

THE KIRKLEES SCHOOLS FORUM

meeting held on Friday 10th March 2017

10:00am at the Tolson Museum, Huddersfield

Present:

Julie Helm	Nursery School Heads (1)
Diana Wilson	Primary School Heads (5)
Gary Johnson	Middle School Heads (1)
Loz Wilson	High School Heads (2)
	Special School Heads (1)
Sarah Wilson	Special Academy Heads (1)
Ann McCall	Academy Heads (3)
Martin Ridge [Chair]	Pupil Referral Units (1)
	Kirklees Governors (1)
Gillian Collins (ATL), Hazel Danson (NUT), Paula Wescott (NASUWT)	Non-school members (5)
David Gearing (Financial Delegation Manager); [Minute Clerk]	Officers in Support
Liz Singleton (Deputy Assistant Director, Learning)	
	Observers

1. Apologies for absence

Apologies had been received from Ian Ellam (Secondary Heads), Sarah Ellis (Pre-School Learning Alliance), Lynn Hill (Primary Heads), Catherine Jubbs (Academy Heads), Michelle Lee (Academy Heads) and Nicky Rogers (Special School Heads)

2. Minutes of the Schools Forum Public meeting held on 2nd December

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

3. Matters arising from the Schools Forum Public meeting 2nd December

No matters were raised.

4. Report on 2017-18 Budget Share allocations

The final version of the 2017-18 Schools Funding Formula summary paper, together with the comparison to the previous funding year, was circulated to the meeting. The purpose of today's agenda item is to brief Forum upon the final actions taken to complete the submission of the 2017-18 schools funding return to the Education Funding Agency. This was uploaded to the EFA website on deadline day of 20th January.

Just £30,000 of the pupil growth increase of £3.52m was uncommitted once all the funding factors had been completed. This sum has been spread proportionately across the three age-weighted pupil unit (AWPU) factors. This added 40p to the value of the Primary AWPU, 58p to the KS3 AWPU and 71p to KS4. However, as had been previously reported, to match the EFA's reworking of the IDACI bands, the KS3 and KS4 base AWPU values had been reduced by -£(5.84) and -£(7.21) respectively.

The transfer into the funding formula budget of the School Safeguarding Officer provision (£48,400) and the Schools Commissioning Funds (£450,300) has been declared as 'new delegation', showing as a separate row in the summary analysis. New delegation falls outside the Minimum Funding Guarantee calculation so that the additional funds can reach schools without being either subject to scaling back or diluting the true level of MFG protection

needed. The new funds have added £5.29 into the primary AWPU, £11.82 to the KS3 AWPU and £14.40 to the KS4 AWPU.

At an earlier Forum briefing meeting it was decided that all maintained schools would be e-mailed with a proposal to de-delegate the school-to-school commissioning funds for financial year 2017-18. At the point a decision needed to be made, 31 maintained primary schools had responded, 28 of whom favoured de-delegation, and of the 6 maintained secondary responses 5 were in favour. As a result, the EFA submission included school commissioning as a de-delegated budget. For the maintained sectors, £4.50 per primary pupil and £12.01 per secondary pupil will be de-delegated in 2017-18.

The primary to secondary per pupil funding ratio hasn't shown a significant change for 2017-18. The underlying ratio is 1:1.275 but when the Council's input of funds to support the PFI affordability gap is taken into account the ratio changes to 1:1.2869. The national average we are told is 1:1.29 so the final figure for Kirklees is in line with this but the underlying ratio is slightly lower than the national average.

A school-by-school breakdown of the 2017-18 Budget Share allocations was provided to the meeting. The analysis included information about the allocations to the special and nursery schools sectors. It also showed the academy figures that were submitted to the Education Funding Agency with a comparison to the equivalent figures at the same stage in proceedings last year. [The figures for academies are adjusted by the EFA to finalise the General Annual Grant allocations which also affects the minimum funding guarantee figure used and there are also further phasing reductions` applied to historic education services grant figures].

The analysis picks out each school's Minimum Funding Guarantee adjustment for 2017-18, the final Schools Block allocation together with additional sums allocated for specialist provision, high needs top-up amounts, early years funding and the Ever6 Pupil Premium and the Service Children Premium. There is also a comparison performed for each school with their 2016-17 budget share figure, showing the difference in terms of both the cash and the percentage change in budget between years. A final column notes the change in funded pupil numbers between the two years to provide some context to the funding shifts.

