

SCHOOLS' FORUM

Day: Tuesday
Date: 14 February 2017
Time: 1.30 pm
Place: Lesser Hall 2 - Dukinfield Town Hall

Item No.	AGENDA	Page No
1.	APOLOGIES FOR ABSENCE	
2.	MINUTES The Minutes of the meeting of the Schools' Forum held on 17 January 2017 to be approved as a correct record.	1 - 4
3.	DEDICATED SCHOOLS GRANT EARLY YEARS FUNDING CONSULTATION 2017/18 Report of the Assistant Executive Director, Finance (Section 151 Officer), attached.	5 - 12
4.	DEDICATED SCHOOLS GRANT FUNDING FORMULA 2017/18 Report of the Assistant Executive Director, Finance (Section 151 Officer) attached.	13 - 28
5.	DATE OF NEXT MEETING To agree a date for the next meeting of the Forum.	

This page is intentionally left blank

SCHOOLS FORUM

17 January 2017

Commenced: 1.30pm Terminated: 2.20pm

Present:	Janet Rathburn (Chair)	Primary Schools – Academies
	Andrew Foord	Special Schools – L/A Maintained
	Lisa Gallaher	Primary Schools – L/A Maintained
	Scott Lees	Primary Schools – L/A Maintained
	Bev Alford	Primary Schools – L/A Maintained
	Des Howlett	Primary Schools – L/A Maintained
	Steve Marsland	Primary Schools – L/A Maintained
	Karen Burns	Primary Schools - Academies
	Angela Ogden	Governor, Secondary Schools – L/A Maintained
	Anthony McDermott	Governor, Primary Schools- L/A Maintained
	Pam Hirst	Governor, Primary Schools – L/A Maintained
	Susan Marsh	Governor, Primary Schools – L/A Maintained
	Gill McFadden	Secondary Schools - Academies
	Richard O'Regan	Secondary Schools – L/A Maintained
	Janet Burns	Secondary Schools – L/A Maintained
	Maureen Brettell	Pupil Referral Services
	Elaine Horridge	Diocesan Representative
	Anne Slater	NUT
	Councillor J Fitzpatrick	First Deputy (Performance & Finance)
	Councillor L Travis	Executive Member (Lifelong Learning)
	Bob Berry	Assistant Executive Director (Learning)
	David Thompstone	Senior Resource Manager

Apologies for absence:	Jeffrey Mellor	Governor – Special Schools - Academies
	Brendan Hesketh	Secondary Schools - Academies
	Helen Hayes	Diocesan Representative
	Robin Elms	Special Schools – L/A Maintained
	Anton McGrath	14 – 19 Sector

56. MINUTES

The Minutes of the meeting of the Forum held on 18 October 2016, having been circulated, were approved as a correct record.

57. FINAL SCHOOL OUTTURN BALANCES 2015/16

Consideration was given to a report of the Assistant Executive Director (Finance), which provided information on the reconciled school balances at 31 March 2016 and updates from Schools relating to the potential use of those balances.

It was explained that the final level of school balances as at 31 March 2016 was £7.187 million, a decrease of £1.602 million on the balance reported at 31 March 2015. Summary details were also provided of the cumulative level of Tameside school balances for the previous three financial years.

Appendix A to the report provided a detailed breakdown of each school's balances as at 31 March 2016 and highlighted those schools with balances in excess of the permitted thresholds (8% for

primary and special schools and 5% for secondary schools). It also contained details of the proposed use of those balances provided by Schools since the last report to Forum in October 2016.

Appendix B to the report showed the movement in school balances since 31 March 2013 at an individual school level.

A discussion ensued about those schools that had made spending commitments but had not yet followed these through and also those schools who were providing the same reasons repeatedly. Concerns were expressed that some of the figures were historical with schools holding onto large balances and not spending on the children. Members enquired whether more information could be sought from those schools holding onto large historical balances and the Forum to be provided with an update on this. It was agreed that a meeting would be arranged with those schools with excess balances by the Resource Management Services. It was suggested that the meeting include a representative from the secondary schools, primary schools and governors sectors.

RESOLVED

- (i) That the content of the report be noted;**
- (ii) That the continuation of the existing excess revenue surplus balance monitoring mechanism for schools within the borough be agreed i.e. planned commitments were required for revenue surplus balances in excess of 8% of delegated revenue budget for Primary and Special schools and 5% of delegated revenue budget for Secondary schools. Agreed that commitment details be reported to the Schools Forum, which would have the opportunity to consider a redistribution mechanism for any uncommitted revenue balances above permitted thresholds;**
- (iii) That it be noted that any school which had or was projecting a deficit budget position either during or by the end of the existing three year budget period would be required to submit a deficit budget recovery plan to ensure a balanced budget was delivered. The associated recovery plan would require the approval by the Governing Body and the Section 151 Officer of the Council in accordance with sections 4.4 to 4.9 of the Tameside Scheme of Financing for Schools. The development or recovery plans with associated schools would commence during the current term to ensure they were approved by the Governing Body and Section 151 Officer of the Council during the current financial year; and**
- (iv) That a meeting with those schools with excess balances be arranged by Resource Management Services and which to include a representative from the secondary schools; primary schools and governors sectors.**

58. SCHOOL NATIONAL FUNDING FORMULA CONSULTATION STAGE TWO

Consideration was given to a report of the Assistant Executive Director of (Finance), which detailed the proposals contained with the second stage of the national funding formula for Schools consultation.

Members were informed that the Department for Education (DfE) had carried out the first stage of a consultation during Easter 2016 in relation to arriving at a National Funding Formula to allocate the Dedicated Schools Grant. The DfE released the second stage of the consultation on 14 December 2016 and the main proposals and how they would affect the funding of education in Tameside were summarised.

Members were informed that the Dedicated Schools Grant (DSG) was the primary source of funding for Schools. The estimated total target funding to be allocated to Tameside at the end of the proposed changes was £172.242m. The estimated allocation of DSG funding for the first year of the National Funding Formula (NFF) of 2018/19 was £170.706m. The equivalent baseline value for the same elements of DSG funding in 2016/17 was £169.122m, which represented an estimated increase of £1.584m (0.94%) in the first year of the NFF and an increase of £3.120m

(1.84%) being the ultimate target amount. The timescale for reaching the final target figure was still unclear at this stage.

