



## Wirral Schools Forum

<b>Date:</b>	<b>Wednesday, 13 January 2016</b>
<b>Time:</b>	<b>6.00 pm</b>
<b>Venue:</b>	<b>Council Chamber, Wallasey Town Hall</b>

**Contact Officer:** Sue Ashley  
**Tel:** 0151 666 4579  
**e-mail:** SueAshley@wirral.gov.uk  
**Website:** <http://www.wirral.gov.uk>

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## AGENDA

1. **MINUTES OF THE MEETING HELD ON 20TH OCTOBER 2015 (Pages 1 - 6)**
2. **MATTERS ARISING**
3. **WATER CHARGES IN SCHOOLS (Pages 7 - 10)**
4. **UPDATE ON FREE SCHOOL MEALS OPT OUT (Pages 11 - 12)**
5. **WIRRAL SAFEGUARDING CHILDREN'S BOARD (Pages 13 - 16)**
6. **CLC UPDATE (Pages 17 - 20)**
7. **BUDGET MONITORING 2015-16 (Pages 21 - 26)**
8. **DFE SPENDING REVIEW 2015 (Pages 27 - 28)**
9. **SCHOOLS FUNDING FORMULA (Pages 29 - 32)**
10. **SCHOOL BUDGET REPORT 2016-17 (Pages 33 - 44)**
11. **DE-DELEGATION OF BUDGETS (Pages 45 - 48)**
12. **FACILITIES TIME SLA (Pages 49 - 54)**
13. **SCHOOL BUDGETS AND INDICATIVE DEFICIT BALANCES (Pages 55 - 56)**

14. **SCHOOL REDUNDANCY POLICY (Pages 57 - 60)**
15. **EARLY YEARS - REVIEW OF CHILDCARE COSTS (Pages 61 - 72)**
16. **FUNDING FOR DISADVANTAGED PUPILS (LGIU REPORT) (Pages 73 - 78)**
17. **SCHEME FOR FINANCING SCHOOLS CHANGES (Pages 79 - 80)**
18. **SCHOOL FINANCE REGULATIONS - CONSULTATION RESPONSE (Pages 81 - 98)**
19. **WORKPLAN (Pages 99 - 100)**
20. **ANY OTHER BUSINESS**

## WIRRAL SCHOOLS' FORUM

20<sup>th</sup> October 2015

### MINUTES

**Present:** Jill Billinge (Chair)

Schools Group

L Ayling	A Moore
E Cogan	M Morris
K Frost	K Podmore
L Ireland	T Quinn
D Marchant	M Walker
J McCallum	L Wheatley
S McNamara	

Non-Schools Group

M Bulmer	S Higginson
I Harris	N Prance

In Attendance:

S Ashley	J Hassall
P Arista	P Hughes
S Bailey	L Jameson
S Blevins	I McGrady
C Chow	A Roberts
Cllr W Clements	Cllr P A Smith
A Davies	S Talbot
R Ghataora	P Ward

**Apologies:**

M Brown	B Jordan
S Davies	J Pearson
J Devine	D Stenhouse
A Donelan	A Whiteley (Vice Chair)
S Duggan	P Young
C Hughes	

**1. Election of Chair and Vice Chair**

Jill Billinge was elected as Chair and Adrian Whitely was elected as Vice Chair

**2. Minutes from the Meeting held on 15<sup>th</sup> July 2015**

The minutes from the meeting were accepted as a true record.

### **3. Matters Arising**

There were no matters arising from the minutes.

### **4. Free School Meals**

Tricia Hughes described the current free school meal (FSM) processes and the uptake for Wirral Schools which relies on a parental request and the completion of paperwork. Following changes in benefits and the introduction of Universal Infant Free School Meals (UIFSM) the FSM uptake has reduced. This is significant because FSM eligibility is an indicator that allocates funding through the Wirral Schools Funding Formula and also the Pupil Premium (primary £1,320 and secondary £935).

The benefits team have been working on an Opt Out Project to maximise the number of children claiming free school meals. Additional staffing is needed to do this. The team proactively search the Benefits system for families who are eligible, they then write informing them that they will be registered for FSM unless they request otherwise. The Benefits team have also shared data with Early Years so that parents with children moving from nursery to reception do not need to re-apply for FSM in the child's new school.

It was noted that data sharing of 16-19 year olds on free school meals moving to colleges will be beneficial as the colleges also need this information.

An update will be provided at a future forum meeting.

#### Resolved

- The work on the Opt Out project to increase FSM takeup and increase pupil premium is noted.
- An agreed contribution of £10,000 from the Forum Budget will be paid to offset some of the extra costs incurred.

### **5. Post 16 and 19-25 High Needs Provision**

Ste Bailey informed the Forum of the work at Wirral Metropolitan College to support students with High Needs. The college Additional Learning Support Team supports students with Special Educational Needs and Disabilities (SEND)

High cost low incidence SEN students are often in small classes, many learning in 'Prep for Life' courses.

It was noted that the development of work in this area has contributed to the reduction of out of borough specialist provision from a total of 35 in 2010-11 to 2 in 2015-16.

The slides are attached to the minutes.

### **6. Traded Services Update**

Ian McGrady updated the Forum on the school traded services company, Edsential. The Business Plan has been agreed by both Wirral and Cheshire West and Chester Councils and the new company will be launched on 1<sup>st</sup> December 2015. A great deal of work has been undertaken to bring school catering together as one service from the beginning of the autumn term. This has seen the introduction of new menus and new daily food supplies. In January the SLA offer for 2016-17 will be discussed with schools.

Resolved

Forum noted the report

## **7. Budget Monitoring Update**

Andrew Roberts updated the Forum on the schools budget for 2015-16. There is an indicative shortfall of £250k over a number of central school budgets, particularly within Special Educational Needs. The area will be closely reviewed and proposals will be brought to the next meeting to manage the shortfall.

Resolved

Forum noted the report

## **8. Early Years Update and Extension to 30 Hours**

Rajinder Ghataora informed the forum that the uptake for 2 year old nursery places was 74% of those eligible, which is above the national average and was recognised by the Sam Gyimah, the Parliamentary Under Secretary of State for Childcare and Education. Early Years Pupil Premium was introduced in April 2015 with an amount of £74k being paid to Wirral early years providers in the summer term.

A new on-line application process has been introduced to make it easier for parents to check if their child is eligible for the pupil premium. This will speed up the applications process.

The introduction of 30 hours free childcare entitlement for working parents of 3 and 4 year olds will be available from September 2017. Nationally there will be a number of early implementer sites from September 2016.

An early years group will be set up to discuss the policy and its implications. Simon Davies (PVI Rep), Nickie Prance (PVI Rep) and Lynn Ireland (Primary Governor Rep) have all volunteered to be part of this group.

Resolved

- Forum notes the report
- A task group will be set up to maintain an overview of the policy and the implications.

## **9. School Intervention**

Sue Talbot outlined the expenditure of the School Intervention Grant and its impact on school outcomes.

Primary School Intervention - £355,500

- £209k has been used to support vulnerable schools, which has improved attainment at KS1 and KS2 for all the schools involved.
- £45k has been used to raise standards in early years, with attainment continuing to be 3% above the national average.
- £36k to support the primary Headteacher consultant post.

Secondary School Intervention - £319,000

- £98k to commission support from Teaching Schools to improve the quality of teaching and learning.

- A further £106k to support vulnerable schools to raise the quality of teaching and learning.
- £44k to improve teaching and learning at the Pupil Referral Unit, including a pilot for online learning.
- £40k to support the secondary Headteacher consultant post.

The impact of this funding has supported school outcomes in a number of areas with 87% of primary, 68% of secondary and 100% of special schools have been judged as good or better by Ofsted, which is well above the national average.

The intervention team were thanked for their work by the forum members.

Resolved

Forum noted the report

## **10. LACES**

Andrew Roberts summarised the Looked After Children's Education Service (LACES) and the support given to children in care. There have been a number of changes over the last few years and from September 2015 the LACES team will be made up of a Virtual Headteacher and 5 (3.8fte) Educational Progress Officers.

As well as meeting the statutory requirements this team will track, monitor and challenge attainment and attendance of each child looked after through a Personal Educational Plan.

Resolved

Forum noted the report

## **11. PFI and PPM Budget**

This report provides the forum with information about the PFI contract and planned programmed maintenance costs.

There is an ongoing piece of work comparing the cost of cleaning and caretaking in PFI and non-PFI schools. The findings will be reported to a future forum meeting.

Resolved

Forum noted the report

## **12. School Funding 2016-17**

Andrew Roberts briefed the Forum of the guidance received from the EFA for the 2016-17 Schools' Budget. The Dedicated Schools Grant (DSG) will remain as flat cash. Early years funding, Pupil Premium and UIFSM will be confirmed after the Chancellor of the Exchequer's Comprehensive Spending Review in November.

Resolved

Forum agreed that the budget is prepared in accordance with the report.

### **13. High Needs Funding Formula Changes 2016-17**

Andrew Roberts highlighted the arrangements for High Needs Funding for the 2016-17 financial year. The EFA have indicated that the funding for 2016-17 will remain the same level as this year (£34.3m). The move to place funding based on October census (lagged) data has been delayed and will not take place in the 2016-17 financial year. LA's will be able to adjust place funding locally to reflect anticipated take up. Appendix 1 identified the proposed movement in special school places, which will be consulted on with schools and reported to the next forum meeting.

