

# AGENDA



## SCHOOLS FORUM

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Date: Wednesday 29<sup>th</sup> November 2017  
Time: 4.30pm  
Place: Interactive Theatre Room, Winterbourne  
International Academy, High Street, Winterbourne  
BS36 1JL

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### Distribution

#### Members of the Committee

Rhona Allgood	Keith Lawrence (Chair)
Dave Baker	Louise Leader
Penny Chislett	Jim Lott
Mark Dee	Sarah Lovell
Jo Dent	Diane Owen
Mark Freeman	Lisa Parker
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Emma Jarman	Bernice Webber

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# AGENDA

1	WELCOME AND INTRODUCTIONS	5 mins
2	APOLOGIES FOR ABSENCE	5 mins
3	EVACUATION PROCESS	5 mins
4	ANY OTHER ITEMS THE CHAIR DECIDES ARE URGENT	5 mins
5	MINUTES OF THE MEETING HELD ON 19 OCTOBER 2017	5 mins
6	CHIPPING SODBURY SCHOOL – FINANCIAL SUPPORT REQUEST FROM THE SCHOOLS IN FINANCIAL DIFFICULTY CONTINGENCY	10 mins
7	INTEGRA VERBAL UPDATE	10 mins
8	POST 16 HIGH COST PLACEMENTS	20 mins
9	SCHOOL FUNDING 2018/19 – FINAL PROPOSALS	15 mins
10	REQUESTING SECRETARY OF STATE APPROVAL FOR MOVING FUNDING FROM SCHOOLS BLOCK TO HIGH NEEDS BLOCK	10 mins
11	EARLY YEARS INCLUSION FUND	10 mins
12	DATES OF FUTURE MEETINGS AND THE SCHOOLS FORUM WORK PROGRAMME 2017/18	5 mins
13	ANY OTHER BUSINESS	5 mins

**SCHOOLS FORUM**  
**Thursday 19<sup>th</sup> October 2017**  
**Interactive Theatre Room, Winterbourne International Academy**

**PRESENT:**

Dave Baker	Executive Headteacher, Olympus Academy Trust
Jo Dent	Headteacher, Hambrook Primary
Mark Freeman	Headteacher, St Michael's Primary, Stoke Gifford
Kim Garland	Headteacher, Brimsham Green School
Elizabeth Gibbons	Diocese of Bristol
Keith Lawrence (Chair)	Governor, Culverhill, School
Louise Leader	Headteacher, Pathways Learning Centre
Jim Lott	Governor, The Tynings Primary and Raysfield Federation
Sarah Lovell	Finance Director, Cabot Learning Federation
Toby Savage	Councillor, Cabinet Member for Schools
Bernice Webber	Headteacher, Old Sodbury Primary

**Officers:**

Mustafa Salih – Head of Financial Management and Business Support  
 Helean Hughes – Head of Education, Learning & Skills & Virtual Headteacher  
 Kate East – SEN Consultant  
 Susannah Hinnell – Managing Director, Integra  
 Sue Morgan – Senior School Improvement Adviser, Integra  
 Davina Gibbon – Corporate Finance

**1. WELCOME AND INTRODUCTIONS**

Attendees were welcomed by the Chair.

**2. APOLOGIES FOR ABSENCE**

Mark Dee, Liz Jardine, Sonya Miller, Diane Owen, Lisa Parker, Max and Anne Reed, Peter Smart and Suzie Weaver

**3. EVACUATION PROCESS**

The Chair drew attention to the emergency evacuation procedure

**4. ANY OTHER ITEMS THE CHAIR DECIDES ARE URGENT**

None

**5. MINUTES OF THE MEETING HELD ON 14 SEPTEMBER 2017**

Minutes of the previous meeting were accepted as a true record

## 6. MATTERS ARISING FROM THE PREVIOUS MEETING

Appointment of Vice Chair to be proposed at next meeting

## 7. SCHOOL FUNDING 2018/19 – CONSULTATION PROPOSALS

Mustafa Salih presented the report on the proposed consultation options. The report is similar to the report presented to the last Schools Forum but includes updates. There are four options for consideration:

- Whether we move towards a formula that replicates the National Funding Formula (NFF)
- How to make the savings towards the DSG deficit recovery plan by either:
  - reducing mainstream funding
  - reducing SEN funding

The impact of the October NFF announcement means that South Gloucestershire school funding will increase by £4.4m. Despite the increase, some schools will lose funding year to year. One of the issues raised by September Schools Forum was that the models at that time placed all the burden of the DSG deficit recovery plan on mainstream schools. This has been reflected on that and the options include reduced funding for special schools and resource base funding.

The methodology used to reduce mainstream funding is a simple pro rata formula factor rate reduction until £2.9m savings is generated. For high needs, reducing high incidence funding and removing the 0-105 units double funding element of matrix funding. If a reducing mainstream funding option is adopted then funding released from high incidence and the removal of 0-105 unit funding would be re-invested in SEN.

The proposed consultation with schools launch date is 30<sup>th</sup> October. Consultation would run until 24<sup>th</sup> November and the outcome would be presented to Schools Forum on 29<sup>th</sup> November. If the option to reduce schools main funding is adopted then the approval of the Secretary of State is required and the deadline for that submission is 30<sup>th</sup> November. A final report would go to Cabinet on 4<sup>th</sup> December for statutory decision of which option to go for. During late December the next tranche of information is released by the DfE which updates funding based on October Census data. School budgets are finalised and sent to the ESFA by 19<sup>th</sup> January. Paragraph 18 table Schools Budgets release date should be February 2018.

The four options being consulted are models used to exemplify the changes as they are not based on final data.

NFF has allocated more funding to South Gloucestershire relative to other LA's but we have dropped to second from bottom of the lowest funded authority however the range between authorities has narrowed. Over the next two years

the average increase is around 3% but the South Gloucestershire increase is around 6%. The additional £4.4m in 2018/19 is repeated in 2019/20 with another £4m.

MS, TS and local MP's have met with Nick Gibbs, Minister of State. The meeting was positive and included discussion on the dilemma of whether the DSG savings are found in mainstream or SEN funding. The MoS was advised that pending consultation with schools, the LA would probably be seeking approval to move funding from mainstream to SEN. A case was made for additional funding and for high needs pressures to be recognised.

TS commented that it was a useful meeting for DfE representatives to understand how the formula would impact on individual education authorities like ours.

The DSG overspend was £6.5m at the close of 2016/17 and is forecast to be £10m at the close of 2017/18. The DSG recovery plan forecasts spend levelling off in 2018/19 and dropping in 2019/20 and back into balance in 2020/21. In order to stay on track for 2018/19 we need to reduce spending by £3m which is reflected in the models.

LL asked which was the least worse option. MS referred to the table highlighting average losses/gains. Options 1 & 2 have the least numbers of losers as this is based on the current formula. Options 3 & 4 has an increased number of losers because of the move to new NFF which is very different from our existing formula and therefore generates a high Minimum Funding Guarantee (MFG). The current years MFG is high than the MFG in any of the options.

MF asked whether there was a further option where the changes in a move to the NFF could be phased over two years. MS responded that the schools were protected on losses of greater than 1.5% in the formula by the MFG.

KG stated that if the NFF is coming it is better to implement it when additional funding coming through the system. There is concern on how schools are going to accommodate losses in funding given the level of redundancies already made. This will impact on secondary school improvement with fewer staff, less specialist staff, higher class sizes and a reduced curriculum.

SL asked what assurance was there that the deficit would be repaid and would not worsen. MS responded that the authority is addressing a number of areas but the results will not be seen in the short term. KL commented that special schools do not statement but have to react to what comes to them. KE restated a point made at Primary Heads that the budget for matrix funding is similar to that for under 19 Out of Area placements. If Out of Area placements were reduced by the LA working better with schools to support locally and manage parental expectation, funding would flow back into schools. LL stated that we need to ensure that we have the appropriate provision in house and asked if for those

placements that could have been made within authority with support what would be the level of savings. KE will look into this and come back to Schools Forum. There was a discussion on Out of Authority placements in South Gloucestershire schools.

SL asked whether the DSG deficit recovery plan term could be extended. MD responded that the DfE view would be that overspends are recovered the following year. The Council has agreed a four year plan but extending this would place the Council's probity at risk and therefore would not be allowed by the Director of Finance.