The effect of the NFF within the elements of the DSG covered by the consultation, were summarised for each block of funding:

- The central services schools block;
- The schools block; and
- The high needs block.

Appendix A of the report contained details of the individual School level effects of the target funding and 2018/19 funding compared to the baseline funding in 2016/17.

Members were informed that the full consultation documents could be accessed via the following link: <https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/>.

RESOLVED

That the contents of the report be noted.

59. ANY OTHER BUSINESS

The Chair raised a query from Flowery Field Primary Academy in relation to a potential additional growth funding allocation that had been discussed with representatives from the Resource Management and Education Services in December 2016. The Senior Resource Manager advised that this proposal would be part of the 2017/18 funding formula proposals report being tabled at the 14 February 2017 meeting.

Members were informed of the cessation of the distribution service for schools due to the service no longer being financially viable. The service would be withdrawn with effect from February 2017 and schools would be notified of this in writing.

60. DATE OF NEXT MEETING

The Senior Resource Manager informed members that a further meeting of the Forum was required at on 14 February 2017. The meeting was needed in this timescale to enable Forum members to consider the proposed funding scheme for 2017/18 before it could be formally approved by the Council and submitted to the DfE by early March 2017.

RESOLVED:

To note the date of the next meeting of the Schools Forum as Tuesday 14 February 2017.

This page is intentionally left blank

Agenda Item 3

Report To:	SCHOOLS FORUM
Date:	14 February 2017
Reporting Officer:	Bob Berry – Assistant Executive Director - Learning. Ian Duncan – Assistant Executive Director - Finance.
Subject:	DEDICATED SCHOOLS GRANT EARLY YEARS FUNDING UPDATE 2017/18
Report Summary:	A report on the updated Early Years funding allocations proposals for 2017/18.
Recommendations:	Members of the Schools Forum are requested to note the contents of the report and to provide responses to the consultation proposals.
Links to Community Strategy:	Effectively calculated and targeted resources will improve access to a high quality education experience for all our children.
Policy Implications:	Expenditure in line with financial and policy framework.
Financial Implications: (Authorised by the Section 151 Officer)	<p>The Dedicated Schools Grant is a ring fenced grant solely for the purposes of schools and pupil related expenditure.</p> <p>This report contains the effects of the proposals for Tameside in overall terms. The estimated total funding allocated through the Early Years Dedicated Schools Grant for 2017/18 is £14,449,799. This represents an increase of £2,130,042 in comparable funding from 2016/17.</p> <p>Tameside historically received a low level of funding through the Early Years Dedicated Schools Grant, but the new minimum hourly rate introduced by the DFE for 2017/18 will result in significantly increased funding.</p> <p>The report provides details about some newly implemented elements of funding totaling £1,560,160.</p> <p>The report also contains proposals about how the Early Years Dedicated Schools Grant funding detailed in the report should be allocated in 2017/18. The same proposals were issued separately to this report by 27 January to all Schools with Nursery units and all Private, Voluntary or Independent Nursery providers.</p>
Legal Implications: (Authorised by the Borough Solicitor)	There is a statutory duty to use resources efficiently and effectively against priorities.
Risk Management:	The correct accounting treatment of the Dedicated Schools Grant is a condition of the grant and procedures exist in budget monitoring and the closure of accounts to ensure that this is achieved. These will be subject to regular review.

ACCESS TO INFORMATION

NON-CONFIDENTIAL

This report does not contain information which warrants its consideration in the absence of the Press or members of the public.

Background Papers

The background papers relating to this report can be inspected by contacting Stephen Wilde – Head of Resource Management, Directorate of Finance by:



Telephone: 0161 342 3726



e-mail: stephen.wilde@tameside.gov.uk

1. BACKGROUND AND INTRODUCTION

- 1.1 The funding for placements for 2, 3 and 4 year olds attending both School and Private/Voluntary/Independent Nursery provision is provided through the Dedicated Schools Grant (DSG). The Department for Education (DFE) issued an update changes they have made to the associated funding regime through the draft Childcare (Early Years Provision Free of Charge) (Extended Entitlement) Regulations 2016. They also issued their summary of the responses to the associated Autumn 2016 consultation in relation to this area of funding and new operational guidance for the allocation of the associated DSG funding for 2017/18.
- 1.2 As part of the changes that are being proposed the different elements of funding that will be available through the Early Years element of the DSG in 2017/18 are:
- Funding for the 15 hours universal entitlement for three and four year olds – this funding was already allocated to all providers, but there are changes to how it can be allocated which are detailed further in Section 2;
 - Funding for 2 year Olds - this funding was already allocated to all providers, but there are changes to the amount available to allocate which are detailed further in Section 6;
 - Early Years Pupil Premium - this funding was already allocated to all providers, but is detailed further in Section 5;
 - Disability Access Funding (DAF) – this is a new element of funding which is detailed further in Section 4;
 - Funding for three and four year old additional hours for working parents – this is a new element of funding which is detailed further in Section 3; and
 - Maintained Nursey School Supplementary Funding – there are no Maintained Nursery Schools in Tameside.
- 1.3 The comparable estimated Early Years Funding being allocated through the DSG in Tameside for 2017/18 is £12,889,639 and the equivalent amount was £10,759,597 for 2016/17. These figures only include the funding for the universal 15 hour offer for 3 and 4 year olds, the 2 year old offer and the Early Years Pupil Premium. This is because the Disability Access Fund and the Extension to 30 hours for working parents are not comparable to 2016/17, as they are new elements of funding. Further details of each element of Early Years funding through the DSG are detailed later in the report and **Table 1** below summarises the DFE estimate of the funding changes between 2016/17 and 2017/18.

Table 1

Element of Early Years DSG Funding	2016/17	2017/18	Change
3 and 4 year olds Standard Entitlement	7,808,615	9,739,865	1,931,250
2 Year olds	2,830,905	3,029,697	198,792
Early Years Pupil Premium	120,077	120,077	0
Directly Comparable Funding	10,759,597	12,889,639	2,130,042
Disability Access Fund	0	49,200	49,200
3 and 4 year old extended entitlement to 30 hours	0	1,510,960	1,510,960
New Funding	0	1,560,160	1,560,160
Total Early Years Estimated Funding	10,759,597	14,449,799	3,690,202

- 1.4 The full operational guidance, indicative allocations and consultation response documents can be accessed via this link – <https://www.gov.uk/government/publications/early-years-national-funding-formula-allocations-and-guidance>
- 1.5 A copy of this report was issued as a consultation document to Schools with Nursery Units and Private, Voluntary and Independent Nursery providers by 27 January 2017 with a deadline for return by the 14 February 2017.