Longer term changes to SEN funding - The DfE have published a summary of LA responses to an initial consultation on alternative means of distributing SEN resources. These responses were varied but gave no clear direction. A summary report from the ISOS Partnership on future SEN funding was also included with the papers. Both were referred to the Forum's SEN working group.

#### Resolved

1. Forum agreed that SEN funding will be considered by the SEN working group.
2. Forum agreed that this will then inform a consultation paper on High Needs Funding.
3. Forum endorsed the changes to the High Needs places for 2016-17 which will be consulted on at Head Teacher Groups. Feedback will be presented at the next forum meeting.

### **14. School Redundancy Costs**

Andrew Roberts described the proposed changes to the redundancy policy. Schools will be consulted later this term and views brought back to Forum in January prior to a report to Cabinet.

#### Resolved

The Forum noted the report and the opportunity to make further comments during the consultation.

### **15. Scheme for Financing Schools**

Sue Ashley informed the Forum of the scheme changes and will consult with Schools shortly. The outcome will be reported to Forum in the Spring.

#### Resolved

Forum noted the report.

### **16. Membership Update**

Sue Ashley updated the Forum on the membership of the Forum. There are currently 28 members and 2 vacancies, a Special School Governor Representative and a C of E Diocese Representative.

The election of the Chair and Vice Chair will take place annually. The Chair will sit for one year, following which the Vice Chair will become Chair and a new Vice Chair will be elected.

Resolved

Forum noted the report.

**17. Workplan**

The workplan was provided for information.

The dates of the meetings for this academic year are:-

Wednesday 13<sup>th</sup> January 2016

Wednesday 27<sup>th</sup> April 2016

Wednesday 6<sup>th</sup> July 2016

**18. Any Other Business**

There was no other business



## WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM 13<sup>th</sup> January 2016

### REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

#### CAMPAIGN TO REDUCE HIGH REGIONAL WATER AND SEWERAGE CHARGES

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##### 1. EXECUTIVE SUMMARY

Schools in the North West spend £27 million annually on water and sewerage charges. This can be compared with costs of £11 million in the South East. Many think that this regional variation in charges is unfair and unreasonable. This report describes the different elements of the water tariff, shows the difference in charges between English regions, describes previous successes in winning concessions from the water supplier and encourages individual schools to be involved in a future consultation that is being considered by government.

##### 2. BACKGROUND

Water is an essential utility and an unavoidable cost for schools. At present there is no choice of which water supplier we use. This will change from 1 April 2017 but at present our supplier is United Utilities (UU). Wirral schools are charged according to UU standards that have been approved by the water regulator, Ofwat.

United Utilities water bills are split into two main components: a charge based on the volume of water that is used; and a charge to cover rainwater that drains into their system called Surface Water and Highways Drainage (SW&HD). It is the drainage charge that is being challenged.

Since 2008 United Utilities has adopted a drainage charge based on the size of a site's chargeable area. This is the whole site footprint area minus any areas that are grassed, landscaped or cultivated. Charges are reviewed annually.

The highest single SW&HD charge at one Wirral school site is currently **£51,882** per year and accounts for **79%** of their total annual water cost.

The responses to a government consultation on water charging guidance in Summer 2015 highlighted this variation in regional costs. In response to the feedback, DEFRA have advised that they are currently reviewing the existing Guidance to Water and Sewerage Undertakers in relation to Concessionary Schemes for Community Groups for Surface Water and Highways Drainage (SW&HD) Charges and may run a further consultation in early 2016.

##### 3. CHARGING DIFFERENCES FOR SCHOOLS ACROSS ENGLAND

A report prepared by Sefton Council compared SW&HD charges for different regions across England. The information was taken from Department for Education (DfE) Consistent Financial Reporting (CFR) data for 2012/13

Appendix 1 highlights the water cost for each region and compares the North West (NW) and South East (SE). The main points are as follows:

- The NW region's water and sewerage charges were **£27,190,193** for the year compared to the SE region's charges of **£11,170,358**. These regions have similar school and pupil numbers.
- The NW Region's water and sewerage charge per pupil was **£32.51** for the year compared to the SE Region's charge of **£13.00**.
- The NW Region's average water and sewerage charge per school was **£9,656.00** compared to the SE Region's charge per school of **£3,947.00**.

It is clear that Schools in the NW are, on average, are paying more than any other area in England for water & sewerage. Since water companies are allowed to choose their own charging mechanisms for SW&HD by the regulator, it would appear that other companies do not use a charging mechanism that is based on surface area.

#### **4. CONCESSIONARY SCHEMES**

After the introduction of the SW&HD charges based on site area in 2008, United Utilities agreed a concessionary scheme for churches, scout huts and privately run community centres. A further concessionary scheme for Parks and Cemeteries will apply from April 2016 after much lobbying from North West Councils, Councilors and MP's.

#### **5. CURRENT INITIATIVES**

The focus of the campaign group that are largely responsible for winning the concession for Parks and Cemeteries has now moved to schools.

It is reported that DEFRA has agreed to review the existing Guidance to Water and Sewerage Undertakers in relation to Concessionary Schemes for Community Groups for Surface Water and Highways Drainage (SW&HD) Charges in relation to schools. This may result in a further consultation being run in early 2016.

It is considered that the Government's potential agreement to reconsider the concession for schools was influenced by the 85 schools who 'complained' and recent local and national media coverage. If DEFRA commission another consultation, a high volume of responses from individual schools would further show the strength of feeling about the charges and could in future reduce bills for schools in the North West. The savings that may be possible will depend on changes to charging guidance issued by DEFRA.

#### **6. CONCLUSIONS**

Schools in the North West are paying significantly more for water and sewerage than schools in other parts of England. The difference in charges is largely due to a lack of consistency in charging method for the Surface Water and Highways Drainage part of water bills across England.

DEFRA is reviewing its charging guidance following highly critical responses to a consultation that was run over the summer of 2015.

Concessions have previously been won from the North West water supply company, United Utilities after concerted and coordinated campaigns.

The campaign against high water charges in the North West has now extended to schools and, through the NW Schools Finance Officers group.

It is considered that if schools express their views in volume this will significantly increase the chances of a successful outcome. Widespread support must be evident to DEFRA, Ofwat and United Utilities if concessions that reduce the high water charges in the North West are to be won

#### **7. RECOMMENDATIONS**

The Forum note the report and endorse the approach being taken on behalf of schools:

**Julia Hassall**  
**Director of Children's Services**

Extract from Water & sewerage charges for schools in North West and how they compare to other regions (Draft Report) by Sefton Council

## What the CFR data says at a national/regional level

### All regions water/sewerage charges 2012/2013

Region	E15 Water and sewerage	Rank	Percent of total
<b>North West Total</b>	£27,190,192.68	1	29.04%
<b>South East Total</b>	£11,170,358.42	2	11.93%
<b>West Midlands Total</b>	£10,204,799.98	3	10.90%
<b>Yorkshire and the Humber Total</b>	£8,062,738.94	4	8.61%
<b>North East Total</b>	£7,570,400.28	5	8.09%
<b>South West Total</b>	£6,929,752.54	6	7.40%
<b>East Midlands Total</b>	£6,509,263.08	7	6.95%
<b>East of England Total</b>	£6,300,259.03	8	6.73%
<b>Outer London Total</b>	£5,646,973.03	9	6.03%
<b>Inner London Total</b>	£4,035,013.03	10	4.31%
<b>Grand Total</b>	<b>£93,619,751.01</b>		

### The North West and South East are 'similar' in terms of pupil numbers and numbers of schools

Region	North West	South East
<b>Number of Pupils (FTE)</b>	836,431	859,221
<b>Number of schools per region</b>	2,816	2,830
<b>E15 Water and sewerage</b>	£27,190,193	£11,170,358
<b>Water and Sewerage charge per pupil</b>	£32.51	£13.00
<b>Rank per pupil (1 highest, 10 lowest)</b>	1	7
<b>Average water and sewerage charge per school</b>	£9,656	£3,947
<b>Rank per school (1 highest, 10 lowest)</b>	1	8
<b>Percent of total charges paid per region</b>	29.04%	11.93%

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## WIRRAL COUNCIL

### WIRRAL SCHOOLS FORUM – 13 JANUARY 2016

#### REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

#### MAXIMISING FREE SCHOOL MEALS TAKE UP IN WIRRAL – “OPT OUT” PROJECT OUTCOMES

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### 1. EXECUTIVE SUMMARY

1.1 This report sets out the outcomes from the Free School Meals “Opt Out” Project.

### 2. BACKGROUND

2.1 Transaction Centre Officers attended Wirral Schools Forum on 20.10.15 to request funding towards staffing costs for administering the Free School Meals maximisation project, known as the “Opt Out” scheme.

2.2 Wirral Schools Forum awarded £10k towards the costs of the project.

2.3 The Opt Out scheme’s objective was to maximise Free School Meals awards, attracting additional pupil premium funding in the January 2016 school census and in all future data collections.

