

THE KIRKLEES SCHOOLS FORUM

meeting held on Friday 21st October 2016

10:00am at Huddersfield Town Hall

Present:

Julie Helm	Nursery School Heads (1)
Diana Wilson	Primary School Heads (6)
	Middle School Heads (1)
Ian Ellam, Loz Wilson	High School Heads (2)
Nicky Rogers	Special School Heads (1)
Mike Cook, Michelle Lee [Chair]	Academy Heads (2)
Martin Ridge	Pupil Referral Units (1)
	Kirklees Governors (1)
Gillian Collins (ATL), Sarah Ellis (Pre-school Learning Alliance), Gill Goodswen (NUT), 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 Hazel Danson (NUT) [Gill Goodswen attended in substitution], Lynn Hill (Primary School Heads), Gary Johnson (Middle School Heads), Catherine Jubb (Academies) and Marcus Newby (Primary School Heads).

2. Minutes of the Schools Forum Public meeting held on 24th June

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

3. Matters arising from the Schools Forum meeting 24th June

3.1 2015-16 Rollover decisions [minute 5 of the 24th June meeting]

The table below reports the rollover recommendations reached by the Forum at their briefing meeting in July.

Budget Heading	Amount	Notes	Recommendation
Learning – Early Years	£1,531,800 <u>£1,239,400</u> £2,771,200	[£1.53m is two year-old funding, £1.24m trajectory funding for new places] The proposal has been slightly amended to set aside an interim sum of £80,000 whilst the details of the safeguarding proposals (including an EY safeguarding officer) are worked up. £2,116,000 is proposed to be rolled forward within the Early years account with a sum of £575,100 then freed up to be deployed for other purposes.	Rollover of £80,000 agreed to be set aside whilst detailed proposals are constructed to strengthen local safeguarding arrangements Rollover of £2,116,000 agreed within the EY budget but Forum will want to revisit plans for commitment of this money once the terms of the new National Early Years funding arrangements become clear. Particular focus will be placed upon any specific funding newly provided to implement the free 30 hours per week offer. Rollover agreed for the balance of £575,100 - to be added to the 2016-17 High Needs budget to mitigate the pressures surfacing there.

PVI Formula funding / EYSFF	£414,000	The under-spend is within the budget which funds 3 and 4 year olds for the 15 hours free entitlement across both PVI and school settings. There are two elements to it. £145,000 relates to temporary support previously moved in from the High Needs block. The majority of the remaining sum reflects a reduction in numbers accessing the entitlement and the EFA will retrospectively adjust our funding downwards for this in due course.	Rollover of £145,000 agreed (to be returned to the High Needs block) Rollover of £269,000 agreed within the PVI / EYSFF account to provide for estimated claw back by the EFA of £245k, with the balance to serve as a small contingency provision.
BESD & Exclusions / SEN Contingency	£404,500	It has been custom and practice for Forum to approve the roll forward of SEN-related underspends within the High Needs funding block	Rollover of the full sum agreed to help with the significant pressures emerging within the High Needs account.
FE High Needs	£249,300	This under-spend relates to an invoice which should have been accounted for in FY 2015-16.	Rollover of the full sum agreed. [This was accepted as an unavoidable technical adjustment]
School-specific Contingency	£2,515,200	The balance within the School Reorganisation reserve stands at £2,341,700 (down from an opening figure of £2.85m). The remainder of the year end sum is comprised of £200k of unused Falling Rolls Fund, a £130.8k underspend within the Pupil Growth Fund offset by an over-spend of the true contingency provision by £157.3k.	Rollover of the full sum agreed. Opening 2016-17 balance on the Reorganisation reserve is therefore £2,341,700. It was agreed that the net balance of £173,500 should be added to the High Needs account (the pressures here were seen to be more of a priority than returning small shares of the Falling Rolls Fund to each school).
Sickness Absence Insurance Scheme	£86,900	This outcome represents a significant tightening in the performance of the insurance scheme – the previous year's outturn was a healthy £404k surplus. The new basis of payments linked to authorised absence incidence is thought to be the main reason for the 2015-16 result	Rollover of the full sum agreed to be retained in the insurance account as contingency provision. [Forum has previously approved the use of a £100k contingency within the insurance account, so this approximates to that].