2. 3 & 4 YEAR OLDS FUNDING

- 2.1 The estimated Early Years Funding of £9,739,865 being allocated through the DSG in Tameside for 2017/18 in relation to the Universal 15 hour entitlement for 3 and 4 year olds is significantly increased from the 2016/17 equivalent estimated funding of £7,808,615. Tameside historically received a relatively low level of funding which was based on £3.45 per hour compared to the new rate for 2017/18 of £4.30 and the ultimate target rate of £4.51. The rate has been capped at £4.30 in 2017/18 to enable the DFE to limit the reduction in funding for other areas that will lose funding under the new funding regulations. The DFE have indicated that the full target rate should be implemented by 2019/20.
- 2.2 The DFE have amended the way they calculate the hourly rate of funding per hour to include a new universal base rate plus supplements based on the following factors:
- Area cost adjustment based on the General Labour Market and Nursery Rates;
 - Free School Meals eligibility;
 - Disability Living Allowance; and
 - English as an Additional Language.
- 2.3 The DFE calculation of the Extended Entitlement to an additional 15 hours element of the funding is based on the same hourly rate as the standard entitlement to 15 hours which is described in paragraphs 2.1 and 2.2. Tameside's estimated allocation for 2017/18 is £1,510,960. The number of children used to calculate this allocation of funding by the DFE was based on data from a combination of :
- Family Resources Survey
 - Annual Population Survey
 - Survey of Personal Incomes
 - Schools Census
 - Early Years Census
 - Office for National Statistics.
- 2.4 The DFE used the data sources referenced in paragraph 2.3 above to calculate a total potential number of eligible children. For 2017/18 only this figure is then adjusted to 7/12ths as the offer only applies from September 2017 which means there are only 7 months when children are eligible during financial year 2017/18. The DFE then also adjust the grant to assume that only 80% of eligible parents will take up the offer and that they will only access an average of 12 of the 15 available hours.
- 2.5 A mandatory element of the changes to the funding rules is that a SEN Inclusion Fund has to be established to help providers to address the needs of individual children. The Council is proposing to allocate £150,000 of funding from within this block of funding. The allocations would effectively be made by the Statutory Assessment Meeting (SAM) panel or a placement meeting if a child has a significant disability, in the same way that schools currently receive the equivalent funding for children of Reception Class age and above. The same top-up bands would be used for Nursery aged children, but they would be adjusted to reflect the hours attended by the child compared to the School equivalent number of hours as shown in **Table 2** below.

Table 2

Additional SEN Funding Bands	School Funding Annual Value	Nursery Funding Annual Value for 15 Hours	Nursery Funding Annual Value for 30 Hours
TMBC Mainstream Band 1	1,317	790	1,580
TMBC Mainstream Band 2	2,635	1,581	3,162
TMBC Mainstream Band 3	4,391	2,635	5,269
TMBC Mainstream Band 4	6,587	3,952	7,904

- 2.6 The local funding scheme has to include a base rate that applies to all children in all settings, whereas the current local scheme funds Schools and Private, Voluntary and Independent providers at different rates. There is a mandatory requirement to have a supplementary rate in relation to Deprivation and it is also possible to have other supplements in relation to Rurality/Sparsity, Flexibility, Quality and English as an Additional Language. The total value of these supplements cannot exceed 10% of the overall funding within this block.
- 2.7 The funding scheme for 2016/17 only contains one supplementary element which is in relation to Deprivation and it is proposed that this continues to be the only supplement in 2017/18. The bands of deprivation that each provider is allocated to in 2016/17 are calculated with reference to each individual child's score on the DFE maintained Index of Deprivation Affecting Children (IDACI). These scores are used to create an average score per provider and then each provider is ranked into one of three bands. It is proposed to keep the 3 bandings used in the current system, but to ensure that all three bands allocate an element of funding to providers. The proposed rates to be allocated to providers in relation to the Standard Entitlement for 3 and 4 year olds are shown in **Table 3** below and the equivalent rates from 2016/17 are shown in **Table 4**.

Table 3

	Schools & Private, Voluntary & Independent
3 & 4 Year Old Standard Entitlement Funding Element	£ Per Hour
2017/18 Base Rate	3.96
2017/18 Deprivation Band A Rate	0.05
2017/18 Deprivation Band B Rate	0.10
2017/18 Deprivation Band C Rate	0.15

Table 4

	Schools	Private, Voluntary & Independent
3 & 4 Year Old Standard Entitlement Funding Element	£ Per Hour	£ Per Hour
2016/17 Base Rate	3.09	3.45
2016/17 Deprivation Band A Rate	0	0
2016/17 Deprivation Band B Rate	0.25	0.25
2016/17 Deprivation Band C Rate	0.45	0.45

- 2.8 The Local Authority has to ensure that at least 93% of the funding in relation to the universal 15 hour offer for 3 and 4 year olds is passed through to providers in 2017/18. This requirement increases to 95% for 2018/19. The Council is proposing to retain approximately 2.4% of the funding in 2017/18, which equates to £234,027 of the 3 and 4 Year Old elements of the grant in 2017/18. Paragraphs 2.9 to 2.12 below provide details on how some of this centrally retained funding would be used to support Council managed Early Years posts that will support all Early Years providers.
- 2.9 It is proposed that £93,023 of the retained funding would support the cost of the Early Education Funding Team. This funding would support the addition of two new officers to accommodate the increased volume of payments that will need to be monitored and reviewed, particularly in relation to the extended entitlement. This funding will also support the annual costs associated with the Servelec IT system which is used to calculate and process the payments to Private, Voluntary and Independent providers. This funding is key to ensuring the prompt and efficient processing of all future payments to providers.
- 2.10 Private, voluntary and independent childcare providers already receive support, advice and guidance from the Early Years Provider Development Team. This support is primarily in relation to the standard 15 hours offer, OFSTED regulations and standards and Special Educational Needs and Disabilities related issues. In order to extend this service to Primary Schools and provide support in relation to the extension to 30 hours for some children it is proposed that the service is allocated £74,841 to fund two additional Early Years Quality Officers.
- 2.11 The updated Early Years funding proposals includes a new Disability Access Fund that is intended to improve access to Early Years places by supporting providers to make reasonable adjustments to accommodate children with additional needs. There is also a requirement to have a specific Special Educational Needs (SEN) Inclusion fund to help providers to better address the needs of individual children. In order to support a greater focus on the SEN of Early Years children it is proposed to allocate £42,834 to support a new dedicated Early Years SEN caseworker.
- 2.12 The Family Information Service provides an integral element of support for Early Years providers by offering advice, guidance and information to families wishing to access Children's services. The service needs to increase its capacity to support the extra demands from families created by the extension of the provision for both 2 year olds and 3 and 4 year olds. Therefore it is proposed that £23,329 is allocated to support an additional Information Officer.