2.4 This project involved pro-actively contacting parents of school aged children to offer Free School Meal awards with the parent not having to complete an application form, but in effect applying by a negative inference. The parent’s income details having already been checked to meet the qualifying criteria for eligibility for Free School Meals. This data was available from existing Housing Benefit and Council Tax Support applicants and was accessible for other uses via data share agreements when the applicants initially applied to Wirral Council Benefits Team.

2.5 The initial project was completed by the end of December 2015, parents and schools were notified of the outcomes.

### 3. OUTCOME

3.1 585 household were contacted , with 916 pupils considered ( up to age 18 years)

3.2 Awards were made as follows

Age range	Number of new awards	Pupil Premium funding per head	Estimated total pupil funding from project
Primary	459	£1320	£605,880
Secondary	128	£935	£119,680
6 <sup>th</sup> Form	18	nil	nil
<b>Total</b>	<b>605</b>		<b>£725,560</b>

- 3.3 It is estimated 79 pupils had previously been awarded Free School Meals in the preceding 6 years and would have attracted the pupil premium funding in January 2016 anyway via the “ever 6” process.
- 3.4 During this period 150 pupils have also been awarded Free School Meals, their parents having been prompted by the Opt Out contact to make an immediate on-line application.
- 3.5 Only 9 parents opted out of the process and declined to have awards for their children.
- 3.6. The process also identified children who were fostered, home schooled, schooled out of area, privately schooled, 16+ years pupils no longer in education and those with parents who were no longer eligible. Awards were not appropriate in these circumstances, although some are likely to remain as part of ever 6 data.
- 3.7 Over the period other FSM numbers, those outside the opt out initiative, have reduced. Prior to each census date a full eligibility check is made of the Free School Meal case load. This is done by bulk checking all claims via the Department for Educations automatic on line eligibility checker and ensures ongoing eligibility. This detailed check identifies those cases which have to ended for Free School Meals eligibility and in turn removes the pupils from current access to a free meal. However importantly these pupils will retain their eligibility for the pupil premium via “ever 6”. Volumes of pupils entitled to Free School Meals alter on a daily basis as parents move in and out of work and their wider circumstances alter.
- 4.3 Wirral Benefits Team have recently introduced a real time on–line Free School Meal checking facility for all schools which will assist those who administer the Free school Meals process and the collation of census data.

#### 4. **RECOMMENDATIONS**

- 4.1. The report be noted
- 4.2. The Forum endorses the ongoing work to maximise FSM take up in schools.

**Lisa Jamieson**  
**Transaction Centre Senior Manager**

## WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM 13<sup>TH</sup> JANUARY 2016

### REPORT OF THE CHAIR OF THE WIRRAL SAFEGUARDING CHILDREN BOARD

#### ROLE, PURPOSE AND ACTIVITY OF THE WIRRAL SAFEGUARDING CHILDREN BOARD

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##### 1. EXECUTIVE SUMMARY

1.1 Local Safeguarding Children Boards were established under the Children Act 2004 with the objectives to coordinate what is done by partner agencies to safeguard and promote the welfare of children and to test the effectiveness of safeguarding arrangements across the partnership.

1.2 The Wirral Safeguarding Children Board (WSCB) was established in 2006 and it fulfils the statutory function set out in the Children Act and in Working Together to Safeguard Children 2015 (WT 2015). The WSCB is a multi-agency body with membership drawn from statutory and non-statutory partner agencies including the local authority, schools and colleges, police, health partners, probation, youth service and the voluntary faith and community sector.

1.3 The WSCB is led by an Independent Chair, Bernard Walker, and its activity is co-ordinated through the full board, the Executive and its ten sub committees. [An Annual Report](#) of the WSCB's activity including its [Business Plan](#) for the forthcoming year is published each September and disseminated to partners.

##### 2. FUNCTIONS AND ACTIVITY OF THE WSCB

2.1 The key functions of safeguarding boards are set out in the 2006 regulations (presented in WT 2015). These are:

- *Developing multi-agency policies and procedures for safeguarding and promoting the welfare of children.*

The WSCB publishes over 80 multi-agency policies and procedures. These include the process for what to do if you have concerns about a child, as well as policies, procedures and practice guidance for safeguarding issues such as neglect, child sexual exploitation, domestic abuse etc. All the policies and procedures are available on the procedures website: <http://wirralscb.proceduresonline.com/>

- *Communicating to persons and bodies in the area of the authority the need to safeguard and promote the welfare of children and raising awareness of safeguarding*

The WSCB holds four (rising to six in 2016) full multi-agency Board meetings each year to report on and communicate key safeguarding issues and messages to the partnership. Additionally the Board holds over 70 multi-agency sub-committee meetings each year where work is progressed communicated to the partnership. Additionally, the WSCB publishes regular safeguarding updates, posters, leaflets, briefings and guidance. The Board also delivers messages through training, the website, the Annual Report and Tweets messages every week.

- *Monitoring and evaluating the effectiveness of what is done by partners to safeguard and promote the welfare of children*

The WSCB has a published Quality Assurance Framework which sets out the assurance reports to be presented by partners each year. Additionally the WSCB complete 4 large multi-agency audits every year which drill down into the quality of practice and completes over 20 other quality or thematic audits. The WSCB undertakes an annual assessment of safeguarding arrangements through the Section 11 and Section 175 (for schools) audits and the findings are published in the Annual Report

- *Participate in the planning of services*

The WSCB publishes a detailed multi-agency safeguarding performance information dataset each quarter. The information from this, audits and reports to the Board informs the setting of priorities and provides an evidence base for commissioning through the Children's Trust and Health and Wellbeing Board arrangements. Work of the Board is also aligned with the [Wirral Plan: a 2020 Vision](#)

- *Undertake Serious Case Reviews and advise partners of lessons to be learned*

The WSCB undertakes SCR's when necessary and also regularly undertakes reviews of cases below the SCR threshold. National and local learning from serious case and other reviews is regularly published and disseminated by the WSCB (see appendix one) and embedded in safeguarding training. The WSCB also holds a statutory responsibility to review all child deaths in Wirral. We do this through a pan Merseyside Child Death Overview panel.

2.2 In addition to the core statutory responsibilities the WSCB is also responsible for:

- The provision of multi-agency training. The WSCB delivers over 20 courses each year in over 80 sessions. Training covers all the common safeguarding topics including learning from case reviews. Last year the WSCB directly trained over 2,000 staff. The WSCB offers training free of charge to the whole children's workforce. Details of all courses are published on the [wirral.gov](http://wirral.gov) website.
- Providing the Local Authority Designated Officer (LADO) role and the managing allegations process, including consultations, advice and training to schools and other partners.
- Ensuring the Effectiveness of Early Help through the CAF/TAF Quality Assurance committee.
- Developing safeguarding practice. The WSCB sets safeguarding priorities for the partnership for the year ahead which includes an action plan of activity against each priority. A high profile area of work is Child Sexual Exploitation and the development and promotion of the [www.listentomystory.co.uk](http://www.listentomystory.co.uk) campaign. The Board is also developing with Professor Jan Horwath from Sheffield University a new model for initial child protection conferences. The WSCB had set 5 priority areas for 2015-16:
  - Safeguarding is Everyone's Responsibility
  - Child Sexual Exploitation
  - Effectiveness of early Help
  - Domestic Abuse
  - Radicalisation

A workplan is in place for each priority and is published in the WSCB Business Plan



### 3. RESOURCING THE WSCB

3.1 WT 2015 states that all safeguarding board partner agencies have an obligation to provide LSCB's with reliable resources, including finance that enable the LSCB to be strong and effective. The planned income and expenditure of the WSCB for 2015-16 is shown below:

Expenditure	2015-16
Staffing	210,339
Training	28,899
Serious Case Reviews	5,335
Operating Costs/ General expenses	35,188
<b>Total</b>	<b>279,761</b>
Income	
LA Children's Services	162,200
CAFCASS	550
Merseyside Police	12,500
Health	31,800
Probation Service	5,000
Schools Budget	30,000
High Needs Budget	10,000
<b>Total</b>	<b>252,050</b>

3.2 The table above shows which agencies make a financial contribution to the WSCB and it also shows that the income to the Board is less than its expenditure. The shortfall is underwritten by reserves (which are now exhausted).

3.3. Funding from schools is £30,000 which equates £230 per school each year. The amount from schools has not been increased since it was agreed 4+ years ago. However the LSCB has received a contribution of a further £10,000 from the High Needs Budget.