High Needs Block support from 2015-16 Rollover

The decisions above result in a significant (but temporary) amount of financial support for the 2016-17 High Needs block problem. This buys some time to devise the actions that will be necessary to deal with the underlying imbalance in High Needs going forward. The build-up of the agreed funds is shown below.

From the Learning – Early Years balance	£575,100
From EYSFF – funds returned to High Needs	£145,000
Roll forward within the High Needs Block (BESD/SEN contingency)	£404,500
From the School-specific contingency account	£173,500
Less 2015-16 DSG overspend positions to redeem	-(£263,600)
Total rollover support for High Needs	£1,034,500

4. Pupils Numbers and Membership

The Data Management Service has sent through details of pupil numbers in mainstream schools and academies as recorded on the May 2016 census return. There has been a slight shift in the balance of pupils between the academy and maintained sectors. For academic year 2015/16 Forum has been operating with six primary maintained reps, two secondary maintained and two from the academy sector. For 2016/17, the proportions need to change slightly to reflect the picture set out in the table below...

Mainstream bloc	Pupil nos.	Proportion of total	Reps (fte)	Reps (rounded)
Primary in maintained	33,052	54.44%	5.44	5
Secondary in maintained	10,022	16.51%	1.65	2
Primary in academies	4,394	7.24%	0.72	1
Secondary in academies	13,245	21.81%	2.18	2
Totals	60,713	100.00%	10.0	10

This changes the proportions from the 6:2:2 described above to 5:2:3 for 2016/17.

There is no requirement in the Forum regulations to split the academy representation to Forum via the primary and secondary academy proportions. However, it is probably expedient to do so for 2016/17 given that an election process to secure academy representation to Forum was run over the Summer Break and the nominee who came third was from a primary academy. Given that the election could have been held to fill three positions, the third academy member is now proposed to be that third nominee, Catherine Jubb, head teacher of Lindley Junior School. This decision was agreed by the two current academy representatives.

It was asked whether there was any news about securing a representative from the Special academy sector as Forum now needs one to comply with the regulations. It is understood that the nomination will be dealt with at an upcoming meeting of the Kirklees Special School Heads (KSSH) group.

5. National Funding Arrangements for 2017-18

5.1 Schools Block

The main headlines to report are...

- The National Funding Formula (NFF) proposals have been pushed back one year so 2017-18 school funding arrangements will be broadly similar to this year.
- The Dedicated Schools Grant (DSG) funding blocks (Early Years, High Needs and Schools) have been re-baselined to reflect how the local authority has been spending against the original blocks.
- Money could still be moved between the Blocks in 2017-18 if necessary.
- No local authority will see a reduction in their baselined Schools Block funding per pupil for 2017-18 or a reduction in cash terms in its High Needs allocation.

- The Minimum Funding Guarantee will again be set at a maximum loss of funding per pupil of – (1.5) %.
- The Education Funding Agency has reworked the IDACI (Income Deprivation Affecting Children Index) bandings for 2017-18 to broadly restore the proportions of children falling into each band to pre-2016 levels.
- The Year 7 cohort in the October 2016 data set will have been assessed for the first time under the new, more challenging National Curriculum and therefore counts a higher proportion of this year group as having low attainment. The EFA will issue a specific weighting to use to compensate for this effect.
- (Not a mandatory change for 2017-18 but...) Should the effects of using the EAL3 data set rather than the current EAL1 be considered because the NFF stage 1 proposals indicated EAL3 would be used within the 'hard' national funding formula?
- This year there is to be no draft submission at the end of October of school funding figures. There is only the live return to complete by mid-January 2017.
- Education Services Grant ends this financial year (with some transitional funding for school improvement continuing to August 2017). [See further details about this below].

Education Funding Agency timetable

The key deadlines within the EFA timetable for determination of 2017-18 school funding are given below: -

30 th November 2016	For EFA receipt of exceptional request applications
20 th January 2017	For submission of the 2017-18 school funding figures to the EFA
28 th February 2017	For confirmation of 2017-18 budget shares to maintained schools
31 st March 2017	For confirmation of general annual grant to those academies which were open by 9 th January 2017

Education Services Grant (ESG) withdrawal

There are two elements to the current Education Services Grant funding which is allocated to local authorities in respect of statutory duties resting with the Council which relate to local schools and academies. Currently the Council receives £15 ESG **retained duties** funding per pupil educated in local schools and academies (worth £974k in 2016-17). In addition, the Council currently receives £77 ESG **general duties** funding per pupil educated in the schools it maintains.