KG raised the issue that schools needing to make savings through staffing changes/redundancies would need to start work now. MS responded that the consultation options are models and the final funding would be based on updated pupil data which would change the funding.

It commented that small schools are impacted heavily by a change to NFF.

### **Agreed**

**Schools Forum agreed the four consultation options to be sent to schools.**

**The preferred model was option 3.**

## **8. DATES OF FUTURE MEETINGS**

The scheduled 18<sup>th</sup> January 2018 meeting may not be required but has been retained in the diary as provisional.

## **9. ANY OTHER BUSINESS**

The meeting closed at 17.30

## **Chipping Sodbury School Schools Forum: Financial support request from the Schools in Financial Difficulty Contingency**

### **Background**

The Schools Financial position has deteriorated over a number of years and at the 31 March 2016 the cumulative deficit stood at just under £1.2m. Under the Council's Scheme of Financial Management Schools are not allowed to plan for a deficit budget except in exceptional circumstances for a short period and that must be with the approval of the Council. The School is currently working closely with the Council to develop and adhere to a robust plan to bring the School back to a balanced budget by March 2022. The size of the deficit and the challenge represented means that a longer term recovery plan is needed and the School understands that support and close working with the Council will be required over that period.

The school was judged as Requiring Improvement at its last two Ofsted Section 5 Inspections in 2013 and 2015 respectively. The school did not replace an Assistant Headteacher who left in July 2017 as the significant deficit would not support this. The Headteacher then left the school at the end of September 2017 and the Deputy Headteacher was promoted to Interim Headteacher, her previous role was not replaced. As a result of these personnel changes, the school has reduced leadership capacity. In April 2017, the local authority and the governing body commissioned Cathedral Schools Trust to provide school to school support with the ambition of moving the school to Good at the impending Ofsted inspection. Historical data, in year data and a current assessment of teaching would suggest that the school has the potential to achieve a Good grading however, without significant immediate intervention this will not happen. This would have a significant impact on both the school and the local authority as it is highly likely that if this happened, the school would be placed under an Academy order. In order for this not to happen, there is a need for immediate financial support to improve standards and provide leadership capacity to continue the work that has already started.

The school appreciates that in many schools a contingency would support the actions outlined however, the significant deficit budget and the forecast recovery allow for no contingency and there are no reserves. Therefore, the school has no additional resource that can be accessed. The School understands it needs to move towards a sustainable budget and is working closely with the Council towards that aim. This has to be carefully balanced alongside a significant school improvement agenda and these twin challenges represent a scale of challenge that is beyond what a School can ordinarily accommodate and hence the need for short-term funding to support the School towards a balanced budget.

## Support Required

### *Staff Efficiency and HR Support*

- In order to start moving the School to a sustainable financial model there are a number of short term personnel issues that need addressing. This will require additional cover to allow the leadership team to address the more pressing cases.. Cover **Cost: £580 (4 days at £145)**
- To enable the leadership team the capacity and space to drive through the significant change needed to achieve a sustainable budget there are a number of immediate staffing investments needed to cover significant gaps. This will avoid an escalation of issues that could undermine the changes being adopted. There is an immediate need to provide sustainable staffing in maths as the current second in charge in maths is not full time 0.6 and is moving on, it is highly unlikely that this will be replaced like for like and therefore, if it can be replaced this will require full time and the additional teaching can be used for targeted intervention.  
The initial cost for the first year of this is £8594 and is needed only in the short term as this would not add additional expenditure to the five year recovery plan as in year savings through staffing will account for this in the future.  
**Cost: £8594**
- The Interim Headteacher continues to carry a teaching load, in many circumstances this would be normal however, with a leadership team of three and personnel issues that are being addressed, this teaching does not allow her the capacity required at this point in time. **Cost: £4,495 (31 days cover).**
- There are a disproportionate number of personnel issues that are requiring significant attention. In order for this to be addressed as efficiently and robustly as possible, there is a requirement for additional onsite HR support beyond that of HR administration – 1 day per week.  
**Cost: £3,150.**

Total costs to immediately build leadership capacity: **£16,819**

**Impact:** The investment outlined will provide the senior team at Chipping Sodbury the capacity to focus on school improvement and sustainable leadership. There are instances where staff have remained unchallenged which has created instances where low standards are acceptable in some aspects of teaching. This has resulted in some staff (some that are on the upper pay scale) performing at much lower than expected standards. The investment will allow for this to be addressed but also for the school to set a culture of high expectations

and accountability which in turn will ensure that the staff provide the very best standards teaching and learning.

### *Financial Recovery Planning and Tracking*

- The school has been placed under a financial notice of concern from the local authority which requires a robust financial recovery plan and careful monitoring and intervention to stay on the plan. This has been developed with the local authority. After considering the in-year budget, it is unlikely that this recovery plan will be achievable without additional financial expertise and support. In order to address the budget recovery, a more detail action strategy must be developed in order to support confident recovery and a return to the generation of surplus.

**Cost: £6,500 (10 days at £650)**

**Impact:** Development of a clear budget deficit recovery plan that can be delivered with confidence and in time lead to a surplus generation. This will provide the Headteacher with flexibility and autonomy which will allow for the accurate and targeted deployment of surplus and contingency and therefore, improved outcomes. The school has a clear commitment despite national funding challenges to return to a situation of surplus budget so that the school can be autonomous in its delivery of improved standards for students.

### *Long Term Leadership Capacity*

- In order for the challenges of the budget to be addressed, for the school to have the capacity to make substantial and sustainable improvements and for this to lead to a clear succession plan, there must be significant investment in the development of leadership. CST has worked with the LA and the governing body to provide mentoring support through the CEO to the Interim Headteacher and to provide an Associate Headteacher in the school for three days per week. This support has enabled accelerated progress in relation to standards, personnel and development of teaching and learning. This has been funded through the limited funding released through the resignation of the previous Headteacher. This allowed for the resource to be in place until the end of term two however, it is required until at least the end of the academic year. This could be commissioned through a Teaching School or through the Local Authority.

**Cost: £81,250**

**Impact:** On site leadership support will not only provide additional capacity for the senior team but, also provide the guidance, coaching and support required

for the Headteacher and the senior team to continue to improve accountability measures and engage in a detailed financial recovery where appropriate. In turn, this will have a long term impact on the school budget and support a sustainable financial situation. It will also provide capacity for the senior team to focus on improving outcomes through the provision of high quality teaching and learning.

- Sustaining middle leadership in core faculties is key to school improvement. Turbulence in the leadership of English and maths is a very high risk factor and in order to develop the interim leadership there is a need for continued support and intervention. In addition, there are two other subject areas where leadership requires support. In order to do this, Chipping Sodbury School will commission SLE support through a Teaching School for the remainder of the academic year to target these areas.

**Cost: 20 days at £350 (£7000)**

**Impact:** Through dedicated coaching and modelling for faculty leads as well as other TLR holders, the school will be able to have a longer term impact on the standards of leadership, teaching, learning and assessment and therefore outcomes. This in turn will not only have an impact for the outcomes in 2017/2018 but also for future outcomes as the leadership will impact on the attainment and progress across all year groups. Leadership development will also be targeted at all leaders which will build succession planning for the future avoiding the future requirement for this intervention.

- Over a longer period, the capacity to improve could grow if specific English, maths and science advisory roles could be created focussing on high quality T,L&A alongside the subject leads in order to model best practice. This would provide teaching capacity so in part could come from the school over a longer period but initially would require a local authority injection of funds. It is anticipated that this would be on average one person total FTE across three staff and therefore in the region of £45,000.

**Cost: £45,000 (1FTE Advisory role)**

**Impact:** The provision of clear leadership that can act in an advisory capacity across subjects will allow for the modelling of practice whilst teaching and intervening as well as in a coaching capacity. This will lead to improvements in outcomes and long term strengths to leadership.

## Summary

It is clear that Chipping Sodbury School is carrying a significant deficit and a recovery plan has been set for the school. The school has a PAN of 150 and cohorts student numbers have fluctuated significantly below PAN. This has now moved through the school and the last remaining small year group is in the current Y11. This historically has had a significant impact on the potential budget recovery which

in part will be address by increased student numbers in the current Y9 and Y10 and over subscription in Y7 and Y8. There is significant projected oversubscription for the 2018/2019 Y7 intake. Pupil planning evidence suggests that the 2018/2019 oversubscription will continue as a trend for the next five years. The school recognises that this alone will not eradicate the deficit and lead to surplus and that in order for the recovery plan to be revised, additional financial support is required. Chipping Sodbury School also appreciates that in many schools this would be led by the finance director and the Headteacher however, with such limited capacity in the senior team, the additional support is required to fund this extra capacity.