### RECOMMENDATIONS

1. That the Forum note the report and the use of funds
2. For schools to ensure staff are aware of and have access to the annual report and business plan, the safeguarding procedures website and the safeguarding training course list

**Simon Garner**  
**Corporate Safeguarding Manager**

## Learning from Serious Case Reviews



Recent Serious Case and Critical Incident Reviews undertaken in Wirral remind us that we must:

- Share information across agencies to ensure services are targeted and co-ordinated
- Have a clear understanding of the thresholds of need
- Know where to access the WSCB multi-agency safeguarding procedures
- Escalate concerns if we feel a child remains at risk
- Take personal responsibility for professional excellence and accessing training
- Maintain healthy scepticism and respectful uncertainty in cases where abuse may be suspected
- Have access to reflective supervision to reduce the chances of errors

*Safeguarding is Everyone's Responsibility....*

For more information



## Learning from Serious Case Reviews

Learning from SCR's in the Education Sector including Elective Home Education reminds us to:

- Ensure that accurate records of all incidents are kept relating to children and/or members of staff
- Enforce a comprehensive e-safety policy and ensure that this is embedded in the school curriculum
- Ensure that poor behaviour or school attendance is recognised as a possible sign of child abuse/neglect
- Be able to identify signs of sexual, emotional, physical abuse and neglect including CSE
- Ensure that relationships between pupils and staff should never be seen as based on mutual consent
- Ensure awareness and compliance with the school's safeguarding policies and procedures
- Ensure that children know how to raise a concern
- GPs/Health Visitors must be informed that a child is home educated to ensure identification of health problems in the absence of the school nurse



*Safeguarding is Everyone's Responsibility...*

For more information:



WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM January 13<sup>th</sup> 2016

REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

City Learning Centres

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## EXECUTIVE SUMMARY

To outline the activities in City Learning Centres (CLCs) 2015-16 supported by a Schools Budget contribution of £694,700.

## CONTEXT

Over the last thirteen years Wirral City Learning Centres (WCLCs) have become part of Wirral's school community, enhancing and enriching the curriculum through innovative workshops using the latest technologies that are not generally available in a mainstream school setting. The three CLCs: Discovery, The Learning Lighthouse & West Wirral Works, have merged to form one organisation with a new staffing structure. WCLCs provide valued support, help and guidance in a very practical way to all phases of Wirral education and to the full range and ability of students, extending learning for everyone.

## CURRENT PROVISION

This budget contribution allows the WCLCs to provide services which include half and full day workshops incorporating the use of technology, linked to all areas of the curriculum. These provide opportunities to use whole class facilities, resources and specialised skills to engage pupils and enable them to complete activities which would be difficult or impossible to achieve at school. Some examples include:

- Evolution & Inheritance (including using iPads to record scientific findings), Programming, Working Scientifically (KS1 & 2) & Bugs and Bogies (KS1)
- iSciArt, Early Art Early Man, GCSE GIS Mapping & KS5 Video Editing/PhotoShop
- KS5 CAD/CAM training & workshops 2D & 3D Design training & manufacture, Moving Vehicles, Pneumatics & Creative Writing

An outreach service extends WCLCs' provision into schools with workshops such as creative writing, coding, animation, music technology and filmmaking.

WCLCs provide INSET to schools, creating opportunities to:

- appraise emerging new technologies for their suitability in schools, for example floor robots, iPads and SEN
- train teachers in specialised curriculum, software & hardware, for example iPad training for whole school staff, SolidWorks training for secondary D&T staff, Working Scientifically.

Another service provided to schools from the budget has been the extensive loan programme; from bridge building construction kits and digital cameras to daylight projectors and mobile studios. This extensive, diverse, loanable asset stock has a value of many thousands of pounds.

WCLCs continue to provide specialised events, conferences and Wirral wide competitions for schools such as the Wirral Schools' Film Festival (12<sup>th</sup> year) and the Schools' Science Fair (4<sup>th</sup> year).

### Take up by Schools 2014-2015

During the last academic year 44,157 pupils accessed WCLC services. In addition to this there have been 371 staff attending INSET sessions.

September 2014 – July 2015	No. of Class Visits to WCLCs	*No. of Pupils Visiting WCLCs	No. Pupils Taught on Outreach Sessions	TOTAL No. Pupils (Visiting & Outreach) Accessing WCLC Sessions	No. Teachers Attending INSET Sessions
<b>Bebington &amp; Bromborough</b>	167	5,999	2,239	8,238	30
<b>Deeside</b>	153	5,331	1,772	7,103	27
<b>Wallasey</b>	287	8,735	2,473	11,208	52
<b>Birkenhead N</b>	156	4,817	621	5,438	48
<b>Birkenhead S</b>	135	4,629	2,589	7,218	43
<b>Wirral Primary TOTAL</b>	<b>898</b>	<b>29,511</b>	<b>9,694</b>	<b>39,205</b>	<b>200</b>
<b>Birkenhead</b>	326	3,930	0	3,930	126
<b>Wallasey</b>	16	166	6	172	10
<b>West Wirral &amp; South</b>	14	213	18	231	23
<b>Wirral Secondary TOTAL</b>	<b>356</b>	<b>4,309</b>	<b>24</b>	<b>4,333</b>	<b>159</b>
<b>Special Schools</b>	<b>48</b>	<b>513</b>	<b>70</b>	<b>583</b>	<b>12</b>
<b>Nursery Schools</b>			<b>36</b>	<b>36</b>	
				<b>44,157</b>	<b>371</b>

\*Some pupils visited WCLCs more than once for different activities

The figure above represents a significant commitment and contribution to the educational outcomes and enrichment programmes for Wirral schools. These figures are limited by staffing issues that have occurred over the last 12 months. Wirral City Learning Centres deliver an exciting and innovative wide range of workshops that cannot be delivered within the standard school provision/curriculum. Head teachers have noted that pupils return to school with a positive attitude, 'buzzing with excitement'.

### Recent Developments & Costs

Following the allocation of £120,000 from LA capital fund WCLCs have

- invested in new servers
- upgraded computer suites
- installed up to date WiFi & CCTV and
- allocated £11,000 towards refurbishments at Discovery (flooring & toilets)

The next phase will radically transform workshops by the incorporation of new and emerging technologies and enhance the range of loan items: centralising resources and providing increased value for money for schools. This will enable the WCLCs to significantly develop the delivery of high quality activities and resources. These include:

- A revamped & extended Science space at Discovery providing more children with a better experience of the science curriculum and meeting the STEM agenda. This new space will give Primary pupils a real feel for being immersed in a complete science experience to be able to conduct their own research and experiments
- 'Programming Plus' for revisiting schools that require extended activities. These workshops will be supported by an investment in New Floor Robots, Lego WeDo and Lego Mindstorms
- A new Design & Technology Hub for Wirral Primary Schools at West Wirral Works (WWW) providing an opportunity to support Design & Technology teachers and coordinators in the delivery of the new curriculum. This will ensure that WWW are working with them to offer workshop support and guidance to meet their requirements
- Two one-day primary workshops facilitated by WWW: 'Art of Manufacturing' and a five day 'Industrial Cadets' secondary project to access the new D&T curriculum (funded by the NAC group)
- A range of exciting, new workshops taking a different tack on the Programming curriculum at The Learning Lighthouse (TLL). Codebugs and other programmable peripherals making Programming physical, 'Music and Visual Notation' (for the non-expert) and the practical use of HTML programming to build pupils' own website content; making pupils active participants in the digital world
- Wirral Schools' Film Festival summer 2016 at 'The Light Cinema' through investment from the community playing a role in strengthening Wirral's 2020 vision. Plans to hold a Wirral wide Digital Photography Exhibition and 'Designer of the Year' competition
- INSET: Programmable Robots providing schools with an opportunity to assess a range of devices; leading to an inter-school competition 'Programmable Robot Wars' next year. A series of 3 Lego INSETs are to be held at each CLC
- Cross CLC workshop opportunities: e.g. start at WWW & move on to TLL as part of a whole day CLC experience

## Outcomes

According to the feedback taken from every user group, the outcomes achieved at WCLCs allow children to learn in a way that prepares them for learning in the classroom and beyond, which no other current offer provides. Part of the WCLC delivery model is to include teacher participation, developing skillsets as part of their CPD.

### The Learning Lighthouse

Between September 2014 & July 2015, 384 evaluations were completed.

95% rated TLL facilities as excellent, 5% as good.

92% rated TLL workshops as excellent, 7% as good and less than 1% as satisfactory

### Discovery

Between September 2014 & July 2015, 507 evaluations were completed

63% rated Discovery workshops to be excellent and 32% as very good

5% rated workshops as good and 1% as satisfactory

Evaluations from WWW are not available

## Targets

- To complete the restructure of WCLCs
- To maximise usage within full potential of staffing available
- To continue to provide a service to ALL Wirral Schools which is not generally available in a mainstream school setting

Wirral City Learning Centres believe harnessing the potential of digital technologies allows students to incorporate more efficient and engaging approaches to learning. Wirral City Learning Centres will continue to seek the best technology, educational content and resources to meet the future demands of the new curriculum for Wirral Schools.

### **Recommendation**

Schools Forum to note the contents of this report.

Julia Hassall  
Director of Childrens Services

## WIRRAL COUNCIL

### SCHOOLS FORUM – 13<sup>th</sup> JANUARY 2016

#### REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

#### SCHOOLS BUDGET MONITORING REPORT 2015/16

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### 1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to update the Forum on the Schools Budget position and anticipated variations in the current year. There is a projected over spend in SEN budgets which is estimated to be £500k and it is proposed that this should be met from an existing DSG reserve.

### 2.0 ANTICIPATED BUDGET VARIATIONS

2.1 The table in Appendix 1 compares the forecast spend with the Schools Budget. The main variations are set out below.

#### 2.2 **Early Years Grant - £1,230,000 under spend**

There is an Early Years budget of £15.7m which includes the funding for 2, 3 and 4 year olds entitled to receive free Early Education and Early Years Pupil Premium.