Looking further ahead to the National Funding Formula for schools, it was asked whether it was possible to provide schools with some projection figures for planning purposes for how their funding might change. Realistically, any such projection needs to wait until the outcome of the current consultation becomes known and firm decisions about the shape of the NFF are made. Even then, 2018-19 presents a bit of a forecasting problem because it will be a bridging year between the current formula arrangements and the NFF-determined allocation in the following year. The shape of allocations in 2018-19 will be difficult to estimate in advance of all the discussions and local consultation that needs to take place.

5. National Funding Formula Consultations: Schools Funding and High Needs – Stage Two

5.1 Illustrated effects for Kirklees

The meeting considered a reconciliation analysis of the Education Funding Agency's illustrative figures for a pure National Funding Formula allocation to Kirklees' schools and academies (based on 2016-17 funding data). Around £62k of the EFA's bottom-line total

remains unreconciled to the £272.09m shown as Kirklees' total NFF funding amount. The analysis shows that, in comparison to the funding amount reported to the EFA for 2016-17 (£278.87m), the basic application of the NFF factor values only allocates £263.94m in total. The difference is analysed in the table below.

Funding Factor	2016-17 Actual	2016-17 NFF	Funding Difference
	£m	£m	£m
AWPU	204.36	192.84	- 11.52
Deprivation: FSM	8.82	15.16	+ 6.34
Deprivation: IDACI	16.59	8.66	- 7.93
Looked-after Children	0.44	0	- 0.44
English as Additional Language	2.10	3.34	+ 1.24
Low Prior Attainment	19.13	20.37	+ 1.24
Lump Sums	22.18	18.65	- 3.53
Amalgamation Lump Sums	0.20	0.20	---
Premises-related	5.05	4.66	- 0.39
Area Cost Adjustment	0	0.04	+ 0.04
Totals	£278.87m	£263.94m	-£14.93m

There are several issues to consider that either have or have not been included in the above picture that need to be taken into account to enable a proper comparison to be made to the actual Schools Block funding distributed for 2016-17...

- The NFF illustrative figures contain an error for the new Oak CE Primary School in that all the pupil data for the former Dryclough CE Infant School has been ignored. When the funding for these missing pupils is added to the picture, a further £1.8m allocation would result.
- The £263.94m includes around £0.84m from the transfer into the Schools Block of responsibility for the basic formula funding of pupils in Specialist Provisions.
- Following the withdrawal of the funding factor for looked-after children schools should see some form of increase to the value of the looked-after children Pupil Premium.
- For comparison purposes, the £263.94m ignores Business Rates funding for local academies (around £0.31m in total) but this will be included in the live NFF
- Both sides of the compared totals include roughly £2m of PFI affordability gap funding added to the DSG from Council budgets and the NFF illustration then builds in an element of inflation provision on top. In the event, this Council element of funding will fall outside the NFF

After adjustment for these technical issues a more comparable NFF figure would be £265.6m – a base reduction of £13.27m.

It is clear also that there are other elements of funding built into the NFF illustrations over and above the pure outcome from the various formula factors. Around £0.78m of academies division support for exceptional growth in student numbers in a couple of local academies has been included. However, the main reason for the difference between the total illustrated

NFF allocation (£272.09m) and the £263.94m generated by the formula factors is the funding floor protection to limit losses to a maximum reduction of 3% per pupil. The total of these protections in the illustration is £7.31m. It is unclear how long this funding floor protection approach will continue, particularly if the long term aim of the government is comparability in funding levels between schools across the country. Potentially, the headline funding reduction for Kirklees schools of £6.4m (2.3%) could eventually be in excess of £13m (approaching a 5% reduction).

5.2 Forum response to the consultation questions

The meeting worked methodically through each of the consultation questions. The main thoughts and comments raised are recorded below. Officers in support will use the information to compile a response to both consultations on behalf of Kirklees Schools Forum. A copy of the responses will be made available for the next Forum meeting.