The intervention outlined is a one off request to ensure a sustainable financial model while balancing school improvement that incorporates substantial improvements in the quality of teaching and learning, outcomes, potential Ofsted assessments and the financial situation of the school. The increased capacity and financial support will enable the school and the local authority to have confidence in a budget recovery strategy returning the school to a surplus situation.

**Total request: £156,569**

## INTEGRA VERBAL UPDATE

## REVIEW OF POST 16 HIGH COST PLACEMENTS

### Purpose of Report

The purpose of the report is:

- To provide the Schools Forum with background information in relation to the policy in this area and the number and range of placements impacted on the post 16 budget;
- To explore what is working well and to identify actions that would support better forecasting on this budget;
- To outline actions that would result in more effective management of spend, set against this budget whilst noting that this is a needs led budget and affected by demand as EHC plans now extend to 25.

### Legislation and Policy

The Schools Forum has a responsibility to act as a consultative body with the local authority on the strategic financial management of the Schools Budget and the DSG. A key priority is the efficient use of the DSG in respect of the high needs funding and specifically post 16 spend, including high cost placements at non maintained special schools and colleges.

There are three Acts that are important in this area of work; they include the Children and Families Act 2014 (including the SEN Code of Practice), The Care Act 2014 and the Mental Capacity Act 2005.

The introduction of the Children and Families Act 2014 and the SEN Code of Practice 2015 included an extension of support and education to the age of 25. Education Health Care (EHC) plans extend responsibilities on the local authority to the year in which the young person is 25, with a focus on preparing the young adult for adulthood. Prior to this, Statements of SEN were ceased at 19; this change has resulted in the cohort of young people growing in numbers as young people (and their families and carers) choose to maintain their EHC plan beyond 19.

The transition from children's to adult services is complex across education, social care and health. The Code of Practice (Chapter 8) highlights the need to prepare for adulthood from the earliest years. Local authorities must ensure that the EHC plan review at Year 9, and every review thereafter, includes a focus on preparing for adulthood.

Planning in the review of the EHC plan should include preparation for adulthood and:

- support to prepare for higher education and/or employment. Training options such as supported internships, apprenticeships and traineeships should be discussed. The review should also cover support in finding a job, and learning how to do a job (for example, through work experience opportunities

or the use of job coaches) and help in understanding any welfare benefits that might be available when in work;

- support to prepare for independent living;
- support in maintaining good health in adult life, including effective planning with health services on the transition from specialist paediatric services to adult health care;
- support in participating in society, including understanding mobility and transport support, and how to find out about social and community activities, and opportunities for engagement in local decision-making.

The right of young people to make a decision is subject to their capacity to do so as set out in the Mental Capacity Act 2005. The underlying principle of the Act is to ensure that those who lack capacity are empowered to make as many decisions for themselves as possible and that any decision made or action taken on their behalf is done so in their best interests. Decisions about mental capacity are made on an individual basis, and may vary according to the nature of the decision.

There are some specific requirements that are additional for young people with autism. Under statutory guidance accompanying the national Autism Strategy, SEN Co-ordinators (SENCOs) are required to inform young people with autism of their right to a community care assessment and their parents of the right to a carer's assessment.

Maintained schools and pupil referral units (PRUs) have a statutory duty under section 42A of the Education Act 1997 to ensure pupils from Year 8 until Year 13 are provided with independent careers guidance. Academies, including 16-19 academies, and free schools are subject to this duty through their Funding Agreements. FE colleges also have equivalent requirements in their Funding Agreements – this duty applies for all students up to and including age 18 and will apply to 19- to 25-year-olds with EHC plans.

The Care Act 2014, dictates that the local authority must carry out an adult care transition assessment where there is significant benefit to a young person or their carer in doing so and they are likely to have needs for care or support after turning 18.

Transition assessments for adult care must take place at the right time for the individual. There is no set age as to when young people reach this point and as such transition assessments should take place when it is of 'significant benefit' to them.

Assessments for adult care or support must consider:

- current needs for care and support;
- whether the young person is likely to have needs for care and support after they turn 18; and
- if so, what those needs are likely to be and which are likely to be eligible needs.

Health providers have stated that transfer from children to adult health services is managed at 17 years 6 months; the adult services taking responsibility (where thresholds are met) at 18 years of age.

Local authorities can meet their statutory duties around transition assessment through an annual review of a young person's EHC plan that includes the above elements. EHC plans must include provision to assist in preparing for adulthood from Year 9 (age 13 to 14). The Code of Practice makes the Yr. 9 annual review an important meeting to discuss and plan future support and placements. Under the Care Act 2014 local authorities must continue to provide a young person with children's services until they reach a conclusion about their situation as an adult, so that there is no gap in provision. The 0-25 Service has both children and adult social work services in the one team and can therefore support this transition. Reaching a conclusion means that, following a transition assessment, the local authority concludes that the young person:

- does not have needs for adult care and support, or
- does have such needs and begins to meet some or all of them, or
- does have such needs but decides it is not going to meet them (either because they are not eligible needs or because they are already being met)

### Background

The post 16 budget includes three elements of post 16 funding. These are:

- top up (element 3) funding for students at maintained local FE colleges (e.g. South Glos and Stroud College, City of Bristol and City of Bath);
- alternative provision (e.g. local training providers like Include, Education First); and
- Specialist Post 16 Institutions (SPI). For example, this includes independent specialist FE colleges like Lufton College and Ruskin Mill College.

The main focus of this report is to consider the placements at SPIs. They are higher cost and provide learning for young people with more complex needs. The local authority has experienced an increasing number of requests to extend placements at SPIs beyond 19 where the EHC plan stays in place into the young person's twenties. In the analysis completed and reported in the July 2017 Schools Forum Report there were 46 placements which are listed in Table 1.

**Table 1 – Range of Placements by SEN need and Average Cost<sup>1</sup>**

SEN need	Autistic Spectrum Disorder	Severe Learning difficulties	Moderate Learning Difficulties	Physical Disability	Speech Language Communication Need	Social Emotional Mental Health	Specific Learning Difficulties

<sup>1</sup> Data taken from the data forecast exercise in May 2017

Number	15	11	8	5	4	2	1
Average cost	£49,545	£61,188	£52,590	£69,224	£44,183	£54,693	£47,472

Prior to the introduction of the Children and Families Act a statement of SEN would be ceased at 19. As already stated the Code of Practice allows for some young people to continue in education up to 25. The following extracts highlight the need for education and adult social care services to work closely together. The Code states Para 8.69

*“Where young people aged 18 or over continue to have EHC plans, and are receiving care and support, this will be provided under the Care Act 2014. The statutory adultcare and support plan should form the ‘care’ element of the young person’s EHC plan. While the care part of the EHC plan must meet the requirements of the Care Act 2014 and a copy should be kept by adult services, **it is the EHC plan that should be the overarching plan** that is used with these young people to ensure they receive the support they need to enable them to achieve agreed outcomes”.*

Para 8.72

*“When a young person’s EHC plan is due to come to an end, local authorities should put in place effective plans for the support the young person will be receiving across adult services. Where a care and support plan is in place, this will remain as the young person’s statutory plan for care and support. Local authorities should review the provision of adult care and support at this point as the young person’s circumstances will be changing significantly as they leave the formal education and training system”.*

At a national level there has been a lack of clarity as to when an EHC plan should be ceased and when a young person should continue to be supported in an education environment. New case law has been provided by a small number of Higher Tier tribunals, (see below).

A placement at an SPI is usually requested as a result of an annual review meeting held at the school. The request is made by the young person or parents. Most but not all requests for SPI placements are from young people placed at our special schools. The request is considered by the Multi Agency Resources and Provision (MARP) panel. Our Local First framework is implemented and all local options are considered prior to approval of a SPI. There has been a number of tribunals where the parents/young person have continued to request a SPI and are unwilling to accept the local option identified by the MARP panel. The MARP panel have on occasions struggled to identify local provision that can meet the young person’s SEN. The tribunal decision is legally binding and the local authority have no choice but to follow the Order from the judge and to place at the named provision.

