH NEEDS FUNDING FORMULA: STAGE TWO CONSULTATION QUESTIONS

High Needs funding is currently based mainly on LA spending patterns dating back to 05-06 2017-18 High Needs blocks updated to reflect 2016-17 spend but still no reflection of need.

High Needs NFF uses proxy measures of need.

Avoidance of 'perverse incentives' to identify SEN to secure additional funding

No local authority to see a reduction in its High Needs allocation as a result of the NFF

Transitional annual gains of up to 3%

### Question 1

**In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance?**

*“We ask respondents to bear in mind with the following two questions that we are redistributing funding. Any money that we put into one factor will have to come from another factor. We have indicated what we think is the right proportion or amount for each factor”.*

In the illustration £14.94m (38.74%) out of an eventual total allocation of £38.57m is provided in acknowledgement of the authority's historic high needs spending level. The basic entitlement funding is intended to mirror in principle the basic Age-Weighted Pupil Unit provision for mainstream schools. The value chosen though is consistent with the basic entitlement rate used in the 16-19 funding formula.

### Question 2

**We are proposing a formula comprising a number of formula factors with different values and weightings. Do you agree with the following proposals?**

- **Historic spend factor – to allocate to each local authority a sum equal to 50% of its planned spending baseline**
- **Basic entitlement – to allocate to each local authority £4,000 per pupil**

**Population** – 2.8% of the national pupil population either has a SEN statement or an Education, Health and Care Plan. The local authorities with the lowest proportions of such pupils sit at about half that national average rate so 50% of the remaining funding will be allocated by population to cover the minimum levels [£110.24 per pupil]

**Deprivation** – 10% of high needs funding is spent on alternative provision with deprivation the most closely correlated factor to the need for AP as a result of school exclusions. Increased weight given under the NFF to Deprivation – 10% via Free School Meals (£215 per FSM pupil) and 10% via IDACI (ranging from £32.34 per Band F pupil to £96.06 per Band A pupil).

The remaining factors are equally weighted. The values per pupil derived from the NFF illustration are: -

<b>KS2 Low Attainment</b>	£1,306.72 per identified pupil
<b>KS4 Low Attainment</b>	£1,346.00 per identified pupil
<b>Children in bad health</b>	£2,860.69 per identified pupil
<b>Disability</b>	£519.79 per identified pupil

### Question 3

**We propose to use the following weightings for each of the formula factors listed below, adding up to 100%. Do you agree?**

- **Population – 50%**
- **Free school meals eligibility – 10%**
- **IDACI – 10%**
- **Key stage 2 low attainment – 7.5%**
- **Key stage 4 low attainment – 7.5%**
- **Children in bad health – 7.5%**
- **Disability living allowance – 7.5%**

The funding floor excludes the basic entitlement factor and the import/export adjustment so changes in these will flow through to local authorities.

The pledge that no local authority will lose funding as a result of the High Needs NFF replaces the Stage 1 proposal that losses would be protected by a Minimum Funding Guarantee.

Is it fair that some local authorities will continue to receive funding higher than their measured needs merit?

### Question 4

**Do you agree with the principle of protecting local authorities from reductions in funding as a result of this formula? This is referred to as a funding floor in this document.**

### **Question 5**

**Do you support our proposal to set the funding floor such that no local authority will see a reduction in funding, compared to their spending baseline?**

Local flexibility is important in making sure that the funding system is responsive to changes in the balance of mainstream and specialist provision within the local area.

Ability to target additional disproportionality funding to particularly inclusive schools

No restrictions on transfer of funds between high needs block, the central school services block and the retained elements of the early years block.

With the agreement of Schools Forum and a majority of primary and/or secondary schools and academies, funds can be transferred from schools block formula funding to the high needs budget.

### **Question 6**

**Do you agree with our proposals to allow limited flexibility between schools and high needs budgets in 2018-19?**

Idea floated of allowing schools in an area to pool funding to be directed towards those schools that need it most for their pupils with SEN with the agreement of the LA.