5.2.1 Schools National Funding Formula consultation questions

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 words “fairness and stability” sparked a lot of comment. Is it actually fair, for example, to make a blanket assumption that the additional needs of a child on free school meals are the same no matter where that child is taught? Clusters of deprived children in inner city areas exponentially ramp up the difficulty level for schools operating in such areas. Is it fair that, despite claims to the contrary, schools are not receiving real terms funding increases to address pay and price inflation and rising salary contribution levels? Is it fair that schools are adversely affected by the general decline in funding for Councils and the removal of the Education Services Grant? Is it fair to restrict the gains in High Needs funding allocations to local authorities at a time when the squeeze on school funding inevitably produces some additional wash back pressure for High Needs spending? With regard to stability, all but three schools in Kirklees will lose funding under the NFF proposals and these reductions, coming on top of flat cash budget settlements, have the potential to destabilise some local school provision. The 3% funding floor will limit some of the losses but there is a question mark over how long the funding floor approach will be sustained.

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

The 1 to 1.29 national average ratio is slightly higher than the current ratio in Kirklees (1 to 1.275). It was questioned whether recent national curriculum changes have led to some blurring of the edges between primary and secondary education. More and more Year 6 pupils are starting a secondary curriculum. In the latter stages of secondary education some schools are now teaching AS subjects usually offered in post-16. Perhaps further work should be undertaken to determine from first principles what the ratio should actually be?

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?

The meeting felt that the proposed 91% of total funding to be allocated by pupil-led factors was about right.

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

The general feeling was that a higher proportion of pupil-led funding needs to be assigned to basic entitlement. There needs to be a balance struck between ensuring that those schools with little or no additional support funding have sufficient funding to operate properly and supporting schools and pupils with additional needs funding. The 72.5% proposed to be assigned to basic entitlement looks to be too low so the additional needs factors should be scaled back to some degree. Worries were expressed that the numbers of children counted under the Free School Meals factors, already declining due to the influence of Universal Infant Free Meals, will reduce further in future as a result of forthcoming changes to the benefits system. This would free up some funding to divert to other purposes but should that actually be at the expense of schools serving deprived communities? Comment was made that there isn't always a direct link between deprivation and attainment. Proven improved outcomes for the investment of the additional funding factors should be the benchmark for the level of input of the various additional need factors in an ideal world. It was also commented that having a low prior attainment factor could be viewed as rewarding poor achievement in schools.

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

As discussed at question 4 above, the balance between basic entitlement and the additional needs factors appears to be too heavily weighted towards additional needs.

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

There was acknowledgement that significant turnover of pupils during the school year can have quite an impact upon schools serving particular types of communities, eg armed forces where wholesale redeployments can happen, Council estates where there is continual movement of families in and out. However, with regard to other indicators that could be used to measure "mobility", it was felt that there isn't any robust data currently available that would enable such movement to be clearly recorded and allow comparisons between schools to be made. Some research to show the additional costs that hit those schools in response to exceptional 'churn' would be useful to inform future funding decisions. It was questioned whether significant turnover of children mid-year in a small primary school was actually more difficult to administer than the normal annual round of admission of pupils in, say, a large Infant school.

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

The meeting came to the conclusion that the proposed lump sum value is too low and that the EFA justification for making the reduction does not stack up. Certainly in Kirklees our smaller schools are not protected by the sparsity factor so a reduction to the lump sum value will only make life more difficult for them. Many of our small schools have already acted to share staff and services and make cost savings but they are still facing difficulties.

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?

Is it fair to justify a reduction in the lump sum value by claiming that the sparsity factor already protects many small schools only to then propose reducing the maximum amounts that can be allocated via the sparsity factor? Some small schools nationally will face losing both lump sum and sparsity support funding.

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

Better to have lagged pupil growth funding than no growth funding at all. Accurately forecasting future growth is a complex process but not impossible. Local authorities engage in detailed planning for future demand for school places all the time. Cross-border attendance is a complication that needs to be accounted for in any planning projections. Growth funding needs to be provided in a timely fashion, which takes into account, in so far as is possible, the pattern for the year ahead. Perhaps the EFA should have a dialogue with each local authority to do some joint planning to address identified local growth needs?

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.

Yes, but there needs to be certainty provided as to how long such a floor will be in place.

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?