**Table 2 - The SPIs (with 5+ placements) that are commissioned by South Gloucestershire:**

Specialist Post 16 Provider	Numbers	Usual range of placement cost for new placements 2017/18
Ruskin Mill	19	£65,000 - £90,000
National Star	6	£53,953 - £166,974
Foxes	4	£56,000
Lufton College	12	£84,000
St Martins College	5	£46,000 - £86,000

In order to reduce the number of SPI placements, the local authority has to have a good range of local provision and to ensure that young people and parents are confident about the provision offered and the outcomes that they can expect from attending the placement. It is helpful to consider the number of pupils currently placed at the three special schools as this can help forecast demand for all forms of placements funded by the post 16 budget and to ensure the local authority commission the right provision for the pupils moving through the special schools.

**Table 3 - Current pupils at New Siblands, Warmley Park and Culverhill Special Schools**

Yr. 9	33
Yr. 10	33
Yr. 11	28 (13 leavers at Culverhill)
Yr. 12	10
Yr. 13	16
Yr.14	14 (2 New Siblands and 12 Warmley Park)
Total	134

An analysis of special school leavers (in June 2017) and their college destinations provides the following information. Students at New Horizon's Learning Centre tend to attend local FE colleges.

School leavers June 2017	No of leavers	FE College	Social Care	SPI
Culverhill	22	18	0	4
New Siblands	3	1	2	
Warmley Park	10	2		8
Total	35	21	2	12

In June 2016, there were also 12 placements at SPIs.

#### **Budget forecasting and spend**

Forecasting the budget outturn accurately can be difficult as a small number of placements will affect the outturn considerably. Most placements are made between April and July each academic year, although good practice is that they are agreed by

the end of March. Most placements are for post 16 placements at colleges like Ruskin Mill (Culverhill leavers) or post 19 placements at Lufton College or Foxes (Warmley Park leavers). Once placed a young person is likely to remain at the SPI for three plus years, although funding is only agreed on an annual basis and continued on the basis of evidence of positive attendance and meeting agreed outcomes. Accreditation tends to be ASDAN unit based qualifications rather than a full level 1 or level 2 qualifications. Parents often state that they want their child to attend a residential college as it gives them an opportunity “to grow up and develop independence skills away from the family home”.

The local authority took on the responsibility for post 16 provision in 2013. Previously this was managed through the Learning and Skills Council (LSC). With the demise of the LSC at a national level, the LSC budget was merged with the DSG alongside the responsibility to approve and agree placements at SPIs. Table 6 and 7 provide an outline of budgets for alternative provision and maintained FE colleges respectively. Table 5 shows the increase in the number of placements at SPIs over this time frame.

The overall budget in South Gloucestershire has remained reasonably static since 2014 with only an increase of £110,000 since 2014. The extension of the age range to 25, cost increases in SPIs and the increase in tribunals, has placed a significant pressure on this budget. It should also be noted that a contribution from adults social care budget has been made in 2015/16 and 2016/17 of £617,000 and £730,850 respectively. In 2017/18 all residential placements for post 19 are to split between Education (DSG) and Social Care budgets based on agreed percentages at MARP.

**Table 4 – Outturn for the post 16 budget for the last three years (covering SPIs, alternative provision and FE college placements)**

Year 2014/15		2015/16	2016/17	2017/18
	Actuals	Actuals	Actuals	Estimate
Budget	£1,830,082	£1,943,080	£1,941,250	£1,941,260
Outturn	£1,948,717	£2,421,802	£3,156,935	£3,625,890*
Over / - Under	£118,635	£478,722	£1,215,685	£1,684,630
Number of pupils (snapshot at outturn)	167	195	202	220
Average Cost based on pupil number snapshot	£11,669	£12,419	£15,628	£16,481
Number of pupils percentage (of total pupils)	0.43%	0.50%	0.52%	0.56%

\*based on the 1<sup>st</sup> Quarter Monitor June 2017 data including contingency.

**Table 5 - Independent Specialist Providers**

	2014/15	2015/16	2016/17	2017/18*
Outturn	£1,373,615	£1,661,460	£2,226,311	£2,826,497
Number of pupils (snapshot at outturn)	30	44	52	68
Average Cost based on pupil number snapshot	£45,787	£37,760	£42,814	£41,566

\*forecast/estimate

**Table 6 – Alternative Provision**

	2014/15	2015/16	2016/17	2017/18
Outturn	£50,071	£66,418	£162,770	£146,743*
Number of pupils (snapshot at outturn)	3	4	13	12
Average Cost based on pupil number snapshot	£16,690	£16,605	£12,521	£12,228

\*forecast/estimate

**Table 7 – FE maintained colleges**

	2014/15	2015/16	2016/17	2017/18
Outturn	£525,031	£693,924	£767,854	£652,649*
Number of pupils (snapshot at outturn)	134	147	137	140
Average Cost based on pupil number snapshot	£3,918	£4,721	£5,605	£4,662

\*forecast/estimate

### **Areas that are working well**

The introduction of the Transition Team (within 0-25) is beneficial, although the true impact of the team will not be felt until 2017/18 and probably most likely the year after in 2018/19. The Transition team and a stakeholder group have worked on four pathways to help identify what provision and support is available in the local area.

The team are able to attend annual reviews from Yr. 9 in special schools and support in the preparation to adult life. The team will connect with the local community ensuring that all local provision is utilised. They will also attend annual reviews at the SPIs (often in Yr. 14 & 15) so that the local authority can plan and deliver the transition plans more effectively and ensure a smooth transfer from the college provision. This work will ensure a higher level of compliance with the Code of Practice in relation to ensuring more effective annual reviews take place. The more support the local authority can provide to parents at an earlier point, the more the local authority can plan provision giving parents' confidence in a local offer.

Currently the local offer is under developed but this is an area that is being worked on:

- The headteachers of the special schools are working with the local authority and local colleges (e.g. South Glos and Stroud College) to develop new local provision (e.g. the Chase at Stroud) and an SPI for young adults with severe and complex needs is being considered by one of the special schools. The local authority has looked at other schools (e.g. Uplands Special School in Swindon) to consider how they have developed their SPI to provide work experience and learning opportunities.
- South Gloucestershire is part of a project across the West of England involving North Somerset, Bristol and Bath & NE Somerset to draw up a regional Strategic Skills Plan and as part of this process to fully consider the needs of young people with learning difficulties and to start to develop local provision. This strategic development is complementing the wider skills development work which is part of the West of England Combined Authority. The development of the Strategic Skills Plan will support both provision planning and the strategic allocation and access to FE capital funding. Julie Cathcart is the lead for this work and it provides an exciting opportunity to develop local post 16 provision for young people with learning difficulties. Across the local authority there is work underway to ensure that all initiatives are 'joined up'.

Within 0-25 Service there is dedicated post 16 assessment coordinator time now allocated to the colleges, alternative provision and SPIs. This is starting to develop greater knowledge of the young people and institutions alongside a more compliant approach to annual reviews. During 2017/18, an Assessment Coordinator will be based at Warmly Park School one day a week in order to support annual reviews and to start to share options with parents and to fully listen to their concerns.

The 0-25 Service has a dedicated 18 + adult social care team, tasked with the completion of Care Act assessments (transition assessments), mental capacity assessments and best interest assessments. Capacity in terms of social workers and education practitioners has been increased to meet the need to complete transition assessments as part of the Care Act and to meet the needs of the Children and Families Act.

The SGS Academy Trust has opened SGS Pegasus School in 2017. In the first year it will take primary aged children but by the September intake in 2019 the school will have places for post 16 students. This should help meet the demand for placements for young people with autism who can access a mainstream college curriculum but need support in this environment.

A cross council working group is exploring how the Council can develop its own policy, modelling for other employers, how internships, traineeships and apprenticeships might be developed for those who would benefit from additional support when accessing employment opportunities, including young people who

have special educational needs and disabilities. The development of this type of provision will provide a transitional step between learning and full employment.

### **Areas for development**

All the areas listed below would support a more streamlined service for young adults at 16+ and would support better management of the post 16 budget (specifically the SPI element).