- 2.13 It is proposed that £238,641 of the 3 and 4 Year Old funding are used to create a contingency fund. This contingency fund would then be available to allocate funding to providers throughout the year where otherwise unfunded costs are being incurred. One example of potential use is where a provider has a child taking up a place after the Census that is used by the DFE to calculate funding. Another example would be to provide support where English being an Additional Language is affecting the provision.
- 2.14 **Table 5** below shows a summary of the proposed use of the DSG allocation for 3 and 4 year olds.

Table 5

Proposed Use of 3 & 4 Year Olds Funding 2017/18	£
Estimated Standard Entitlement (First 15 Hours) Total Grant	9,739,865
Estimated Extended Entitlement (Up to 30 Hours) Total Grant	1,510,960
Total Grant	11,250,825
Funding Being Allocated to Providers	
SEN Inclusion Fund	150,000
Base Rate Allocations	10,361,225
Deprivation Supplement Allocations	266,932
Contingency Fund	238,641
Total Being Allocated to Providers	11,016,798
Centrally Retained Expenditure	234,027

3. 2 YEAR OLDS FUNDING

- 3.1 The allocation of funding through this block of the grant has increased from an estimated £2,830,905 in 2016/17 to an estimated £3,029,697 in 2017/18. These allocations of funding are based on a combination of the hourly rate per child and the number of children who are eligible for the grant on the Census data submitted to the DFE by each provider. There has been an increase in the hourly rate used by the DFE to calculate the grant allocation for Tameside from £4.95 to £5.30 per hour. (7%). Providers will therefore receive an increase of £0.35 per hour in their funding allocations.
- 3.2 The Council has retained £0.10 of the hourly rate in previous financial years to support the costs of the Early Education Funding Team and it is proposed to continue the same level of retention from the increased grant. This funding will continue to support part of the cost of the existing officers who process the payments and it is key to ensuring the prompt and efficient processing of all future payments to providers. The estimated value of this retention for 2017/18 is £57,164.

4. EARLY YEARS PUPIL PREMIUM

- 4.1 The DFE have not proposed any changes to the Early Years Pupil Premium (EYPP) element of this block of DSG funding and the total estimated value for 2017/18 is £120,077 which is based on the actual eligibility in 2015/16. The allocations to individual providers will continue to be based on a maximum eligibility of 38 weeks per year, 15 hours per week and

a hourly rate of £0.53. Providers will need to continue to submit claims for each child in every term that they are in attendance and funding will be allocated for a combination of:

- Current and former Looked After Children (LAC) are automatically eligible; and
- Children whose parents or guardians financial circumstances mean that they are eligible, which requires the written consent of the parents/guardians before the Council can check the Department for Work and Pensions database.

5. DISABILITY ACCESS FUND

- 5.1 The Disability Access Fund is a new element of funding being allocated through the DSG for Early Years. The funding is aimed at supporting providers to offer places to children with disabilities or Special Educational Needs. (SEN). The estimated allocation for 2017/18 is £49,200 which is based on a DFE estimate of the number of eligible children and an allocation rate of £615 per child.

6. RECOMMENDATIONS

- 6.1 As stated on the report cover

Report To:	SCHOOLS FORUM
Date:	14 February 2017
Reporting Officer:	Bob Berry – Assistant Executive Director - Learning. Ian Duncan – Assistant Executive Director - Finance.
Subject:	DEDICATED SCHOOLS GRANT FUNDING FORMULA 2017/18
Report Summary:	A report on the arrangements concerning the Dedicated Schools Grant funding formula proposals for 2017/18.
Recommendations:	<p>Members of the Schools Forum are requested to note the contents of the report.</p> <p>Members of the Primary and Secondary sectors are required to vote separately on the De-delegation of funding for each of the four services described in paragraph 3.14 of the report.</p> <p>Members of the Forum are required to vote on the central retention of funding for each of the three services described in Section 5 of the report.</p>
Links to Community Strategy:	Effectively calculated and targeted resources will improve access to a high quality education experience for all our children.
Policy Implications:	Expenditure in line with financial and policy framework.
Financial Implications: (Authorised by the Section 151 Officer)	<p>The Dedicated Schools Grant is a ring fenced grant solely for the purposes of schools and pupil related expenditure.</p> <p>There has been no inflation applied to the Dedicated Schools Grant in Tameside by the Department for Education/Education Funding Agency since April 2010. The funding allocated to Tameside is based on the number of pupils on the preceding Autumn Term Pupil Census.</p>
Legal Implications: (Authorised by the Borough Solicitor)	There is a statutory duty to use resources efficiently and effectively against priorities.
Risk Management:	The correct accounting treatment of the Dedicated Schools Grant is a condition of the grant and procedures exist in budget monitoring and the closure of accounts to ensure that this is achieved. These will be subject to regular review.

ACCESS TO INFORMATION

NON-CONFIDENTIAL

This report does not contain information which warrants its consideration in the absence of the Press or members of the public.