Again, is this a permanent level of protection? If it isn't then clarity needs to be provided about when and how it will be withdrawn. Forum was very concerned about the prospect of some schools facing a further reduction in their funding on top of the current general squeeze on funding and the potential 3% NFF drop.

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?

There was agreement that this should happen. If not such schools would receive an artificially high level of funding protection.

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.

This will at least give school some certainty for budget planning purposes and limit the damage of NFF funding reductions. There was concern voiced about what would happen after 2019-20 – will there still be a minimum funding guarantee and at what rate?

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

More funding needs to be added into the system to limit the losses experienced by some authorities and to increase the gains for the others. Specific funding needs to be provided to support the costs of school closures and staff severance. The cost of academy conversions for Councils needs to be properly acknowledged and funded. Worries were expressed that there will be a knock-on effect for the high needs system if funding in the mainstream sector continues to deteriorate. The national funding arrangements need to properly provide for future pay and price inflation, changes to employers taxation and some additional funding to deal with the worsening condition of school premises.

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

Again, more funding into the system is needed to lessen the impact of losses.

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

Ever6 FSM is a rather crude measure of the need to support additional central costs. Further research is required to determine what the extra cost burden is for local authorities that have high proportions of children from disadvantaged backgrounds.

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?

It was seen to be unfair that schools are protected to a drop in funding of minus 1.5% yet local authorities and the services provided take a deeper reduction of minus 2.5%. Reductions in CSSB have the potential to resurface as costs for schools.

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

It would also be helpful if further clarifying guidance could be provided about what the Central School Services Block should be spent upon.

5.2.2 High Needs National Funding Formula consultation questions

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 general view was that the high needs proposals contain a large element of unfairness because of the reference back to historic high needs spending patterns and the proportionate weight given to this factor. It is clear that Kirklees is an authority that has been underfunded by the current distribution of high needs resources and this has often led to budget considerations influencing decisions rather than the best interests of the children. If the new high needs NFF provides an objective measure of needs then it makes no sense to perpetuate a proportion of historic funding levels for some authorities.

Q2. 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**

It is wrong to continue to acknowledge historic spend levels within the proposals. Any protection given should be quickly phased out in order to provide additional funding more quickly to those local authorities where current levels of funding lag behind identified need. There was support expressed for the basic entitlement element as it provides some degree of commonality with the schools funding formula proposals.

Q3. 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%**
- **Income Deprivation Affecting Children Index (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%**

It was felt that the population factor proportion might be over-stated. Local needs will not necessarily be related to the size of the local population of children and young adults. A population factor is important to include as the funding it provides will at least react to changes in that population over time. However, 50% is too large a proportionate weighting – the other factors, which are true proxy measures of the needs of children should be given more emphasis.

Q4. 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.

The meeting felt strongly that such protection simply perpetuates historic, unjustified variations in the funding allocated. Any protection should be phased out quickly to accelerate the receipt of additional funds in those local authorities that, for whatever reason, have been under-funded for some time. This approach would be similar in principle to that being taken within the schools funding arrangements.

Q5. 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?

Is this question materially different to the previous one? The same response from Forum was given as that provided to Q4. It was commented that there might need to be a factor to protect small authorities that struggle to provide a decent range of in-authority specialist places and have little alternative but to resort to relatively expensive external providers for some of their activity.

Q6. Do you agree with our proposals to allow limited flexibility between schools and high needs budgets in 2018-19?

There wouldn't be a need for such flexibility if both funding blocks were adequately funded at the moment. It is highly unlikely that Kirklees would attempt to move funding out of the schools block to help with problems in the high needs block given current school funding difficulties and the prospect of the Schools NFF making things even worse. There is a pressing need to accelerate the gain in high needs funding for relevant authorities. There would be no need for the flexibility suggested here if that happened.

Q7. Do you have any suggestions about the level of flexibility we should allow between schools and high needs budgets in 2019-20 and beyond?

If some level of flexibility between the two funding blocks is permitted, consideration needs to be given as to how proposals will be challenged and scrutinised. There remains a role for Schools Forum in agreeing local changes and holding local authorities to account. It would be helpful to have some guidance about the future role of the Schools Forum.

Q8. Are there further considerations we should be taking into account about the proposed high needs national funding formula?