Census data for 3 and 4 year olds indicate that the budget in this area of £11.7m will be fully committed.

Two year old provision however is currently at 75% of the indicative entitlement and results in an underspend against this budget of £1.1m.

Finally the take up of the Early Years Pupil Premium has not reached the provisional grant allocation. The grant of £357,000 was based on 1,180 children. To date actual numbers are 50% of this level resulting in an underspend of £187,000.

#### 2.3 **School Licences - £36,000 under spend**

The cost of licences was estimated to be £254,000 however the actual cost was £218,000.

#### 2.4 **Schools Forum**

The budget has been committed to fund the Free School Meals opt out work undertaken by the Benefits Team in the Finance Department.

## 2.5 Contribution to Combined Budgets

The combined budgets of £2.1m are expected to be fully spent across the following areas:

	<b>Budget</b>
	<b>£</b>
School Improvement	359,900
Discretionary Rate Relief Top Up	106,600
LCSB contribution	30,000
Governors Forum	2,200
Wellbeing & School Staff Surveys	44,600
PFI Support Team	61,800
LACES	140,500
School Intervention	674,500
City Learning Centres	694,700
<b>Total</b>	<b>2,114,800</b>

## 2.6 School Specific Contingencies - £40,000 over spend

The allocation of contingency budgets is summarised in the table below:

	<b>Budget</b>	<b>Forecast</b>	<b>Variation</b>
	<b>£</b>	<b>Spend</b>	<b>£</b>
		<b>£</b>	
<u>Primary and Secondary Schools</u>			
Vulnerable children managed moves and additional support		63,000	
KS1 Bulge class		36,000	
Rates adjustments including former Childrens Centres		35,000	
Pension costs		(22,700)	
<u>Special Schools</u>			
Support for additional school places		82,000	
Other Special School budget support		106,000	
Special School buyback		(155,000)	
<b>Total</b>	<b>104,300</b>	<b>144,300</b>	<b>40,000</b>

## 2.7 Special Staff Costs - £80,000 over spend

Current projections indicate that this budget of £667,600 will over spend by £80k due to higher than expected maternity costs in Primary and Special Schools.

	<b>Budget</b>	<b>Forecast</b>	<b>Variation</b>
	<b>£</b>	<b>Spend</b>	<b>£</b>
		<b>£</b>	
Maternity, Paternity and Other Staff Costs	565,000	645,000	
TU Facilities	95,700	95,700	
Insurance and Recharges	6,900	6,900	
<b>Total</b>	<b>667,600</b>	<b>747,600</b>	<b>80,000</b>



## 2.8 **Special Education Needs Top Ups - £502,000 over spend**

There is a budget of £8.4m and a projected overspend of £502,000. This budget funds the Pupil Led Top Up funding in Specialist Provision, Resource Bases, FE, Colleges and Alternative Provision. There is a small overspend resulting from the cost of additional top ups paid to Emslie Morgan in the Summer Term.

The budget also funds a number of requests for exceptional needs, mainly these of children with social, emotional and mental health conditions and a higher number of autistic diagnoses. The number of requests for additional funding has increased in this area. The Exceptional Needs Budget has expenditure of £725,000 against a budget of £450,000. These costs will need to be reviewed in detail and support should in future be time limited.

## 2.9 **Independent Special Schools - £326,000 over spend**

There is a budget of £3.4m and an anticipated spend of £3.7m. There are currently 91 places and a further 2 being sought for young people with complex needs. The cost of these placements and their duration has increased and will be subject to review.

## 3.0 **Support for SEN - £175,000 under spend**

The under spend of £175,000 within Support for SEN and the Special Education Support Service is mainly due to uncommitted balances and is helping to offset pressures above.

## 3.1 **DSG - £170,183,300**

The Dedicated Schools Grant (DSG) 2015/16 was published in July 2015 indicating that the allocation to Wirral will be £170,386,000. The budget also includes £894,900 of DSG carried forward from 2014/15. This report makes an assumption that the reported Early Years reduced spend is matched by a reduction in the DSG received.

## 4.0 **UPDATE ON SPECIFIC RESERVES**

4.1 The final figure of DSG reserves carried forward into 2015/16 was £3.5m of which £0.9m has been applied to the 2015/16 budget as described above.

4.2 To date there are the following earmarked reserves:

### **Job Evaluation and Pay Harmonisation Reserve - £0.7m**

### **DSG Reserve - £1.3m**

	£
DSG Carry Forward from 2014/15	2,057,500
Use of Reserve in 2015/16	(894,400)
Transfer Nursery Education unapplied funding	108,000
Transfer Schools AST Contingency Reserve	1,200
	<b>1,272,300</b>

**Defibrillators Reserve - £0.04m**

All schools have been equipped with defibrillators however there is £36,000 that remains which could fund any related costs i.e. training.

**City Learning Centres - £0.12m**

This reserve will be used to meet any large equipment failure/replacement costs or potential unfunded summer term costs.

**High Needs MFG - £0.07m**

This reserve to fund the remaining academy MFG costs has been fully committed in 2015/16.

**Early Years - 2 Year Old Funding - £0.5m**

Reserve created to continue expanding the 2 year old provision in 2015/16. These costs however can be met from the existing budget provision as described in 2.2 above. As a result the reserve can be released in year to provide a source of funding for additional SEN demand pressures.

**5.0 CONCLUSION**

- 5.1 At this time the projected additional costs reported can be met from within existing resources/reserves. A further report on the provisional outturn figures will be submitted at the next meeting.

**6.0 RECOMMENDATIONS**

- 6.1 That the Forum notes the report and estimated position of the Schools Budget for 2015/16.
- 6.2 That there is a detailed report to a future meeting that reviews all central SEN costs together with options to manage the additional cost pressures described.

**Julia Hassall**  
**Director of Children's Services**

## Appendix 1 – Budget Variations 2015/16

	<b>Adjusted Budget 2015/16 £</b>	<b>Forecast Spend 2015/16 £</b>	<b>Variation 2015/16 £</b>
<b>Individual Schools Budget</b>			
Primary Schools	93,028,400	93,028,400	0
Secondary Schools	26,045,600	26,045,600	0
Special Schools	8,733,400	8,733,400	0
SEN Bases	1,616,800	1,616,800	0
Wirral Hospital School	1,352,300	1,352,300	0
Early Years	15,750,000	14,520,000	(1,230,000)
<b>Individual Schools Budget Total</b>	<b>146,526,500</b>	<b>145,296,500</b>	<b>(1,230,000)</b>
<b>Central School Costs</b>			
Early Years	378,700	368,700	(10,000)
Admissions	341,800	341,800	0
School Closure / retirement costs	126,000	86,000	(40,000)
Licences and Subscriptions	254,000	218,000	(36,000)
Schools Forum	10,600	10,600	0
Contribution to Combined Budgets	2,114,800	2,114,800	0
PPM	249,000	249,000	0
PFI affordability gap	2,736,500	2,736,500	0
<b>Costs delegated to schools</b>			
Library Service	191,700	191,700	0
Insurances	32,300	32,300	0
Minority Ethnic Achievement Service	244,600	244,600	0
School Specific Contingencies	104,300	144,300	40,000
Special Staff Costs	667,600	747,600	80,000
School Meals	13,600	13,600	0
Behaviour Support	92,200	62,200	(30,000)
<b>High Needs Pupils</b>			
Statements	4,008,000	4,008,000	0
SEN Top Ups	8,384,900	8,886,900	502,000
High Needs Contingency	474,000	317,000	(157,000)
Independent Special Schools	3,395,000	3,721,000	326,000
Home Tuition	308,900	308,900	0
Support for SEN	2,031,500	1,856,500	(175,000)
Special School Transport	58,200	58,200	0
<b>Non Delegated School Costs Total</b>	<b>26,218,200</b>	<b>26,718,200</b>	<b>500,000</b>
<b>Total School and Central Costs</b>	<b>172,744,700</b>	<b>172,014,700</b>	<b>(730,000)</b>
Dedicated Schools Grant	(171,413,300)	(170,183,300)	1,230,000
Use of Reserves	(894,900)	(1,394,900)	(500,000)
<b>Grand Total</b>	<b>436,500</b>	<b>436,500</b>	<b>0</b>

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## WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM 13<sup>th</sup> January 2016

### REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

#### Department for Education Spending Review

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#### 1. EXECUTIVE SUMMARY

The paper summarises some of the main announcements from the Chancellor's Spending Review in November 2015 as they impact on Education and Schools. .

#### 2. BACKGROUND AND KEY ISSUES

The Spending Review in November 2015 set out the government's funding assumptions and priorities over the life of the parliament and included details of budgets for government departments including the Department for Education.