Background Papers

The background papers relating to this report can be inspected by contacting Stephen Wilde – Head of Resource Management, Directorate of Finance by:



Telephone: 0161 342 3726



e-mail: stephen.wilde@tameside.gov.uk

1. BACKGROUND AND INTRODUCTION

- 1.1 A report on the changes to the schools funding process was initially brought to the Schools Forum in May 2012 following consultation by the Department for Education (DFE) and the Education Funding Agency (EFA) which started in March 2012. The DFE/EFA have continued to amend School Funding Regulations and to consult on potential changes to the funding formula over the intervening years, but some of their initial aims were:
- Ensuring that 'funding follows the pupil' by restricting the ability to direct funding towards school organisation or premises issues;
 - Rewarding schools that attract pupils;
 - Ensuring transparency, so schools in similar positions receive similar levels of funding;
 - Being simpler than the current process; and
 - Maximising delegation.
- 1.2 In this context, and as agreed with the Heads and Chairs of Governors, the priority for the 2013/14 local funding formula was to work within the parameters established by the DfE, whilst trying to secure financial stability for local schools as they moved from one funding regime to another. This approach was continued between 2014/15 and 2016/17 where only minor changes were made to funding unit rates in Tameside.
- 1.3 Section 2 contains a summary of the DSG allocations from the DFE/EFA and how they have been used in Tameside in 2016/17 and the estimated use in 2017/18.
- 1.4 Section 3 of the report provides details of the proposed funding formula for Mainstream Schools in Tameside in 2017/18.
- 1.5 Section 4 of the report provides details of the proposed funding formula for Pre and Post 16 High Needs.
- 1.6 Section 5 contains details of services where the Council is proposing to centrally retain funding. The services concerned are Admissions, Schools Forum Support and Retained Duties funding that has been transferred from the Education Services Grant (ESG) into the DSG for the first time in 2017/18.
- 1.7 Section 6 contains a request to vote on the issues discussed in sections 3 to 5
- the de-delegation of 4 central Council services,
 - the Council retaining funding for the Admissions and Schools Forum Support services
 - the Council retaining the funding for Retained Duties that has been transferred from the Education Services Grant (ESG) into the DSG for the first time in 2017/18
- 1.8 A separate report being considered at this meeting details the proposed funding scheme for the Early Years element of the DSG.

2. DEDICATED SCHOOLS GRANT SUMMARY 2016/17 & 2017/18

- 2.1 The table below summarises the gross allocations of DSG to Tameside from the current financial year 2016/17 by DFE/EFA funding block.

Table 1

2016/17 DSG Allocations from DFE/EFA	£'000
Schools Block	153,651
Early Years Block	7,655
Pre 16 High Needs Block	13,515
Post 16 High Needs Block	1,469
2 Year Old Block	2,831
NQT Block	47
Early Years Pupil Premium	120
Gross DSG Allocation Before DFE/EFA Recoupment	179,288

- 2.2 The table below summarises the deductions made to the gross DSG allocation in 2016/17 by the DFE/EFA in relation to Mainstream Academies and both Academy and Non Maintained Special School places. It also shows the net allocation of DSG after those deductions.

Table 2

	£'000
Gross DSG Allocation Before DFE/EFA Recoupment	179,288
DFE/EFA Recoupment Deduction for Academy Mainstream Schools	-47,277
DFE/EFA Recoupment Deduction for Non Maintained Special School High Needs Places	-164
DFE/EFA Recoupment Deduction for Academy Special School High Needs Places	-660
Total DFE Recoupment Deduction	-48,101
Net DSG Allocation to Tameside	131,187

- 2.3 The table below summarises how the current net DSG allocation has been used in Tameside and the estimated surplus in the 2016/17 grant compared to how it has been used.

Table 3

	£'000
Net DSG Allocation to Tameside	131,187
2016/17 Net DSG Allocation in Tameside	
Schools Block	103,176
Early Years Block	7,621
Pre 16 High Needs Block	14,388
Post 16 High Needs Block	2,500
2 Year Old Block	3,265
NQT Block	47
Early Years Pupil Premium	120
Total Net DSG Allocations in Tameside	131,117
Unallocated Current 2016/17 DSG Allocation from DFE/EFA	-70

- 2.4 The unallocated DSG shown in Table 3 above will be carried forward to 2017/18. The Council expects to receive a further £270,000 in retrospectively allocated Early Years funding relating to 2016/17. Both of those elements of DSG grant will then be used to fund the retrospective reduction of the Gains Cap in 2016/17 from 100% to 80% as described in paragraph 3.13 further below.

- 2.5 The table below summarises the estimated gross allocations of DSG to Tameside for financial year 2017/18 by DSG funding block.

Table 4

2017/18 DSG Allocations from DFE/EFA	£'000
Schools Block	153,780
Retained Duties	545
Early Years 3 and 4 Year Olds	9,740
Extended Entitlement for 3 and 4 year olds	1,511
2 Year Old Block	3,030
Disability Access Fund	49
Early Years Pupil Premium	120
High Needs	19,035
Schools Block Retrospective Gains Cap Funding B/fwd from 2016/17	308
Gross DSG Allocation Before DFE/EFA Recoupment	188,118

- 2.6 The table below summarises the estimated deductions made to the gross DSG allocation in 2017/18 by the DFE/EFA in relation to Mainstream Academies and both Academy and Non Maintained Special School places. It also shows the estimated net allocation of DSG after those deductions.

Table 5

	£'000
Gross DSG Allocation Before DFE/EFA Recoupment	188,118
DFE/EFA Recoupment Deduction for Academy Mainstream Schools	-49,415
DFE/EFA Recoupment Deduction for Non Maintained Special School High Needs Places	-838
DFE/EFA Recoupment Deduction for Academy Special School High Needs Places	-660
Total DFE Recoupment Deduction	-50,913
Net DSG Allocation to Tameside	137,205

- 2.7 The table below summarises how the estimated net DSG allocation has been used in Tameside.

Table 6

	£'000
Net DSG Allocation to Tameside	137,205
Estimated Use of 2017/18 Net DSG Allocation in Tameside	
Schools Block	104,502
Retained Duties	545
Early Years 3 and 4 Year Olds	9,740
Extended Entitlement for 3 and 4 year olds	1,511
2 Year Old Block	3,030
Disability Access Fund	49
Early Years Pupil Premium	120
High Needs	17,708
Total Net DSG Allocations in Tameside	137,205

- 2.8 The Schools block element of the 2017/18 grant has increased from 2016/17 for two reasons. The first increase of £544,680 is due to the Education Services Grant (ESG) funding previously allocated directly to the Council that has been transferred into the DSG which is referenced further in paragraph 5.1. The second element of the increase in the Schools Block funding was an increase in the number of children in Tameside Schools that the funding is based upon from 32,623 to 33,357. The balance of the increase of the DSG relates to Early Years funding which is detailed further in the Early Years Funding Consultation report being considered at this meeting.