### **A broader offer in terms of local provision that is accessible and high quality**

1. A broader offer of post 16 and post 19 provision within the local area needs to be developed:
  - making full use of provision within the third sector and community based options;
  - A wider range of courses offered by local FE colleges (plans are underway to develop catering courses at South Glos and Stroud College (the Chase) and develop provision at Warmley Park. Many FE colleges have substantial experience, particularly in delivering Independent Living Skills programmes and there is scope therefore for greater engagement with the FE sector in terms of exploring the potential for a larger number of learners with learning difficulties accessing programmes within the mainstream FE sector;
  - Delivery of the regional Strategic Skills Plan;
  - More support for vulnerable young people who require mentoring to access and maintain a local college course;
  - Development of local SPI by a local trust to offer post 19 specialist provision.

The closure of Soundwell (part of City of Bristol College) in 2016 reduced the number of available places on courses for young people with learning difficulties. Furthermore the young people now have to travel further to colleges at South Glos and Stroud College at Filton and Stroud or into central Bristol and Bath. The sites are busier and less suitable for more vulnerable students.

### **Greater support to young people and parents/carers and earlier planning so all can feel confident about transition**

2. Attendance of practitioners at annual reviews from Yr. 9 onwards for all young people who may have care needs and require support into adulthood. Too often parents, carers and young people are unclear about what pathways are available and as a result seek placements at SPIs. Some SPIs are outside of the local area and therefore the young person can struggle to reengage with their local community on leaving the specialist college. A higher attendance of practitioners (0-25 Assessment Coordinators, social workers, occupational therapists, Transitions Team engagement workers and educational

psychologists) at annual reviews from Yr. 9 would result in better communication between the local authority and parents and allow for planning of future placements. Ideally it would be helpful if practitioner could attend all 134 annual reviews planned for 2017/18 at the three main special schools supporting young people with learning difficulties. . Additional capacity may need to be commissioned to provide coverage for all annual reviews.

3. Parents often want to access SPIs for their children and young adults because there is access to a range of therapies on site. Our local options will need to support parents and help ensure access to some therapies where there is an identified need.
4. Headteachers of the special schools need to work with families to identify local options and to identify the level of support required to make a local placements a viable and appropriate option. Headteachers (and school SENCOs) will need to ensure that all leavers at special schools have an annual review by January 2018 (and each subsequent year) so that the EHC plan can be processed and issued by the 31<sup>st</sup> March in line with the Code of Practice or ceased if an EHC plan is deemed to not be needed. This allows enough time for any disagreement resolution work (including tribunals) to be completed by the end of the academic year.
5. Headteachers and SENCOs in mainstream schools (including resource bases) need to consider whether an EHC plan is required as the young person moves through secondary school. As a local authority we are poor at ceasing plans and there is a tendency for them to stay in place. It would be helpful for schools to talk to the young person and family at the annual review and if there is no longer a need for an EHC plan then this can be ceased. This can be a recommendation of the annual review. This will ensure that those young people who move to colleges and other post 16 provision with SEN are clearly identified with an EHC plan.
6. Coordinated local authority attendance at all (or the majority) of annual reviews of a young person placed at SPI in order that the young person's needs are fully understood across education, health and social care. Care Act assessments are completed to support successful transition to adulthood with the Transitions Team collating some of the relevant information. Planning to support the return to services within South Gloucestershire would be part of this work. Parents value access to a social worker that starts the transition assessment and is able to support the family and young person into the next phase of provision.
7. More streamlined processes implemented between children's and adult social care with clarity on the requirements placed on the local authority by the Care

Act and Children and Families Act. Transition assessments completed in a timely manner that identify care needs and plan for a full range of care and housing options. Parents and young people need to feel confident about what offer exists and that it is good quality and able to meet the young person's needs.

### **Approval process and commissioning of placements**

8. The decision making panel process has been improved and is more robust. The recent development of a headteacher attending the MARP panel is beneficial. The MARP panel recommends approval of high cost placements. All placements are approved by the Head of Integrated Children's Services and 0-25 Service.
9. The commissioning of post 16 placements can be improved; from September 2017, the commissioning and brokerage team are taking the lead for commissioning such placements. Options to block purchase and negotiate on price will be explored; previously placements have been spot purchased. One provider has in excess of 20 placements (e.g. Ruskin Mill) and as such South Gloucestershire should levy a discount. Bids have been received to support a project to review the 50 most costly placements to check if costs can be reduced. The project is expected to start in Sept/Oct 2017.
10. Greater clarity is required so that all stakeholders are clear as to when a young person should move on from an education placement to a social care placement. The Code is not clear and as a result there have been a number of Tribunals considering issues within this area. Decisions at Upper Tier Tribunals are setting case law. In a ruling against Buckinghamshire local authority the judge ruled that because the young person was seen as able to learn (albeit at a preschool level) the young person should have access to an EHC plan and a learning environment. The judge firmly rejected the suggestion that it is only those who are seeking to study and gain further qualifications who should qualify for such a plan and in doing so broadened the access to an EHC plan. The Code states that the young person should continue to have a EHC plan if they are making progress; the interpretation by many local authorities was that progress would be through an accredited programme or supported work placements but case law (i.e. Buckinghamshire ruling) suggests that progress can be in very small steps including the development of skills at P Levels<sup>2</sup>. All local authorities are struggling to fully understand this area of law as it is developing based on the Code of Practice and Tribunal decisions. There is little doubt that recent legal decisions will support more young adults staying in a learning environment for longer

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<sup>2</sup> P levels were introduced for a child working toward national curriculum level 1.

placing a greater burden on local authority budgets both the DSG and social care.

### **Housing**

11. Parents often express a view that they would like their children at 19 to attend an SPI on a residential basis; it is perceived as a stepping stone to support their children to move out of the family home and live independently. Difficulty in accessing housing options may have led to a higher number of requests for residential placements at specialist colleges. It would be helpful to have a clearer offer for supported living in our local area so that young people with SEND can be supported to access local provision. The Transitions Team are starting to support young people to develop their independence in their local community and housing will start to be considered as part of the transition process. It is hoped that parents and young people will start to feel more confident of the provision if the housing options are clearer. There is at least one example of a group of parents securing housing and care support for a group of nine young people. This model may become more popular with parents at special schools who have often developed strong bonds as families through attendance of the children at the same school.

## **RECOMMENDATIONS**

1. Note the content of the report and identify areas that may need more development.
2. Implement a workstream to increase the level of EP attendance at annual reviews for one year 2017/18. This work is outside of the Educational Psychology Service Core Offer and therefore additional EP time would need to be commissioned as a “spend to save” option. This additional EP resource estimated at 30 days (over one year) would allow EPs to attend annual reviews for some of the more complex pupils in Yr. 9 upwards in special schools, identify the current need and develop the core offer to better meet SEND need for the future. It is anticipated that this workstream would develop the local provision and encourage parental confidence in shaping the local offer to better meet demand. In the longer term this work is anticipated to reduce the demand for SPI placements.
3. Review the forecast spend on this budget in November 2017 when most placements will be in place for the academic year (2017/18) and the impact on the 17/18 budget can be assessed. It is not anticipated that the demand and pressure on this budget is likely to reduce at this present point.

Kate East  
SEN Consultant.

## **SCHOOL FUNDING 2018/19 – FINAL OPTIONS FOR CONSULTATION WITH THE SCHOOLS FORUM**

### **Purpose of Report**

1. To update the Schools Forum on the outcome of the consultation exercise with all Schools that closed on the 24 November 2017 and seek the view of the Forum for the basis of setting school budgets for 2018-19.

### **Policy**

2. Local Authorities must distribute funding to their maintained schools using a formula which accords with the regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school. The financial controls within which delegation works are set out in the Scheme for the Financing of Schools.
3. The Schools Forum has a key responsibility to act as a consultative body with the local Authority on the strategic financial management of the Schools Budget and the DSG. A key priority in this area is to take decisions that ensure sound financial management of the Schools Budget.

### **Background**

4. This report sets out the latest information available and proposed options to consider and consult on in setting 2018-19 School Budgets.
5. A School Funding announcement was made by the Government on 19 October 2017, while this offered further clarity there remains many important unknowns including:
  - Final NFF and DSG funding levels which will be impacted by the October Census pupil number and pupil characteristics data (due to be announced in late December)
  - Should the Council proceed to apply to the Secretary of State for Education to move funding from the Schools Block to the High Needs Block then it is anticipated that the Secretary of State's Response will not be known until January 2018.