Local strategy for specialist and alternative provision should take flexibilities into account

### **Question 7**

**Do you have any suggestions about the level of flexibility we should allow between schools and high needs budgets in 2019-20 and beyond?**

### **Question 8**

**Are there further considerations we should be taking into account about the proposed high needs national funding formula?**

As a reminder, the **nine** protected characteristics are...

Age  
Gender reassignment  
Pregnancy and maternity  
Religion or belief  
Sexual orientation

Disability  
Marriage and civil partnership  
Race  
Sex (gender)

**Question 9**

**Is there any evidence relating to the eight protected characteristics as identified in the Equality Act 2010 that is not included in the Equalities Analysis Impact Assessment and that we should take into account?**

## NATIONAL SCHOOLS FUNDING FORMULA: STAGE TWO CONSULTATION QUESTIONS

***“Funding every school using the national funding formula will mean a fair settlement for each school”***

***“A fairer system will require some redistribution”***

Common funding per type of pupil across the country assumes a common level of need of those pupils.

Additional funding following those pupils who are likely to need most support

Transitional protections for schools losing with a funding floor to limit eventual losses

Additional funding into the system to permit gaining schools to gain quickly.

**Q1. In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance?**

The Primary to Secondary per pupil funding ratio in Kirklees’ 2017-18 funding submission is 1:1.275 on pure Schools Block distribution. This ratio changes to 1:1.2869 when nearly £2m of additional Council funding for the PPP1 affordability gap is added into the picture.

**Q2. Do you support our proposal to set the primary to secondary ratio in line with the current national average of 1:1.29, which means that pupils in the secondary phase are funded overall 29% higher than pupils in the primary phase?**

In 2017-18, taking pure Schools Block formula funding 90.95% of Kirklees’ formula funding is distributed by pupil-led factors. The NFF will distribute 91% via pupil-led factors. The problem for Kirklees is that our Schools Block allocation stands to shrink significantly.

**Q3. Do you support our proposal to maximise pupil-led funding, so that more funding is allocated to factors that relate directly to pupils and their characteristics?**

In the illustrations provided, £15.16m would be distributed by Free School Meals factors in Kirklees rather than the £8.82m in 2016-17; NFF IDACI allocates £8.66m compared to £16.59m in 2016-17. The combined position is a net increase of £1.27m re Deprivation under the NFF illustration. Low Prior Attainment shows a rise from £19.13m to £20.37m but this change breaks down into a reduction of (£0.64m) for Primary and an increase of £1.88m for Secondary. Under the NFF EAL factor illustration £3.34m is allocated compared to 2016-17’s £2.1m. The cost of allocating more funding to these factors is seen in the depressed funding level for basic entitlement/AWPU with spend here reducing from £204.36m to £192.84m

**Q4. Within the total pupil-led funding, do you support our proposal to increase the proportion allocated to the additional needs factors (deprivation, low prior attainment and English as an additional language)?**

72.5% of the national schools block budget to basic entitlement funding  
5.4% of the national schools block budget to pupil-level deprivation (FSM factors)  
3.9% to area-level deprivation (Income Deprivation Affecting Children Index – IDACI)  
7.5% to Low Prior Attainment  
1.2% to English as an Additional Language  
0.1% to Pupil Mobility  
7.1% to the Lump Sum  
0.08% to Sparsity  
1.8% to Premises factors  
0.5% to Growth

**Q5. Do you agree with the proposed weightings for each of the additional needs factors?**

Mobility funding is only allocated within NFF to those local authorities that have introduced a mobility factor in their funding formula. If an objective measure can be devised Kirklees could only gain funding? But it depends on how the expanded factor would be paid for.