3. DEDICATED SCHOOLS GRANT 2017/18 – PROPOSED FUNDING FORMULA FOR MAINSTREAM SCHOOLS

- 3.1 The Schools Block is the largest element of DSG funding which provides the majority of funding for Mainstream Schools, with additional elements potentially being allocated to Mainstream Schools through the Early Years and High Needs blocks. The DFE carried out the first stage of a consultation during Easter 2016 in relation to arriving at a National Funding Formula to allocate the Dedicated Schools Grant. The DFE released the second stage of the consultation on 14 December 2016 which was discussed in more detail at the Forum meeting in January 2017. This section of the report provides details of the proposed funding formula for mainstream Schools in Tameside in 2017/18. The DSG Schools Block allocations for 2017/18 described in Section 2 above are based on the October 2016 pupil census unless otherwise indicated. The same calculations are carried out for both maintained and academy Schools and the DFE then deduct the total amount of funding calculated for Academies from the DSG they pay to the Council through a process termed Academy recoupment.
- 3.2 The AWPU (Age Weighted Pupil Unit) funding factor is the main source of funding for all mainstream Schools and in 2017/18 an AWPU unit allocation is made to Schools based on the number of children on roll, excluding Nursery children, Post 16 students and children in specific High Needs units. The DFE recognise that the number of children on roll in Reception classes often changes between the October and January pupil census counts. They provide Councils with historic data in relation to pupil movements for that age group and Schools receive an AWPU allocation for this number of children as well. The proposed Primary AWPU rate per pupil is £3,264 and the proposed Secondary AWPU unit rate per pupil is £4,678.
- 3.3 The measures used to allocate funding to mainstream Schools through the Deprivation factor are a combination of FSM (Free School Meals) eligibility and the DFE maintained IDACI (Income Deprivation Affecting Children Index). The DFE updated the IDACI index for allocating funding in 2016/17 and this resulted in a significant reduction in the level of deprivation being identified by the index in Tameside and many other areas nationally. The DFE have attempted to offset this reduction in 2017/18 through changes they have introduced to the IDACI measures being used. IDACI Band A is now the highest level of relative deprivation on this index and the proposed unit rates per eligible pupil for both FSM and IDACI eligibility in 2017/18 are shown in the table below :

Table 7 – Deprivation Funding Unit Rates 2017/18

Eligibility Criteria	Primary Unit Rate per Pupil – £	Secondary Unit Rate per Pupil – £
Free School Meals	352	447
IDACI Band F	0	0
IDACI Band E	104	130
IDACI Band D	156	195
IDACI Band C	260	325
IDACI Band B	312	390
IDACI Band A	364	455

- 3.4 Mainstream Schools also receive funding through the EAL (English as an Additional Language) factor for children who have been in attendance at School for at least 6 months. It is proposed that this unit rate remains unchanged for the Secondary sector at £1,426.40 per eligible child and for the Primary sector at £950.93 per eligible child.
- 3.5 The eligibility criteria for allocating LAC (Looked After Children) funding to mainstream Schools is any child who has been classed as LAC for at least one day on the SSDA903 submission to the DFE. The proposed unit rate per eligible pupil in both the Primary and Secondary sector is £832.25 which is the same rate as in 2016/17. In previous financial years Schools agreed to repay an element of their overall DSG funding to the Council to enable it to continue to contribute approximately £90,000 of DSG towards the cost of the LSCB (Local Safeguarding Children Board). Schools will be asked to continue this arrangement in 2017/18.
- 3.6 It is proposed that every mainstream School in Tameside continues to receive an annual allocation through the Lump Sum factor of £100,000 in 2017/18.
- 3.7 At present the three Schools that were constructed as part of the Hattersley PFI (Private Finance Initiative) contract receive an allocation through the PFI Affordability factor which represents a share of the original affordability gap of £400,000. This funding is automatically recovered from the Schools and is used to bridge the funding gap between the cost of the contract and the contributions made by Schools from their other DSG allocations. Work is still taking place to reassess the affordability gap across both the Hattersley and BSF PFI contracts which may result in amendments to the current PFI allocations to Schools and new allocations to other PFI Schools. The DFE confirmed in their operational guidance for 2017/18 that all PFI funding has to be initially delegated to the Schools within the contract and then recovered from them by the Council. This means that a potential further £1.919m will need to be delegated and then recovered from Schools in 2017/18.
- 3.8 Prior Attainment funding allocations are intended to target funding to support children who are not achieving at prescribed levels when they start in Reception or Year 7. The Secondary sector measure of eligibility is for any child that does not reach Level 4 in English or Mathematics. The DFE have acknowledged that changes to the Key Stage 2 assessment process nationally have resulted in more children currently in year 7 being eligible for the funding. Therefore they have applied a weighting of 48% to this measure to reduce this increased number of eligible children. Since 2014/15 children assessed under the Early Years Foundation Stage (EYFS) are deemed to be eligible for this funding in Primary Schools if they failed to achieve at least a Good level of development. No changes are proposed to the unit rate per eligible pupil in either sector which means £418 per Primary School child and £559 per Secondary School child.