Some of the key announcements included:

- Protecting the funding nationally for the Schools Budget. After allowing for pupil growth this has enabled the cash protection of pupil funding within the Dedicated Schools Grant and the current levels of Pupil Premium.
- Confirmation of the increase in childcare from 15 to 30 hours per week for working families of 3 and 4 year olds from September 2017. This commitment will also include an increase to the average hourly rate paid to Childcare providers.
- Maintaining funding for Universal Infant Free School Meals
- Protecting in cash terms the national base rate per student for 16 – 19 year olds (although funding outside the national base rate may be cut).
- The introduction of a national funding formula for schools, high needs and early years from 2017-18, including a transitional phase to help smooth implementation. A detailed consultation will be launched in 2016.
- £600m savings (3/4) of the Education Services Grant, reducing the additional funding some academy schools receive.
- Reducing the LA's role in running schools and some of their statutory duties
- Post 16 Education and 6<sup>th</sup> Form Colleges may become academies (and recover non-business VAT)
- £25bn capital investment for 500 Free Schools, 600,000 places and rebuilding / refurbishing 500 schools.
- An apprenticeship levy of 0.5% on payroll costs.
- Support for schools to make procurement savings

#### RECOMMENDATION

1. The Forum note the report and considers the consultation on a National Funding Formula for Schools and any other changes as papers are released by the Department for Education / Education Funding Agency during the year..

**Julia Hassall**  
Director of Children's Services

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WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM 13<sup>th</sup> JANUARY 2016

REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

School Funding Formula 2016-17

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## 1. EXECUTIVE SUMMARY

This report summarises the School Funding Formula for 2016-17 and the changes in the dataset used to allocate school budgets.

## 2. BACKGROUND

The School Funding Formula is a means to allocate budgets to all maintained primary, secondary and academy schools in Wirral. The formula uses a range of prescribed factors set by the DfE, such as pupil numbers and deprivation elements (free school meals and IDACI) to determine an individual budget for each school. The amount allocated to schools in 2015-16 was £186.7m in total. This figure will increase to £187.7m in 2016-17, taking into account the rise in pupil numbers.

Each year, the DfE publish a dataset to allocate school block funding from the DSG. The information from the dataset is primarily based on the October 2015 School Census.

## 3. MAIN CHANGES TO THE DATASET

### - Free School Meals (FSM)

The numbers of children eligible for Free School Meals continue to drop. This has fallen from 7693 in October 2014 to 7314 in October 2015 (5%). As unit rates for FSM are capped at 2013/14 rates (£1,944 Primary and £2,349 Secondary), the remaining funding from this element (£0.8m) has been allocated across Pupil Entitlement. Overall deprivation funding is 10% of the School Funding Formula, compared to 10.5% in 2015-16 and 11% in 2014-15.

### - IDACI

The Income Deprivation Affecting Children Index has been updated from 2010 to 2015. The DfE have matched this year's dataset to the revised IDACI 2015 index. The main change in this period has been a reduction of 50% in the highest levels of deprivation across the borough and therefore the number of children eligible for the highest band of funding. A number of postcodes in the Tranmere and Birkenhead area have moved from a Band 6 to a Band 3. This change to IDACI 2015 therefore has had the overall effect of broadening the distribution of deprivation funding.

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- **Prior Attainment**

For primary schools, funding is targeted at pupils who not achieve the standard at Early Years Foundation Stage in Reception. This figure has decreased from 5176 to 4788 (7.5%) compared to last year.

For secondary schools, funding is targeted at pupils who achieve a level 3 or below in English reading or writing or maths at Key Stage 2. Similarly to primary schools, this figure has decreased from 3497 to 3325 (4.9%).

The impact of these changes is to increase the unit values in both areas.

#### **4. RECOMMENDATION**

The Forum notes the report.

**Julia Hassall**  
**Director of Children's Services**



**APPENDIX 1 FOR SCHOOLS FORUM 16TH JANUARY 2016**

**2016-17 V 2015-16 UNIT RATE COMPARISON (PROVISIONAL)**

**NOTES**

Formula is still provisional. Business rates have not been finalised.

Unit rates are still subject to change

2016-17				
ELEMENTS	Units	Unit Value	16-17 Funding £	Proportion of total funding (pre-MFG)
AWPU - PRI	25486	£2,800	£71,371,504	38.0%
AWPU - KS3	10303	£3,976	£40,964,934	21.8%
AWPU - KS4	6728	£5,113	£34,400,129	18.3%
FSM - PRI	4601	£1,944	£8,943,387	8.1%
FSM - SEC	2713	£2,349	£6,373,745	
IDAC11 (P)	1736	£45	£78,171	1.8%
IDAC12 (P)	1439	£80	£114,978	
IDAC13 (P)	3430	£136	£467,157	
IDAC14 (P)	2640	£204	£537,831	
IDAC15 (P)	1840	£271	£499,086	
IDAC16 (P)	1335	£339	£452,411	
IDAC11 (S)	1237	£47	£58,286	
IDAC12 (S)	851	£91	£77,316	
IDAC13 (S)	1980	£146	£289,006	
IDAC14 (S)	1436	£216	£310,258	
IDAC15 (S)	1079	£285	£307,523	
IDAC16 (S)	789	£354	£279,242	
EAL - PRI	522	£493	£257,300	0.15%
EAL - SEC	93	£327	£30,300	
LAC	428	£1,500	£642,688	0.34%
SEN PA - PRI	4788	£1,057	£5,059,381	4.44%
SEN PA - SEC	3325	£989	£3,288,894	
SPLIT SITE		£18	£37,898	0.02%
LUMP SUM			£11,170,000	5.94%
RATES			£1,908,359	1.02%
RENTS			£23,000	0.01%
<b>FORMULA TOTAL</b>			<b>£187,942,784</b>	

2015-16				
ELEMENTS	Units	Unit Value	16-17 Funding £	Proportion of total funding (pre-MFG)
AWPU - PRI	25147	£2,778	£69,847,050	37.4%
AWPU - KS3	10188	£3,944	£40,176,786	21.5%
AWPU - KS4	6851	£5,071	£34,742,928	18.6%
FSM - PRI	4791	£1,944	£9,313,381	8.6%
FSM - SEC	2902	£2,349	£6,817,803	
IDAC11 (P)	1446	£39	£56,613	1.8%
IDAC12 (P)	2048	£70	£142,322	
IDAC13 (P)	2189	£118	£259,297	
IDAC14 (P)	2834	£177	£502,174	
IDAC15 (P)	1573	£236	£371,045	
IDAC16 (P)	2671	£295	£787,145	
IDAC11 (S)	1004	£41	£40,813	
IDAC12 (S)	1313	£78	£102,882	
IDAC13 (S)	1251	£126	£157,539	
IDAC14 (S)	1664	£186	£310,119	
IDAC15 (S)	924	£246	£227,083	
IDAC16 (S)	1586	£305	£484,233	
EAL - PRI	515	£500	£257,410	0.15%
EAL - SEC	73	£415	£30,305	
LAC	446	£1,500	£669,244	0.36%
SEN PA - PRI	5176	£964	£4,988,345	4.44%
SEN PA - SEC	3497	£941	£3,291,495	
SPLIT SITE		£18	£37,506	0.02%
LUMP SUM			£11,200,000	6.00%
RATES			£1,800,415	0.96%
			£23,000	0.01%
<b>FORMULA TOTAL</b>			<b>£186,636,931</b>	

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WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM

13TH JANUARY 2016

<b>SUBJECT:</b>	<b>SCHOOLS BUDGET 2016-17</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF CHILDREN'S SERVICES</b>
<b>KEY DECISION?</b>	<b>YES</b>

## 1.0 EXECUTIVE SUMMARY

1.1 This report outlines the Schools Budget for 2016-17 and describes the financial changes to be considered by the Forum and Cabinet. The Forum are asked for their views on the proposed budget of £243,273,400 for early years, maintained schools, academies, colleges and providers for the coming year.

## 2.0 BACKGROUND AND KEY ISSUES

2.1 The Schools Funding Allocations were issued by the Department for Education on 17<sup>th</sup> December 2015. The national basis of the Dedicated Schools Grant (DSG) is the "Spend Plus" methodology introduced in 2006 and the same overall amounts per pupil that have been paid in the previous 4 years "flat cash".

Within DSG there are three unringfenced spending blocks for each authority:

- Early Years Block
- Schools Block
- High Needs Block

### 2.2 2016-17 Pupil Premium £17.3m

In addition to DSG all schools receive a Pupil Premium providing funding targeted to deprived pupils. Now in its sixth year there are only minimal changes planned:

- Early Years for schools, nurseries, private voluntary and independent providers and childminders each have a Pupil Premium of £302.10 pa for 3 and 4 year old children from low income families.  
For schools with pupils who are or have been eligible for Free School Meals (FSM) at any point in the last six years the rates are:  
Primary school - £1,320  
Secondary school - £935
- The rate for each Looked After Child or child that has been adopted since December 2005 is £1,900
- The rate for each child of a parent in the Armed Forces is £300
- Funding for Year 7 catch up continues, although Summer schools does not.

Final allocations will be based on data collected in the January census for current numbers of FSM's (and those over the previous 5 years) and LAC Census data collected in March 2016.

The work undertaken to maximise FSM take up, including the recent opt out initiative, will help to maximise numbers and therefore the funding received in schools.

### 2.3 Other Grant Funding

The meal rate for Universal Infant Free School meals will stay at £2.30 per meal for the academic year 2016-17.

The SEND Implementation Grant will continue (with increased funding) to support the implementation of the new SEND reforms.

The funding for Primary PE and Sport and Extended Rights for Home to School Transport continue.