Final school budgets will be produced in February, once all the remaining information is available.

## Consultation with all Schools DSG Overspend and Deficit Recovery Plan

6. In trying to establish the best approach for setting the overall Schools Budget and individual school budgets for 2018-19 several issues must be addressed, and these have been reviewed in detail at the previous two School Forum Meetings and Forum members are advised to review those papers again for helpful back ground. These important issues have also been explained in detail in the consultation paper distributed to all schools as well as through two evening governor briefing events, the Primary Heads Conference the High Needs Working Group and the Secondary Heads Executive meeting. Those key issues can be summarised as:
- a) What is the best approach for dealing with the 2018-19 phase of the DSG Deficit Recovery Plan, which requires reduced expenditure of £3m; should it be through reducing mainstream formula funding or through high needs funding distributed to schools,
  - b) Should South Gloucestershire Council maintain its existing school funding formula, or should it move to the Government's National Funding Formula,
  - c) What is the best approach for dealing with the two local SEND funding anomalies: High incidence funding and 0-105 matrix unit funding.
7. To bring the DSG back into balance, which is an inescapable statutory requirement, a consultation conducted in 2016 with all Schools and the Schools Forum resulted in an agreed DSG Deficit Recovery Plan being approved by the Schools Forum and the Council. At the time of agreeing the Deficit Recovery Plan the forecast outturn for 2016-17 financial year was an overspend of £7.734m. The final outturn for 2016-17 resulted in the positive news that the Council was £1.246m ahead of the Plan. This demonstrates that many measures put in place by the Council are starting to have a positive impact. Nevertheless, the deficit remains very large and all actions necessary to successfully deliver the DSG Deficit Recovery plan will continue to be a high priority.
8. To remain on track, it is anticipated that budgeted spend should be reduced by £3m in 2018-19 and options to reduce budgeted spend by removing the current funding anomaly of funding SEND Top-Ups for the first £6k (or 105 matrix units) and increasing the trigger point for High Incidence funding to be in line with the national average have been presented to the last Schools Forum and the High Needs Working Group. However, the risk of reducing the overall funding currently supporting (notionally and directly) pupils with SEND is that schools will be compromised in their ability to provide much needed support for their most vulnerable pupils. An alternative option proposed by the Council was to consult all Schools and the Schools Forum on reducing mainstream formula funding by £3m and while continuing to remove the current anomalies of High Incidence and 0-105 matrix unit funding reinvesting the amount saved from removing those 2 anomalies back into SEND Top-Up Funding. This would increase the SEND Top-Up funding allocations to mainstream schools while reducing

mainstream formula funding. The intention is to ensure the DSG deficit recovery plan is followed but as far as is possible protecting funding targeted at the most vulnerable pupils. One important point to note is that this option would require the Council obtaining approval from the Secretary of State for Education and the support of the Schools Forum and all Schools would potentially be a critical factor in obtaining the Secretary of State's approval.

9. It is evident that the Council along with Schools would prefer not to have to reduce funding distributed to schools but the requirement to keep on track with the DSG deficit Recovery Plan is of paramount importance. On a more positive note the additional funding that will flow to South Gloucestershire schools from the introduction of the NFF should to some extent offset the required funding reduction and for many schools result in a cash neutral transition from 2017-18 to 2018-19. Of course, the impact of a new formula may always result in some individual schools gaining and some schools losing compared to 2017-18.

### **South Gloucestershire's Funding Formula Compared to the National Funding Formula**

10. Local Authorities continue to operate with flexibility in determining a local funding formula for their Schools and this flexibility will continue at least up to 2019-20. Beyond that there is no certainty, but the current Government's stated intention is to move to a hard formula from 2020-21 thus removing this local flexibility and resulting in all Schools funding being determined by the National Funding Formula.
11. With the prospect of all Schools potentially being on the NFF in just 3 years' time and with the announced injection of additional funding for South Gloucestershire Schools this would be an opportune time to move to the National Funding Formula as the additional funding will help to smooth the transition and result in less drastic shifts in funding from individual losing schools. The Council's starting position is to adopt the National Funding Formula in 2018-19 but this would be subject to consultation with the Schools Forum and all Schools. In reviewing such a move, several issues have emerged because of South Gloucestershire's current formula being an outlier from the NFF (which in turn is based on National averages) in a number of areas as follows:
  - The NFF distributes more funding towards the primary sector and away from the secondary sector,
  - The NFF distributes more funding towards schools with pupils from higher deprivation areas as measured by FSM and IDACI,
  - The NFF distributes much less funding via a lump sum and thus distributes funding away from smaller schools.

The above issues are the key factors in determining which individual schools lose and gain from the proposed formula switch.

## Overall Impact of Final NFF Funding Announcement

12. Through the introduction of the National Funding Formula an additional £4.4m in total will be available for School funding in South Gloucestershire in 2018-19. This welcome news means that even with the requirement to save £3m there is still a net increase in funding for South Gloucestershire schools.
13. Appendix A sets out a number of models and options that formed the basis of the consultation with all Schools that closed on 24 November 2017.
14. As agreed at the last Schools Forum meeting it is proposed that for fairness the burden of the Deficit Recovery Plan should be shouldered by all schools and provision and therefore the models and consultation options proposed included a pro-rata reduction of £193k from Special Schools and Resource Bases.

## Consultation Options and Outcome

15. The following is a simplified summary of the 4 models and options consulted on, which are presented again as Appendix A(i):

**Option 1 - Additional NFF funding added to South Glos Schools Formula and £2.9m removed from mainstream formula funding and £193k reduction to Special School/Resource Base Funding.**

**Option 2 - Additional NFF funding added to South Glos Schools Formula and £2.9m removed from Mainstream High Needs Funding (by reducing High Incidence and removing 0-105 Matrix Units) and £193k reduction to Special School/Resource Base Funding.**

**Option 3 - Additional NFF funding added to Mainstream Formula based on NFF with £2.9m removed from mainstream formula funding and £193k reduction to Special School/Resource Base Funding.**

**Option 4 - Additional NFF funding based on NFF added to Mainstream Formula and £2.9m removed from Mainstream High Needs Funding (by reducing High Incidence and removing 0-105 Matrix Units) and £193k reduction to Special School/Resource Base Funding.**

16. The outcome of the consultation exercise with all schools can be seen in Appendix B including comments from respondents. This shows that option 3 represents the most favoured response in terms of:

- the number of respondents (46 out of 72),

- the percentage of pupils of the responding schools (63% of respondents' pupils)
- the percentage of pupils represented as a percentage of overall pupil numbers in South Gloucestershire (53.53%).

17. The schools preferring option 3 represent 53% of all mainstream pupils in South Gloucestershire while for the next preferred option (option 2) the schools represent just 21% of South Gloucestershire pupils. In terms of pupils represented as a percentage of respondents option 3 represents 63% of pupils responding while option 2 represents 25%.

### **Transitional Protection Mechanism for Eliminating SEND Anomalies**

18. Through the consultation process one new issue emerged from schools regarding the impact of eliminating the two SEND anomalies. When making mainstream formula changes individual schools are cushioned from any impact through the Minimum Funding Guarantee, however as the proposed change to the SEND funding anomalies is outside of the mainstream funding formula there was no mechanism for cushioning the impact on individual schools. Schools raised this as a concerning issue and officers agreed to review this and explore the possibility of introducing some form of protection.

19. In reviewing this concern, it became apparent that there were a small number of Schools with relatively large numbers of pupils with SEND plans who were receiving a large allocation of High Incidence funding but even under option 2 and 4 where the High Incidence funding is reinvested in supporting EHCPs and statements for these schools the level of need in the plans wasn't sufficient to neutralise the impact of eliminating the High Incidence funding. Eliminating or reducing the SEND anomalies still represents the correct approach but to minimise excessive impact on a handful of schools it is proposed to spread the impact of eliminating the two SEND funding anomalies over two years and Appendix A(ii) represents this proposed tapering mechanism of reducing the SEND anomalies by 50% in 2018-19 and 100% in 2019-20.

20. As an example, the impact of eliminating the two SEND anomalies in one year on Castle school represents a reduction in funding of £113,676, however by reducing the SEND anomalies by 50% in year one (2018-19) this adjusts to a £46,000 reduction in 2018-19 with the remaining reduction in 2019-20.