- 3.9 All Schools will receive an allocation of DSG funding through the Business Rates factor which is equivalent to the value of the Business Rates charge for 2017/18.
- 3.10 It is proposed that the existing policy of Primary Schools who are being asked by the Council to admit additional classes of children from September 2017 will be allocated a Growth allocation. The value of the allocation has been updated from £37,975 to £40,578 for 2017/18. This figure is based on the elements:
- The salary costs including oncosts of a Teacher on point 1 of the UPS grade for 7 months;
 - The salary costs including oncosts of a Level 3 Teaching Assistant for 7 months; and
 - £2,000 for resources.
- 3.11 It is also proposed that the specific Growth allocation criteria and funding amounts outlined below are added to the local formula.
- Schools that have been rebuilt within the last 7 years which have taken over 30 additional pupils in year groups other than the Reception bulge classes they initially formally agreed to. This would only apply to Schools that agreed the additional intake with the Council in advance. This would not apply where Schools have chosen to admit those children without agreement with the Council. The rationale for this is that the Schools concerned are helping to address an area wide demand for places coordinated through the Council. The value of this growth allocation for 2017/18 is proposed to be £66,134 which is intended to cover the same staffing costs as detailed in 3.12 above, but for a full year.
 - Schools that agreed to take a one year only Bulge class of 30 children within the last 7 years, where the Bulge class concerned has less than 20 children on roll. This would only apply to Schools that agreed to take the bulge class with the Council in advance and where there is only one Bulge class in the School meaning it was not possible to combine classes across year groups. This would not apply where Schools have chosen to admit additional children without agreement with the Council. The rationale for this is that the Schools concerned are helping to address an area wide demand for places coordinated through the Council. The value of this for 2017/18 is proposed to be £32,640 which is intended to replace the AWPU funding for 10 children.
- 3.12 The DSG grant conditions dictate that mainstream Schools should receive MFG (Minimum Funding Guarantee) funding protection which prevents them losing more than 1.5% of their equivalent per pupil level funding from the previous financial year. The pupil led funding per pupil amount used to calculate this is the total Schools Block funding less the elements that are not pupil led which are Business Rates and the Lump Sum. (These are the elements that are not directly linked to the number of children at the School).
- 3.13 The DFE do not allocate funding to pay for the cost of the MFG protection described in 3.12 above. The DFE expect Councils to use a Gains Cap to fund the cost of the MFG. The Gains Cap is based on limiting the gain in pupil led funding per pupil that a School receives and the Council has a duty to set a balanced DSG budget. For 2017/18 this means the proposed Gains Cap is that 80% of the pupil led funding per pupil amount being gained from the formula calculations described above in Section 3 of this report are capped. The equivalent cap for 2016/17 was initially set at 100% which the Council attempted to reduce to 80% in March 2016. The DFE advice was that a disapplication of school funding regulations request would need to be submitted to the Secretary of State to enable the funding linked to this reduced cap to be allocated to the Schools affected. This request was approved in January 2017 and therefore 55 Schools will receive a share of the £307,000 concerned.

- 3.14 De-delegation is the terminology employed by the DFE in relation to Schools Forum representatives of Council Maintained Schools voting on whether to support mandatory charging to all other Council Maintained Schools of certain Council services. The Primary and Secondary sector vote separately in relation to each of the services. The De-delegation rates in 2017/18 are shown below. Members of the Primary and Secondary Maintained sectors respectively are asked to indicate for each sector whether they support the de-delegation of the services listed immediately below.
- Behaviour for Learning and Inclusion Service (BLIS)
 - Equality, Multiculturalism and Access Team (EMAT)
 - Staff Cover for Trade Union Support
 - Schools Contingency

Table 8 – De-delegation Per Pupil Rates

Service	Rate per Pupil - All Pupils	Rate per Pupil - EAL for 2 Years Pupils
Behaviour for Learning & Inclusion Service (BLIS)	27.70	
Contingency	5.81	
Equality, Multiculturalism & Access Team (EMAT)		198.23
Trade Union Support	7.16	

4. DEDICATED SCHOOLS GRANT UPDATE 2016/17 & 2017/18 – HIGH NEEDS PRE 16 AND POST 16 BLOCKS

- 4.1 The DFE prescribed basic funding formula for the High Needs area including Primary and Secondary Special Schools consists of two main elements:
- An allocation of £10,000 per Pre 16 place for Special Schools and Mainstream School Resourced Units (This funding is allocated even if all places are not full); and
 - A top-up rate based on the category of School or on the category of needs of individual children in attendance at the School. The School then receives a Top-up allocation for each child in attendance at the School.
- 4.2 The Council's SEN (Special Educational Needs) Assessment, Review and Monitoring team initially carried out a detailed exercise in conjunction with Special School Head Teachers to allocate individual children at Special Schools into categories of need which was used to inform the Top-up rate element of the funding described above. **Appendix A** contains a summary of the proposed Top-up categories that will be used in Tameside. Top-up funding is time adjusted and not annually allocated and therefore if a child only attends a School until the end of the Summer Term, then funding will only be allocated for 5/12ths of the top-up rate. For the Autumn Term the apportionment is 4/12ths and for the Spring Term it is 3/12ths. It is proposed that these adjustments are made on a termly basis, rather than on an annual, monthly or weekly basis.
- 4.3 As recommended by the DFE and agreed at Schools Forum on 20 November 2012 all Mainstream Schools are required to meet the first £6,000 of the additional costs associated with educating children with High Needs from their main DSG revenue budget. The DFE refers to this as Notional SEN funding, but it is important to note that it is not additional funding being allocated to Schools. The funding intended to support these SEN costs is from the main School funding formula allocation described in Section 3 above. School funding statements show a value for Total Notional SEN for each School which is based on

the full Prior Attainment funding allocation and a small percentage of the AWPUP (Age Weighted Pupil Unit) funding allocation. This Total Notional SEN funding value does not have to be used for SEN purposes and equally it is not the only funding that Schools are expected to use to fund the first £6,000 of the additional costs associated with educating children with High Needs.

- 4.4 The level of costs expected to be incurred by a Mainstream School in relation to a child with an SEN statement will be confirmed by the Council's Assessment, Review and Monitoring team. This estimate of costs is based on any formal assessments maintained by the Assessment, Review and Monitoring team and also on the Provision Map information which is supplied by the School for every child with High Needs. Each child is then allocated to one of the funding bands shown in the table in **Appendix B**, with the School meeting the first £6,000 of the assessed costs directly as described above. Any costs above £6,000 will result in the child being allocated to a funding band that attracts additional funding.
- 4.5 The DFE national funding regime for Pre 16 Special Schools allocates funding via two factors. As described above the first element is £10,000 per place available in Special Schools and Schools are also allocated Top-up funding based on the needs of the children actually attending the School. The Top-up funding is calculated in different ways at different Councils, but generally follows one of two themes. The first is a standard Top-up rate per School which is often used for Schools whose children tend to have very similar needs. The second method which is used in Tameside involves placing each child in a Top-up banding based on their individually assessed needs, which means Schools have children in different Top-up bandings. An unfortunate consequence of the Special School funding system nationally is that the Schools concerned have a lack of clarity over how much Top-up funding they will receive each year.
- 4.6 The Finance Officers of Councils across the North West meet several times a year and often discuss and compare publically available information concerning School funding in each of our areas. One of the main areas of comparison over the past few years has been the cost of both Pre and Post 16 High Needs placements. This comparative data triggered the start of more detailed work with Tameside Special Schools, which was subsequently deferred when DFE announced the first stage of their consultation on High Needs funding reforms in Spring 2016. The DFE have recently announced the second stage of that consultation which indicates that the local funding formula for High Needs will continue to be managed locally.
- 4.7 The formula review work that was due to commence last year included assessing how comparable the Top-up bandings are across the North West Councils. This will involve trying to ensure that any comparisons are as accurate as possible, as there are variations in the criteria used for each Council's Top-up bandings.