The Education Services Grant, (funding for School Improvement, Education Social Workers, Premature Retirement Costs, statutory duties and funding for academies) has been cut; from £87 to £77 per pupil. This reduction is part of the first steps to achieve the £600m savings announced in the November Spending Review.

### 2.4 Dedicated Schools Grant (DSG) £242m

2.3.1 DSG is made up of 3 unringfenced blocks. These funding blocks indicate the levels of expenditure anticipated in each area, however local spending decisions can reallocate resources according to needs and priorities.

2.3.2 The allocations for the Schools funding block have been updated for changes in pupil numbers. Pupil numbers are those recorded in the October 2015 census.

2.3.3 Early Years funding is based on a combination of the census in January 2016 and January 2017. The dates for the Early Years Census mean that the exact DSG will not be finalised until June 2017. The grant used for the budget are based on the current indicative figures (using the January 2015 census) and any known or anticipated changes after this date.

2.3.4 The High Needs Block provides an allocation to fund all high needs students aged 0 – 24, including the Hospital School. This year there has been no exceptional need bidding process instead additional funding has been provided to meet growing needs across all authorities. For Wirral an additional £532,000 has been included in the High Needs Block. This growth can be used flexibility to make adjustments locally to high needs places as well as top ups and a number of changes are described later in this report.

2.3.5 The Blocks in their current format can be summarised as follows:

	<b>Block</b>	<b>Pupil Numbers</b>	<b>Funding Per Pupil £</b>	<b>Allocation £</b>
1.	Schools Block	42,517	4,533.28	192,741,000
2.	Early Years Block	3,082	3,816.57	11,763,000
	2 Year Old funding	940/1,128	4,626.50	3,656,000
	Early Years Pupil Premium			170,000
3.	High Needs Block			33,726,000
	NQT induction			62,000
			<b>Total</b>	<b><u>242,118,000</u></b>

The funding blocks for Schools, Early Years and High Needs will be at the centre of the government's proposals and consultation on a National Funding Formula for schools to be implemented from 2017-18.

Notes:

1. Schools Block pupil numbers include academies. Numbers have been adjusted for additional pupils arriving in reception between October and January (the Reception Uplift) and for places in SEN bases. The pupil funding rate of £4,533.28 has been reduced by £6.32 compared to 2015-16 and follows the inclusion of Birkenhead Girls Academy budget and pupils within Wirral's funding allocation. The change is cost neutral.
2. Early Years pupils including 2 year olds are based on the January 2015 census.
3. High Needs Block includes all funding (both pre and post 16) for pupils in Schools and top up funding only for High Needs students aged 16-24 in Further Education or placed with Independent Special Providers.

### 2.3.6 Schools Block £193m

This funding covers the delegated budgets to mainstream schools and academies totalling £188m. In addition the block funds a number of budgets that are managed centrally on behalf of schools:

- Admissions
- Schools Forum
- Capital Expenditure from Revenue (PPM and PFI costs)
- Contributions to combined budgets
- Schools budget retirement costs (school closure)
- School Licences

In line with national guidance and with the exception of PFI, these central budgets have not been increased.

### 2.3.7 Early Years Block £16m

This Block funds the costs of Early Years Education for 2, 3 and 4 year old children in schools, nurseries and private voluntary and independent providers. Most of this funding is directed through the Early Years Single Funding Formula (EYSFF). There are small elements covering SEN costs and some central Early Years support costs.

### 2.3.8 High Needs Block £34m

The make up of this block is complex. It is based on the "place plus" funding system introduced by the DfE from April 2013 and includes:

- Special schools (pre and post 16), school bases and non-maintained special schools. All receive a base level funding of £10,000 per place.
- Alternative Provision Bases and Emslie Morgan Academy funding of £10,000 per place.
- Additional funding over and above that provided for places in the form of "top ups" provided on a per pupil basis. The top up, or "plus" element of funding, takes account of the agreed assessed needs of pupils and is paid by the "commissioner" responsible; this may be Wirral Children's Services, a school or another Local Authority. Wirral's top up system uses 5 bands to allocate funding across special

schools, resourced bases and alternative provision. Non-maintained Special Schools also receive a top up.

- The costs of Top Ups for all education and training for post 16 specialist provision for Learners with Learning Difficulties or Disabilities (LLDD) in colleges and private providers.
- The Hospital Schools budget
- The cost of placements in Independent Special Schools
- The costs of Education, Health and Care Plans / Statements.

### 2.3.9 Other Block

This funding reflects costs of monitoring and quality assuring Newly Qualified Teacher induction.

## 2.4 Academies

Currently there are 15 secondary academies, 2 primary academies and 1 Alternative Provision Academy – Emslie Morgan. Academies are independent from the local authority and are funded directly from the EFA, however Regulations require Wirral to continue to calculate their budgets in order to determine the total grant reduction for Wirral this is estimated to be £67m in 2016-17.

## 2.5 Minimum Funding Guarantee (MFG)

The MFG will continue in 2016-17, protecting schools from large formula changes and changes in pupil data. The MFG rate remains at minus 1.5%. It is likely that the MFG will continue for some time and will be a feature of future funding reforms.

## 2.6 2016-17 Budget Changes

### Proposed 2016-17 Schools Budget savings

Unlike previous years there are no specific budget savings that are proposed as part of this Schools Budget report.

However the Council in setting its budget continues to face significant pressures and is required to identify a series cost reductions totalling £24m in 2016-17. Some of these will have a bearing on the level of support and services provided to schools; none however are directly funded by the Schools Budget. The Council's budget proposals include reductions in the following areas:

- Home to school transport
- School Improvement
- Education Social Welfare
- School Crossing Patrols
- CAMHS

Final decisions will be taken at Budget Cabinet on 22<sup>nd</sup> February 2016.

### 2.6.1 Primary, Secondary and Academy Budgets £188m

The significant changes within this area are:

- The net increase in school rolls, resulting in an overall budget increase of £1,053,000. There are 329 more pupils on roll in October 2015 compared to

October 2014. The estimated secondary numbers for pupils aged 11-15 are now static having fallen over the past decade. Primary numbers have increased from 25,109 to 25,450 (a 1% increase).

- An increase for Primary Special Staff costs of £50,000 (maternity) and the costs of supporting the FSM eligibility checks. Both of these costs are subject to de-delegation decisions later on the agenda.
- An increase in rates payable of £89,500. There is an overall price increase reflecting inflation and increases resulting from the transfer of Childrens Centres.
- There is a small amount of Headroom within the budget. This arises from a difference between the pupil funding received in DSG for rising primary rolls and the primary funding allocated within the ISB. Allowing for a small increase in Business Rates, there is a balance remaining of £352,500.
- As in 2015-16 the Primary and Secondary school budgets continue to be supported by reserves. £380,000 will be used in 2016-17 (reduced from £732,500) The nature of reserves are one-off balances, schools should not therefore plan for these additional sums beyond a further year.
- There is no anticipated change to the overall funding per pupil arising from the above. Where changes are experienced at a school level this results from changes in pupils or in pupil characteristics eg attainment or deprivation / FSM's.

### 2.6.2 6<sup>th</sup> Form Funding

The Schools Budget includes funding for High Needs students in 6<sup>th</sup> Forms. All other post 16 funding is through the National Formula.

The national funding formula for 6<sup>th</sup> Forms is based on lagged learner numbers to which a national rate is applied for each student. This rate is weighted for study programme costs and student retention. There are additional amounts for disadvantage and Additional Learning Support (ALS).

The Spending Review confirmed the cash protection of the national base rate per student for 16 to 19 year olds in 6<sup>th</sup> forms, colleges and FE for the rest of the parliament.

It is anticipated that schools will be informed of their allocations for the academic year 2016-17 in February. The protection following formula changes introduced in 2013-14 has now ceased.

### 2.6.3 High Needs Places £14.7m

Guidance earlier in the year from the EFA indicated there would be no move to place led funding being determined automatically by lagged pupil data. Instead the places in specialist provision continue to be determined by each local authority with flexibility to make adjustments so that they broadly reflected take up by pupils. A number of place changes were proposed by Wirral and were considered at the last Schools Forum meeting. These changes confirm those made on a temporary basis in the budget last year, together with a number of additional proposals. All have now been reflected in the budget as follows:

#### **Changes made in 2015-16**

Kilgarth increase by 5 places to 55

Observatory School increase by 5 places to 55

Elleray Park increase by 9 places to 99

Stanley increase by 9 places to 99

### Further changes from September 2016

Elleray Park increase by 11 places to 110  
Stanley increase by 21 places to 120  
Lyndale reduction of 40 places  
Claremount increase by 10 to 204  
Bebington ERP reduce by 5 to 20  
Birkenhead Park ERP reduce by 10 to 10  
Kingsway Academy ERP reduce by 10 to 20

There are no changes proposed to the Hospital School

#### 2.6.4 Early Years £15.1m

The DfE anticipate there are 1,568 children aged 2 who are eligible to receive Early Education. The budget for 2 year olds in this areas is based on 75% of those eligible taking up the offer. Over the course of the coming year it is expected that this level will increase to 90%.

The provision for 3 and 4 year olds based on 3,082 fte pupils will roll over at its current maximum level.