21. Adopting this two-year approach to eliminating the SEND funding anomalies represents the favoured approach to reduce excessive funding turbulence and is therefore the preferred approach.

## Recommended Basis for Schools Funding in 2018-19

22. In line with the outcome of the Consultation the recommended approach is to adopt Option 3 set out in paragraph 15 above with the addition of a two-year transition period for eliminating the two SEND funding anomalies. The combined impact of this preferred approach is modelled in Appendix A(iii) to this report.
23. The final decision for setting the basis for School Funding in 2018-19 lies with the Council's Cabinet, but in making that decision it must be informed (but not directed) by a consultation with Schools and the Schools Forum.
24. Implementing Option 3 is dependent upon obtaining approval from the Secretary of State for Education and should that approval not be obtained then the approach to be recommended to Cabinet will be Option 4 as it represents the closest approach to option 3 without relying upon the Secretary of State's approval.

## Schools Budget Timetable

25. The following timeline presents the key decision-making points in setting 2018-19 School Budgets:

	Date
<b>Schools Forum – schools' consultation</b>	<b>19/10/17</b>
All Schools Consultation	30/10/17 to 24/11/17
LA High Needs Return	25/11/17
<b>Schools Forum: Consultation on Final School Funding Options and Approval of Submission to Secretary of State</b>	<b>29/11/17</b>
LA deadline for submitting MFG exclusions and movement between blocks >05%	30/11/17
Cabinet: Final Statutory Approval of School Funding Formula	04/12/17
ESFA - 2018/19 APT & DSG released	Late December 2017
<b>Schools Forum (potentially could be cancelled)</b>	<b>18/01/18</b>
Executive Member signs off Final APT	19/01/18
APT Return to ESFA	19/01/18
School Budgets Released	February 2019

26. The Council's approach is to work transparently with the Schools Forum and all Schools hence sharing a series of models in a public meeting such as the Schools Forum. It should be stressed, however, that these are models designed to exemplify the impact of potential strategic decisions regarding School Funding and they should not be interpreted as demonstrating funding levels individual Schools will receive in 2018/19; final budget share figures will be impacted by many factors which these models cannot incorporate.

### **Campaigning for Fairer Funding**

27. South Gloucestershire's DSG funding is currently the sixth lowest in England and is of major concern to the Council and no doubt to Schools. This relatively low level of funding has increased the pressure on the DSG and the Council is taking every action it can to raise this matter with central government. The Council is an active member of the F40 campaign group that represents the 40 lowest DSG funded local authorities. This group has been active in making the case for extra funding for LAs like South Gloucestershire.
28. The Leader of the Council had written to the Secretary of State for Education and/or the Minister of State for School Standards on 3 separate occasions and copies of these were presented to the Forum at its last meeting.
29. Since then a further letter had been sent to the Secretary of State for Education from the Council's Chief Executive.
30. A meeting has since taken place between Council Members/Officers and the Secretary of State for School Standards, Nick Gibb.
31. The Council is continuing to work with the F40 to review the direction of further campaigning, which will probably shift emphasis to campaigning for a fairer High Needs Formula.

### **Technical Variations to the 2018-19 School Funding Formula**

32. In accordance with the School funding regulations there are two technical adjustments the Council proposes to make in 2018-19 regarding pupil number variations and a limited disapplication of the minimum funding guarantee as set out in the following paragraphs; all schools impacted have been individually consulted on these technical adjustments.

### **Proposal Regarding Varying pupil numbers – new schools/primary phase**

33. School regulations require that LA's should estimate pupil numbers for all schools and academies where they have opened in the previous seven years and are still adding year groups. These are deemed to be new/growing schools and pupil number variation does not require approval of the Secretary of State. Existing schools which have extended their age range are not usually deemed as growing schools (unless they have opened in the last seven years) and therefore any variations to pupils would require SoS approval. Lyde Green and Wallscourt Farm are both new/growing schools/academies but under DfE guidance Bradley Stoke and King's Farm are not.

34. The proposal is to use the same methodology used for 2017-18 for new/growth schools and former secondary schools that are admitting primary phase pupils. For 2018-19 the primary phase funding would be based on 5/12ths September 2017 actual pupils and 7/12ths September 2017 “rolled forward” pupils with reception the 7/12ths reception year group based on the planned admission number (PAN).

***It is proposed to use the 5/12ths of the Autumn 2017 School Census pupil numbers and add 7/12ths Autumn 2017 School Census “rolled forward” with the September 2018 reception based on the planned admission number (PAN). It is proposed to apply to the Secretary of State to vary the pupils for the two all through schools with growing primary phase on the above basis.***

### **Proposal Regarding Minimum Funding Guarantee (MFG) application to dis-apply Regulations**

35. There are two all through academies that began admitting primary aged pupils from September 2015 and are still building up numbers. Currently, the pupil unit rate in the MFG calculation for these schools is weighted towards secondary pupils. As the number of primary pupils increases there may be over protection as secondary pupils attract higher per pupil funding. Schools Forum agreed to request a MFG disapplication in both 2016-17 and 2017-18. This was conditionally agreed by the SoS provided the LA use a MFG calculator spreadsheet separately supplied by the ESFA .

***It is proposed to submit a request the SoS to agree a MFG disapplication for 2018-19 where all through schools and academies are building up primary phase numbers.***

### **Financial Implications**

36. The School Finance Regulations set out the arrangements which Local Authorities must follow when allocating the DSG funding to schools.

37. As the support for schools and other pupil related services expenditure is funded by the dedicated schools budget there is no charge to the Council Budget. Hence there is no charge to the Council Tax payer.

38. The DSG is forecast to overspend in 2017/18. Any overspend will need to be recovered from future year DSG funding.

### **Legal Implications**

39. There is a legal requirement for the local authority to:

- submit the final school pro-formas and underlying data to the Education Funding Agency by the 20 January 2018.
- confirm with schools their budget allocations for 2018/2019 by 28 February 2018.

40. The Chief Financial Officer, after the end of the financial year, must confirm to the DfE that the grant conditions have been met.

## **RECOMMENDATIONS**

The Schools Forum is asked to approve:

- a. option 3 set out in paragraph 15 above and modelled in Appendix A(iii) as the basis for setting the Schools Budget and individual school budgets in 2018-19,
- b. the Council's submission to the Secretary of State for Education requesting a transfer of £2.9m from the Schools Block to the High Needs Block in accordance with Option 3 of paragraph 15,
- c. adopting a two-year transition period for eliminating the two SEND funding anomalies explained in paragraph 18 above and modelled in Appendix A(ii).

### **Author**

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**REQUESTING SECRETARY OF STATE APPROVAL FOR  
MOVING FORWARD FUNDING FROM SCHOOLS BLOCK  
TO HIGH NEEDS BLOCK**

## **EARLY YEARS FUNDING ARRANGEMENTS FOR 2018/2019 – CONSULTATION**

### **Purpose of Report**

1. To consult on proposals regarding the Early Years Funding Formula for 2018/19.

### **Policy**

2. The Government are changing the way funding is allocated to local authorities and the way in which local authorities allocate this to settings.
3. Local authorities are now being allocated funding according to a three part formula, which will see a minimum funding rate of £4.30 per hour per child being allocated. Under this formula, South Gloucestershire will receive £4.34 per hour per child. 7% was retained to ensure the continued delivery of the local authority statutory services for early years, reducing to 5% in 2018/19.

### **Background**

4. In January 2017, the sector were consulted the levels of funding which were to be allocated to them for 2017/18.
5. During the consultation with the sector, many providers expressed concern about the levels of funding. Whilst they acknowledged the increases would help with the 15 hours they currently provide, the levels set often do not reflect what settings charge for additional hours, therefore with the introduction of 30 hours of funding, there is concern they will lose money and may become unsustainable.

### **Proposal Regarding the base rate paid to settings**

6. Funding allocated to settings has been split into two different parts, the Base Rate and Supplements. The base rate should be set at no less than 90% of the total amount paid to settings, with the remaining 10% being given as supplements.
7. In 2017/18, a minimum base rate of 95.75% was considered, with the remaining 4.25% to be awarded as supplements.
8. It is proposed this remains in place for 2018/19. With the Local Authority retaining only 5% of the fund, this will provide a base rate of £3.99 per hour per child.