5. COUNCIL RETENTION OF FUNDING FOR CENTRAL SERVICES

- 5.1 Funding that was allocated through the Retained Duties element of the Education Services Grant (ESG) in 2016/17 and previous years have been transferred into the DSG from 2017/18 onwards as part of the DFE reforms. The retained duties concerned are defined by the DFE as Education Welfare services, Asset Management and Statutory/Regulatory duties. The Council is requesting that Schools Forum agrees to de-delegate this funding of £544,680 in 2017/18 to enable the Council to continue to provide those support services.
- 5.2 The DSG operational guidance for 2017/18 requires the Council to formally request Schools Forum support for the central retention of DSG to support the School Admissions and Schools Forum Support services. Therefore the Council is requesting that Schools Forum supports the continued central retention of
- £158,000 of DSG to support the School Admissions service
 - £5,000 of DSG to support the costs of the Schools Forum

6. RECOMMENDATIONS

- 6.1 Members of the Schools Forum are requested to note the contents of the report.
- 6.2 Members of the Primary and Secondary Maintained sectors respectively are recommended to approve for each sector the de-delegation of service costs in relation to the following services that were referenced in section 3.14 of this report :
 - a) Behaviour for Learning and Inclusion Service (BLIS)
 - b) Equality, Multiculturalism and Access Team (EMAT)
 - c) Staff Cover for Trade Union Support
 - d) Schools Contingency
- 6.3 Members of the Forum are recommended to approve in principle
 - a) The retention of £544,680 of DSG in 2017/18 by the Council in relation to former ESG funded Retained Duties
 - b) The retention of £158,000 of DSG in 2017/18 to support the cost of the Admissions service
 - c) The retention of £5,000 of DSG in 2017/18 to support the cost of the Schools Forum

This page is intentionally left blank

APPENDIX A

Special School Funding Bandings

Banding	Description	Severity	Allocation
PMLD-1	Profound and Multiple Learning Difficulties Level 1	1	12,754
PMLD-2	Profound and Multiple Learning Difficulties Level 2	2	19,131
PMLD-3	Profound and Multiple Learning Difficulties Level 3	3	32,753
ASC-1	Autism Spectrum Condition Level 1	1	11,479
ASC-2	Autism Spectrum Condition Level 2	2	17,218
ASC-3	Autism Spectrum Condition Level 3	3	31,477
SLD-1	Severe Learning Difficulties Level 1	1	10,203
SLD-2	Severe Learning Difficulties Level 2	2	15,305
BESD-1	Behavioral, Emotional and Social Difficulties Level 1	1	9,566
BESD-2	Behavioral, Emotional and Social Difficulties Level 2	2	14,348
MLD-1	Moderate Learning Difficulties Level 1	1	5,102
MLD-2	Moderate Learning Difficulties Level 2	1	7,652

Summarised Banding Descriptions

PMLD- Profound and Multiple Learning Difficulties

Level 1

The pupil has PMLD and requires 1-1 support for their personal care and support for accessing learning. A multi-disciplinary plan is required to ensure all the pupils needs are met.

Level 2

Due to complexity of needs e.g. blind, deaf, severe epilepsy, personal care needs the pupil may require 2-1 support for some of the day.

Level 3

Needs greater than Level 2

ASC- Autism Spectrum Condition

Level 1

The pupil has been diagnosed with ASC. The environment is resourced to meet need. A plan around the child is used to ensure strategies and approaches are consistent at school and at home. External agencies offer guidance on strategies to be implemented.

Level 2

The pupil has additional needs that may warrant individual support for some of the day e.g challenging/high risk behaviour, medical needs.

Level 3

Needs greater than Level 2

SLD- Severe Learning Difficulties

Level 1

The pupil has been identified as having SLD. The environment is resourced to facilitate effective communication. There is also support to develop the pupils attention and concentration skills throughout the school day. External agencies offer advice and frequent input to the teacher, teaching assistance and parents.

Level2

The pupil has additional needs that may warrant individual support for some of the day e.g. specific care needs- tube feeding, medical needs- epilepsy and challenging/ high risk behaviour.

BESD- Behavioural, Emotional and Social Difficulties

Level1:

The pupil has been identified as having BESD that are impacting on their ability to learn. They may also have an additional need e.g. MLD, speech and language needs.

Level 2:

The pupil has been identified as having BESD. There is evidence that the need is long term and that a multi-agency approach is required.

MLD - Moderate Learning Difficulties

Level 1:

The pupil has been identified as having MLD and may require support from an external agency eg speech and language therapist.

Level 2:

The pupil has been identified as having MLD, a secondary category has also been recognised e.g. Specific language difficulty, behavioural difficulties, hearing impairment, visual impairment, physical difficulties or motor impairment.

APPENDIX B

High Needs Funding for Children in Mainstream Schools

Band	Equivalent TA Hours from Assessment	Funding Allocation	Equivalent TA Hours Being Funded @ £439.12
##	1-14	0	0.0
1	14.1-17	1,317	3.0
2	17.1-20	2,635	6.0
3	20.1-24	4,391	10.0
4	24 +	6,587	15.0

- Assessments of equivalent Teaching Assistant Hours of less than 14 hours are lower than the Notional SEN figure per pupil of £6,000 and therefore do not attract additional funding as these costs need to be met from existing School funding

This page is intentionally left blank