Education Services Grant will cease at the end of financial year 2016-17. The £15 per pupil retained duties funding will be transferred into the DSG allocation for next year. The LA can retain sufficient funding from this to cover duties the ESG previously funded but this should be with the agreement of the Schools Forum. The general duties element ceases but there is then a transitional allocation for the period April to August 2017 in respect of school improvement responsibilities to see out the academic year. Again the local authority can make a case (to its maintained schools only) to retain funding for duties that were previously funded through general duties ESG. More detail will shortly be issued by the EFA about the duties placed upon local authorities going forward to inform the debate. In due course, the

local authority will present proposals to Forum setting out its need to retain funding for duties previously supported by ESG.

5.2 Early Years National Funding Formula

The Department for Education launched a consultation on 11th August about an Early Years National Funding Formula and changes to the way the three- and four year-old entitlements are funded. The consultation window closed on 22nd September. Martin Wilby, the Council's Early Learning & Childcare Sufficiency Manager worked hard to co-ordinate both the Council's response to the proposals and that from local stakeholders via discussions with relevant Forum members and the Free Early Education & Childcare working group.

The justification for bringing in an EYNFF is about correcting the inherent unfairness in the current system which allocates funding on the basis of historic spending positions rather than the costs of delivering the provision. It is thought that Kirklees will fall somewhere in the middle of authorities which would gain from the EYNFF and those which would lose funding.

The Proposals

The new EYNFF formula would allocate funding from April 2017 to local authorities using a base funding rate for three- and four-year olds that accounts for 89.5% of the total allocation. On top of this there will be additional need funding to acknowledge the extra costs of supporting certain groups of children to achieve good early learning and development outcomes. 8% of the total would be allocated via the proxy of authority rates of free school meals eligibility at key stages 1 and 2 to acknowledge socio-economic disadvantage. Disability Living Allowance (DLA) data would be used to allocate 1% of the total to acknowledge the support needed for disabled children and children with SEN. The remaining 1.5% of the total sum would be allocated via data on the prevalence of EAL children at KS1 and KS2 to acknowledge the additional costs of supporting children who do not have English as their first language. An area cost adjustment would then be applied which uses mainly General Labour Market data but also premises rateable values to weight funding towards those areas of the country where provision is more expensive to deliver.

The same funding formula will apply from September 2017 when the extension to 30 hours of free childcare for eligible children/families is implemented nationally. The proposals do not specifically cover eligible two year olds but it is understood that an increase in their hourly funding rate is planned.

There are also changes proposed to how local authorities are expected to pass on the EYNFF funding to local providers. Arrangements will include...

- A universal base rate of funding for all types of providers (including nursery schools)
- A limit on local authority top-slicing of the allocation to 5%
- Funding supplements to be limited to 10% of the overall local formula method (available supplements are deprivation, sparsity, flexibility, efficiency and whether the increase to 30 hours per week for working parents is being delivered)
- A disability access fund to pass on additional funding to providers with children claiming DLA.
- A local inclusion fund for children with SEND passed on to providers on a case-by-case basis. This can be funded from the EY Block and/or the High Needs Block.

The new EYNFF funding allocations for local authorities will have some transitional protections built in – no LA will lose more than 10% of its existing funding with maximum reductions in hourly rates to providers set at -5% in 2017-18 and -5% in 2018-19. The Government will provide supplementary funding for nursery schools for at least two years.

The Department will issue their response to consultation later in the Autumn and has acknowledged that the timetable for implementation of the changes is challenging.

Anticipated effect of the proposals for Kirklees

Many of the proposals are already reflected in our local Early Years funding arrangements – a universal base rate for all providers (with the exception of nursery schools), limited central retention of funding, use of funding supplements (one only, deprivation) and a local inclusion fund for SEND children on a case-by-case basis (although this is currently only applied to PVI providers).

The challenges for Kirklees are around nursery school provision; how to operate a cohesive and fair SEND inclusion fund across the PVI and school sectors without adversely affecting the base hourly funding rate; the value of the base funding rate against a background of no increase to the current rate for a number of years and rising cost pressures for all providers.