***It is proposed to keep the base rate of 96.75% for all providers for 2018-19.***

### **Proposal Regarding the Deprivation Supplement**

9. This is a mandatory supplement which is aimed at supporting settings who work with the most disadvantaged children. In January 2017, it was agreed that this supplement should be set at 1% of the hourly rate and it should be linked to children who are in receipt of Early Years Pupil Premium. One Deprivation Supplement payment was made to settings in the summer and another is currently being processed.
10. It is proposed the sector should be consulted on keeping the supplement at 1% and keep the link to Early Years Pupil Premium.

***It is proposed that the deprivation supplement should remain at 1% for 2018 and should continue to be linked to children in receipt of Early Years Pupil Premium.***

### **Proposal Regarding the Early Years Inclusion Fund**

11. This is a mandatory supplement which is aimed at supporting children with lower levels of Special Educational Needs, prior to an EHCna being started. **See Annex A** for an update report on the Inclusion Fund.
12. In order to continue with the work which has started this year, it is proposed the level of funding for 2018 should remain at 2%.

***It is proposed that the Early Years Inclusion Fund should remain at 2% for April 2018***

### **Proposal regarding the Flexibility Supplement**

13. This is a discretionary supplement used to support childminders, who under this funding formula would receive a cut in their funding.
14. Under the current funding system, childminders are paid a different hourly rate for both two year olds and those aged three and four when compared to other settings. However, over the three year period a child is with either a childminder, a day nursery or preschool, the total amount claimed is the same. For 2017-18, childminders were paid a supplement of 23p in order to maintain their hourly rate, this saw a decrease of 1p per hour for children in preschool or day nursery.
15. The increase in the base rate to £3.99 in 2018-19 sees the supplement for childminders reducing to 14p, which will maintain their hourly rate.

16. Whilst this would be the preferred option, a second option would be to remove this supplement and make the hourly rate for both 2 year olds and 3/4 year olds the same for both childminders and other settings. This would see childminders receive an increase of 21p per hour for 2 year olds, but a loss of 14p per hour for 3/4 year olds. In order to make this decision, careful consideration would need to be given to the impact this will have on childminders and their potential engagement with the delivery of 30 hours free childcare for 3 and 4 year olds.

***It is proposed that Childminders receive a flexibility payment of 14p per hour for 2018-19 to maintain their current hourly rate.***

### Summary of proposals

Under the Early Years Funding Formula for 2017, changes were agreed, based on the LA retaining 7% of the funding for central services. For 2018-19, the LA is able to retain 5% of funding for central services. This will see increases in hourly rates paid to the sector, with a new hourly base rate of £3.99 for 3 and 4 year olds. The table below illustrates these changes. Please note, these figures are all provisional at this stage.

PROVISIONAL EARLY YEARS FUNDING RATES 2018/19		
	Financial Year 2017/18 (based on January 16 pupils)	Financial Year 2018/19
% to be passported to EY providers	93%	95%
% centrally retained	7%	5%
2 year old rate – Providers	£5.05	£5.16
2 year old rate – childminders	£4.95	£5.16
3/4 year old rate – providers	£3.90	£3.99
3/4 year old rate – childminders	£4.13 * includes 23p supplement	£4.14* includes 14p supplement

### Summary of recommendations for consultation with the sector in January 2018 for the 3/4 year old NEG funding

- Base Rate - £3.99
- Deprivation Supplement to remain at 1% of the hourly rate, and continue to be linked to children in receipt of Early Years Pupil Premium.
- Inclusion Fund to remain at 2%
- Flexibility Supplement for childminders to be set at 14p so childminders continue to receive £4.13 per hour.

## Annex A The Early Years Inclusion Fund Update Report November 2017

### Update on developments since March 2017

Following consultation with the sector in January 2017, Schools' Forum agreed to 2% of the Nursery Education Grant Funding (NEG) being allocated to the Inclusion Fund from April 2017. This created a total fund of £244,240. In order to develop a process which is robust and accessible for all settings, a working party comprising of representatives from the sector, the Early Years Team, Education Psychology Service and 0-25 was established. The working group identified the following key areas to develop:

- A shared understanding of inclusive practice in early years settings
- An application and administrative process which is uncomplicated
- Clear accountability measures which enable the sector to see how the funding has been allocated and the impact this has made on children's learning and development.

The outcome of this process was the development of an Inclusion Fund Handbook which has been issued to every setting in receipt of NEG. This is complimented by resources and information on the VLE (An online learning platform). The working group piloted all of the paperwork prior to the launch of the handbook with the sector in September 2017. Twice monthly panel meetings are held to agree the funding; paperwork is submitted to the panel electronically a week before the meeting. The first of which was held on 18<sup>th</sup> October. Settings are notified of the outcomes within 3 days and money is typically being paid out within 2 weeks of the panel meeting.

Good examples of paperwork and case studies of work being undertaken are being collated to be shared with practitioners on the VLE.

A monthly update on how the fund has been allocated is posted on the VLE. This contains information concerning the number of applications which have been submitted, the types of work being undertaken by settings and tips from the panel on completing the paperwork.

**Table 1: Outcomes from the Inclusion Panel Meetings**

Date of meeting	Number of accepted applications	Number of declined applications	Number of children benefitting	Total amount allocated	Total remaining
18/10/17	7	1	individual 1 cohort	£10,850	£233,390
06/11/17	8	2	individual 2 cohort	£9,050	£224,340
15/11/17	7	2	individual	£6,300	£218,040

**Table 2: A summary of applications received by provider type**

Childminder	Pre school	Day Nursery	Independent School	Nursery Class
1	20	5	1	0

Considerable work still needs to be undertaken to promote this funding and to ensure all settings are aware of the application process.

### Impact of the funding to date

The first review paperwork is due to be submitted in December 2017, so there is no formal impact measures at the moment, however some feedback has been received from settings already indicating this is a positive move.

*“For our little man, without this funding, he would not be able to attend our setting. The funding has enabled us to meet his health needs and include him in our setting.”*

Comment from a Preschool Manager.

The sector have reported the fund has helped them to:

- Break down the barriers for children with significant health needs to enable them to access provision.
- Support children to become ready for school through early identification of need e.g. one application is supporting a group of children in their preschool year to become toilet trained. A Key aspect of this work is involving the parents in supporting their child. Prior

to the funding, the setting would have dealt with the outcome of the children soiling themselves. Instead they have been able to increase their ratios so they can address the underlying issues in partnership with the parents.

- Provide children with intervention groups to support their language development

### **Summary of next steps for the fund**

- Historically, there has been no SEN funding for the sector, there is a need to change the perceptions of the sector and encourage them to consider making applications.
- It needs to be clearly stated that this funding is not linked to the EHCna process and the applications form is easy to complete.
- Currently, applications are from children with high levels of need, this needs to be monitored to ensure children with lower levels of need are also accessing the fund.
- Based on the current allocation of the funding at each panel meeting, there will be an under spend at the end of the financial year. This is because the Inclusion Fund started in September rather than March. However the amount being spent at each panel meeting over a 12 month period, would use all of the allocated funds. It is therefore proposed that the fund should be maintained at this amount for the next year.

#### **Rachel Webb**

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## SCHOOLS FORUM FORWARD PLAN

<b>29<sup>th</sup> November 2017 @ 4.30pm</b> <b>(replacing 7<sup>th</sup> December meeting)</b> <b>Interactive Theatre Room,</b> <b>Winterbourne International</b> <b>Academy</b>
<ul style="list-style-type: none"> <li>• Integra Update by Suzanna Hinnell</li> <li>• Post 16 High Cost Placements</li> <li>• School Funding 2018/19 – Final Proposals</li> <li>• Requesting Secretary of State Approval for Moving Funding from Schools Block to High Needs Block</li> <li>• Early Years Inclusion Fund</li> </ul>

<b>18<sup>th</sup> January 2018 @ 4.30pm</b> <b>Room 0012 Ground Floor</b>	<b>1<sup>st</sup> March 2018 @ 4.30pm</b> <b>Room 0012 Ground Floor</b>
•	•
<b>10<sup>th</sup> May 2018 @ 4.30pm</b> <b>Room 0012 Ground Floor</b>	<b>12<sup>th</sup> July 2018 2018 @ 4.30pm</b> <b>Room 0012 Ground Floor</b>
•	•

**ANY OTHER BUSINESS**