Quite a few issues were raised. The high needs NFF proposals are less than explicit on how the high needs of post-16 learners will be reflected in the funding allocation. The impact on the high needs account of personalised budgets was mentioned as an issue. A plea was made that the high needs data sets be refreshed and kept up-to-date as often as possible to direct funding towards needs in a timely fashion. The difficulty of separating education cost from social cost responsibility for external placements was also raised – can the EFA provide any guidance on this issue to ensure that the high needs block isn't paying for non-education costs?

Q9. 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?

No comment (other than to point out that there are actually nine protected characteristics enshrined in the Equality Act 2010).

Following requests received at various head teacher meetings it is intended that Forum's responses will be shared widely with schools to help them formulate their own responses to the consultation which closes on 22nd March.

6. Any other business

6.1 Alternative Provision Free School proposal [Jayne Foster, Head Teacher from the Pupil Referral Service, attended the meeting for this item]

A briefing report about a proposal to establish an Alternative Provision Free School was circulated at the meeting. The model has been developed following an extensive period of research and consultation. The bid proposal has to be submitted to the Department for Education next month and has to evidence, amongst other things, that the proposals have been considered by the local Schools Forum. The bid also has to evidence both the need for

the additional specialist places and local support for the development. To that end, because of the timescale for the bid to be made, Kirklees High School Heads actually considered the proposal before it had chance to come to Forum.

The proposal is to establish a new 60-place Alternative Provision Free School within Kirklees, with a probable opening date of September 2019. The structure of the places to be offered is as follows: -

10 x KS1/KS2 places	Place value and top-up funding fully-funded by the LA
10 x KS3 places	Place value and top-up funding fully-funded by the LA
30 x KS4 places	Place value funded by the LA, top-up from commissioning school
10 further KS4 places	Fully-funded by the LA ('hard to reach', complex looked-after, children missing education)

If all the places are filled it is estimated that the AP Free School would have access to around £1.2m of funding/income per annum.

Kirklees High School Heads have been asked to commit to commissioning 30 KS4 places at the new provision. A formal response is awaited.

The new AP school will increase capacity within Kirklees to provide for the needs of children with Social, Emotional and Mental Health Difficulties (SEMHD). This will reduce the incidence of some expensive out-of-area / external placements, easing some of the pressure within the High Needs account. It will also ease some of the pressure within Pupil Referral Service provision which should then help the service to help schools build back some capacity to meet other SEMHD needs.

In the first couple of years of operation of the AP Free School the Education Funding Agency (EFA) will directly fund an agreed number of places each year (based on estimates of places to be filled). From the third year after opening, the LA's High Needs budget will be reduced to provide the base place funding to the AP Free School. There is no intention to offer places to schools and academies external to Kirklees.

The AP Free School will be eligible to receive the full range of Pupil Premium support allocations for relevant children. The implications of dual-registered pupils for this funding stream do need to be worked through though. [The same issue with pupil premium funding applies in the Pupil Referral Service sector although their situation is further complicated by the temporary "step-out" nature of some of their offer. There is a need to understand the nuances of the census triggers for pupil premium grant in respect of these establishments and to change procedures if permissible/desirable].

What happens if there is low take-up of the places? There needs to be a contingency plan in place to deal with such circumstances but it will not include charging more to the schools which are commissioning places to make up any potential shortfall.

What will be the governance arrangements for the AP Free School? Discussions are taking place with the PRS management committee as to how this will work.

Will the suggested £10k top-up funding level in the model be sufficient? Actual top-up funding will be influenced by the needs of the individual pupil – the £10k is an illustrative figure.

What are the timelines for this development? The application has to be submitted by mid-April 2017. The proposal will then be considered over the summer and there will be an ongoing dialogue with the Department during that time. A formal decision on the bid is expected sometime in the autumn. Assuming the bid is successful, things will move on to the pre-opening stage with a target opening date of the beginning of September 2019. The accommodation requirements of the new provision have been made known to the local authority and are being looked at.

Forum thanked Jayne and her colleagues for all the hard work that has obviously been put in to bring the proposal to this stage. Forum unanimously agreed to minute its support for the proposals and asked to be kept informed of developments with the bid.

7. Date and time of next meeting [start times to be confirmed]

Friday 16th June 2017

Venue: Tolson Museum

DRAFT