Alongside the consultation launch, illustrative figures using the proposed EYNFF methodology were published. These suggested that Kirklees would be one of the local authorities which would see a reduction in funding under the EYNFF in comparison to its current early years funding allocation. Subsequent investigation has revealed that the illustrative figures were based upon each local authority's s251 budget statement return for financial year 2015-16. That particular return from Kirklees contained an error within the early years section which has previously been reported to the DfE. However, the same error has not been picked up by the EYNFF illustration and delivers a false outcome for Kirklees. The actual EYNFF allocation for 2017-18 will be based upon the 2016-17 s251 return and officers are hopeful that this will ensure a better outcome is delivered for Kirklees.

6. Exceptions Applications to the Education Funding Agency

The Education Funding Agency has set a deadline of 30th November 2016 for receipt of exceptions requests from local authorities to vary the strict application of the Schools Block funding formula to individual schools in certain circumstances. We don't need to submit repeat applications where previous approval has been granted, provided that the circumstances haven't changed. So, previous premises rental amount approvals carry forward as does permission to vary data set pupil numbers in the case of school provisions that are being grown year group by year group (ie Royds Hall – Luck Lane Primary and Beaumont Primary Academy).

The issues where we do need to request permission to vary all fall within the scope of the Minimum Funding Guarantee calculation. The meeting was shown detailed figures to explain why the adjustments are necessary for the individual schools concerned. The completed EFA pro forma applications will be presented to the November Forum briefing meeting for Forum to sign off before their submission by the end of November.

- **Minimum Funding Guarantee variations re rental costs**

The premises rental factor presents a technical problem when a new rented modular building is placed at a school or when an existing rented modular is removed from a school. The rental factor provides funding to the school which is equivalent to the annual rental charge. Funding is only provided when the accommodation is required to address a basic need for school places in the locality. When a rented modular is placed and funded at a school for the first time the MFG calculation picks up the resultant increase in the school's budget share allocation, specifically the gain in funding per pupil and then applies the gaining schools scale-back percentage. This means that a large proportion of the additional rental funding is deducted by the MFG scale-back and would mean the school would have to divert existing funds towards the new rental costs. To prevent this from happening and ensure that the school receives the full benefit of the new rental funding, the rental amount needs to be taken out of the new funding year's MFG calculation. [Reinwood Junior School will be in this position with the 2017-18 allocation].

The reverse is true when a rented modular is no longer needed and is removed. The MFG reacts to the per pupil drop in funding between years and attempts to protect the school from a proportion of the loss. This is unnecessary because the school losing the rental funding also loses responsibility for making the rental payments! Reinwood Infant & Nursery School will be in this position next year as their rented modular transfers across to Reinwood Junior School. The added complication in this case is that no adjustment was made to the formal funding allocation in 2016-17 when the I & N School received rental funding for the first time. (This was corrected from Schools Contingency this year). The application to vary the I & N School's MFG calculation next year will need to adjust both the 2016-17 and 2017-18 baselines to correct for the influence of the temporary rental funding.

A similar scenario applies at Denby Dale First & Nursery School where rented modular accommodation was placed a couple of years ago to accommodate the school's new Nursery provision following the closure of Denby Dale Nursery School. Their MFG treatment should have been varied in both the 2015-16 and 2016-17 allocations – contingency corrections have now been made. The application to vary the 2017-18 MFG calculation will entail adjustments to both the 2016-17 and 2017-18 baselines to bring their funding allocation back on track.

- **Minimum Funding Guarantee variation re growing schools**

For Royds Hall Community School, as the new Luck lane Primary provision grows it alters the ratio of primary to secondary pupils within the school's overall number on roll. The problem with the MFG methodology is that it treats the increase in numbers as wholly in secondary and when it picks up that those pupils have been given the primary age-weighted pupil unit it tries to protect them at the level of the higher secondary rate. The EFA acknowledge that this can present problems and have produced an adjustment spreadsheet to re-profile the balance of pupils to prevent an unjustifiable level of protection being applied. A copy of last year's adjustment spreadsheet was circulated to the meeting and this showed a baseline adjustment reduction of nearly £60k. Permission to use the re-profiling spreadsheet in the 2017-18 allocation will be applied for to prevent an unnecessarily high level of protection being allocated.

Forum agreed with the need to submit exceptions requests for each of the above circumstances.

7. Any other business

No other business was raised.

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

Friday 2nd December 2016 Venue: Tolson Museum

Friday 10th March 2017 Venue: Tolson Museum

Friday 16th June 2017 Venue: Tolson Museum

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