**Q6. Do you have any suggestions about potential indicators and data sources we could use to allocate mobility funding in 2019-20 and beyond?**

The current Lump Sum value in Kirklees is £130,000. The range amongst local authorities currently ranges from £59,500 to the £175,000 maximum value. The proposed £110,000 is lower than the current national average lump sum value.

The EFA say the reduction is in line with encouraging schools to share services and functions. Assumption made that small schools are often protected by the sparsity factor.

**Q7. Do you agree with the proposed lump sum amount of £110,000 for all schools?**



No Kirklees schools meet the current sparsity criteria. Fixed sum approach removed under NFF with only tapered funding methodology remaining. Maximum sparsity allocation is currently a lump sum of £100,000. Proposed reduction in the maximum is in line with reductions to the Lump Sum value.

**Q8. Do you agree with the proposed amounts for sparsity funding of up to £25,000 for primary schools and up to £65,000 for secondary, middle and all-through schools?**

In 2018-19 Growth will be allocated within the NFF on the basis of historic Pupil Growth Fund and Falling Rolls Fund budgets plus the implicit growth from alterations made to individual schools' pupil numbers in Authority Planning Tool submissions. But historic spend on growth won't necessarily predict future need to spend. Need to explore the use of objective measures to anticipate growth demands.

**Q9. Do you agree that lagged pupil growth data would provide an effective basis for the growth factor in the longer term?**

Using a 3% per pupil funding floor the NFF illustration builds in a total of £7.3m funding to limit individual schools to that 3% loss. If the funding floor was to be removed the total illustrated potential loss amongst Kirklees schools would rise from -(£6.4)m to -(£13.7)m.

**Q10. Do you agree with the principle of a funding floor that would protect schools from large overall reductions as a result of this formula? This would be in addition to the minimum funding guarantee.**

**Q11. Do you support our proposal to set the floor at minus 3%, which will mean that no school will lose more than 3% of their current per-pupil funding level as a result of this formula?**

For a school that is still growing year group by year group the proposal is to project forward to the end point funding the school would receive when it had pupils in all year groups. If this wasn't done the lump sum would overstate the amount of per pupil funding for the growing school as it would represent a disproportionate part of the school's formula funding until each year group is occupied. The funding floor would be set too high in that case.

**Q12. Do you agree that for new or growing schools the funding floor should be applied to the per-pupil funding they would have received if they were at full capacity?**

The Minimum Funding Guarantee has been set at  $-(1.5)\%$  per pupil each year since the Fair Funding reforms introduced in April 2013.

**Q13. Do you support our proposal to continue the minimum funding guarantee at minus 1.5% per pupil? This will mean that schools are protected against reductions of more than 1.5% per pupil per year.**

**Q14. Are there further considerations we should be taking into account about the proposed schools national funding formula?**

**Q15. Are there further considerations we should be taking into account about the impact of the proposed schools national funding formula?**

90% of the Central School Services Block funding will be allocated to local authorities on a per pupil basis (including the effect of the area cost adjustment). The indicative rate is £28.64 per pupil. 10% is proposed to be allocated by FSM Ever6 data, a national 'top-up' rate of £11.62 per deprived pupil. The deprivation factor acknowledges the importance of particular central services for schools in high levels of socio-economic deprivation.

**Q16. Do you agree that we should allocate 10% of funding through a deprivation factor in the central school services block?**

In the illustration provided, the annual reduction for Kirklees within the context of a 2.5% limit on reductions would be c£50k. This would be offset to a small degree if the local pupil population continues to increase. The EFA assume that any legitimate historic commitments met from the CSSB will reduce over time to help. For Kirklees the only historic commitment is the ongoing pension costs of around 100 teachers who retired before 2013 – it will be some time before the current budget commitment of £171k will significantly reduce.

**Q17. Do you support our proposal to limit reductions on local authorities' central school services block funding to 2.5% per pupil in 2018-19 and in 2019-20?**

**Q18. Are there further considerations we should be taking into account about the proposed central school services block formula?**