The estimated take up of the Early Years Pupil Premium has been included at £170,000 (reduced from its budget in 2015-16 of £357,000). The overall numbers claiming have not been as great as anticipated.

Flat cash settlements mean there are no planned changes to the rates or bands within the Early Years Single Funding Formula or the formula funding 2 year olds at this time.

#### 2.6.5 SEN Top Ups £17.4m

The proposed budget for SEN Top Ups is £17.4m. There is an increase / growth within the High Needs DSG Block of £532,000. Some further information is needed from the EFA to confirm the final adjustments that will be made.

Growth has been allocated to increased places in maintained and Independent Special Schools and to increased top ups.

#### SEN Top Ups 2016/17

Statements	Early Years	292,200
	Primary	1,442,000
	Secondary (including 6th Forms)	1,780,000
	Personal Budgets	108,700
	Other	226,500
Top Ups	Special Schools (and 6th Forms)	6,360,400
	SEN units - resourced and alternative provision	602,000
	EMAP	240,000
	Further Education, 6th Form College and other providers	728,000
	Exceptional Need	710,000
	Support costs	11,700
	Contingency	474,000
	Independent Non Maintained Special Schools	3,700,700
	Home Teaching	308,900
	Everton Free School and 6 <sup>th</sup> Form element 2 (EFA)	434,000
	<b>Total</b>	<b>17,419,100</b>



Changes in costs which have been identified as part of the budget review are:

- **Special Schools.** The top up budgets have been increased by £220,700, reflecting additional numbers at Stanley, Elleray Park, Claremount and Foxfield.
- **Statements.** A net reduction of £158,600. The budget anticipates that the current numbers will continue into 2016-17 with an adjustment for changes / increases in the overall school roll.
- **Independent Special Schools.** An increase of £305,700. The number and cost of placements have increased during the last year. There are currently 91 places, just over half of which are at West Kirby Residential School. The proposed budget takes account of these numbers and makes provision for a further 9 part year places.
- **Further Education and 6<sup>th</sup> Form College.** A small reduction of £14,700, reflecting a reduction in high cost placements and some changes across service providers.
- **Exceptional Need** an increase of £260,800. A report elsewhere on the agenda describes the increasing numbers and costs, arising from the complexities and challenges supporting children with high needs. Of the growth required £189,000 will be funded from reserves whilst the budget and future commitments are reviewed.
- **Contingency.** The contingency of £474,000 covers the potential costs of:
  - The 90% guarantee to maintained schools to limit the demands on low cost high incidence SEN budgets used to support statements.
  - Any unforeseen consequences arising from top ups, exceptional cases or the review of High Needs.
  - Any mismatch between provider places and places taken up.
  - Inflationary pressures within Non Maintained Special Schools.

There are significant budget pressures which have been eased by growth within the High Needs Block Grant allocation. However this growth alone is not sufficient and does not address all needs. The use of reserves provides some temporary funding whilst a more permanent solution is sought. The area will be reviewed and changes / updates to the budget will be the subject of future reports.

#### 2.6.6 Use of Reserves

DSG reserves held total £3.5m and were agreed as part of the year end accounts for 2014-15. The Schools Budget for 2015-16 plans to use £1.5m of these.

In the 2016-17 budget £568,900 of reserves will also be used.

This leaves reserves of £820,000 mainly for the costs of pay harmonisation and a remaining balance of £600,000.

### 3.0 INFLATION

- 3.1 No direct provision is included within the budget for pay awards. At this stage a 1% award for teaching and support staff is anticipated, together with an increase in National Insurance contributions from 10.4% to 13.8%. The additional costs arising from these changes in schools together with the full year effect of changes in 2015-16 will need to be met from existing school budgets.

There is no general provision for price inflation, although costs for rates within the schools budget have been increased and the central PFI budget continues to reflect RPI increases.

#### **4.0 CENTRALLY HELD SCHOOL BUDGETS**

4.1 The budgets held for Contingency, Special Staff (maternity and trade union duties), the School Library Service, Insurance (Governors Aided), Behaviour Support, the Minority Ethnic Achievement Service and FSM Eligibility have been delegated to schools. A decision is required for any de-delegation of these.

In respect of Special Staff costs this budget has increased by £60,200 to take account of increases in maternity in Primary and Special Schools. There has also been an increase of £10,000 to support costs for registering entitlement to FSM's.

The remaining centrally held budgets for 2016-17 cover:

- the continuing premature retirement costs of teachers and staff that have arisen from closing schools (£86,000 a reduction of £40,000)
- the cost of licences for copyright and music in all schools and academies resulting from a national agreement (£223,800 a reduction of £30,200)
- School Admissions (£341,800)
- Planned Programmed Maintenance (PPM £249,000)
- The PFI Affordability Gap (£2,886,500) an increase of £150,000 funded by the LA.
- Contributions to combined budgets (£2,114,800).
- Schools Forum £10,600
- Early Years £378,700

#### **4.2 School Admissions (£341,800)**

This budget is required to meet the costs of supporting and administering the authority's school admissions scheme (including the 11 plus) and is unchanged from 2015-16.

#### **4.5 Planned Programmed Maintenance (£249,000)**

This resource supports the health and safety and maintenance of school buildings, grounds and equipment. It also pays for minor repairs and emergencies. The budget is unchanged.

#### **4.6 PFI Affordability Gap (£2,886,500)**

The funding gap for the council's 9 school PFI scheme is £2,886,500 (an increase of £150,000 compared to 2015-16). The affordability gap is the shortfall between the costs of the PFI contract £11.4m and the combined government grant of £5.5m and school contributions received of £3.0m. The gap increases each year in line with the contract inflation clause.

#### **4.7 School Copyright licences (£223,800)**

The DfE purchases a single national licence for all state funded schools. Licences cover areas such as the Copyright Licence Agency, the Education Recording Agency, a School Printed Music Licence and the Performing Rights Society.

## 4.8 Contributions to Combined Budgets

School Funding Regulations continue to allow contributions to support services that would otherwise fall outside the Schools Budget. These budgets combine with other council resources for the educational benefit of children.

Regulations state that there must be no new commitments or increases in expenditure from that in 2012-13.

The budgets in this area are shown below:-

- **Discretionary Rate Relief £106,600**  
This budget funds continuing costs for Discretionary Rate Relief in Voluntary Aided schools.
- **School Improvement £359,900**  
This supports the funding for a number of consultant teachers who work with schools, School Improvement Associates, governor support, Evolve, training and the resourcing of equipment and facilities.
- **Local Safeguarding Children's Board £30,000**  
The LSCB provides governance of child protection arrangements, undertakes serious case reviews, training and employs a Designated Officer for Allegations. The Board is funded from partner organisations including Social Care, Schools, Police, Health and Probation. The £30,000 contribution from the Central Schools Budget matches the amount received from Health. There is also a £10,000 contribution from the High Needs Budget.
- **School Intervention £674,500**  
This budget provides additional funding within School Improvement to support priorities in targeted schools during the year.
- **City Learning Centres £694,700**  
The 3 City Learning Centres have a combined budget of £694,700 together with £120,000 from the Council's capital programme (for upgrades to high value equipment).
- **LACES £140,500**  
The service reviews the educational progress of Looked After Children, provides training to staff and some direct support to pupils.
- **Miscellaneous £108,600**  
These amounts support the Governors Forum, school wellbeing, the School Staff Survey and the PFI Support Team

<b>Combined Budget Summary</b>	<b>£</b>
Discretionary Rate Relief top ups	106,600
School Improvement	359,900
LSCB Contribution	30,000
School Intervention	674,500
City Learning Centres	694,700
LACES	140,500
Wellbeing and School Staff Surveys	44,600
Governors Forum	2,200

PFI Support Team	61,800
<b>Total</b>	<b>2,114,800</b>

The Combined Budget totals are unchanged from 2015-16.

## **5.0 Budget Timetable**

5.1 The Schools Budget and advice from the Forum will be considered by Cabinet on 22nd February 2016.

## **6.0 FINANCIAL IMPLICATIONS**

6.1 The budget for 2016-17 is compiled from the base budget for 2015-16 approved by Council on 24<sup>th</sup> February 2015 and updated for any issues identified in this report.

The projected budget (DSG, reserves and council contribution) is £243,273,400 and is shown in Appendix 1.

## **7.0 RECOMMENDATIONS**

- i) That the views of the Schools Forum are sought on the Schools Budget for 2016-17 including the use of Headroom, the increases within SEN and the changes in central costs.
- ii) That the Contributions to Combined Budgets are agreed for:
  - Discretionary Rate Relief top ups
  - School Improvement
  - LSCB Contribution
  - School Intervention
  - City Learning Centres
  - LACES
  - Wellbeing and School Staff Surveys
  - Governors Forum
  - PFI Support Team
- iii) That the reserves totalling £568,900 used to set the Schools Budget are agreed.
- vii) The Schools Budget and views of the Schools Forum be referred to the budget meeting of Cabinet on 22nd February 2016.

**Julia Hassall**  
**Director of Children's Services**

**Schools Budget Summary****2016-17**

	£000
<b>Dedicated Schools Grant</b>	242,118
<b>Use of DSG and other reserves</b>	569
<b>Total Grant Funding</b>	<u>242,687</u>
<b>Schools Budget Base Expenditure</b>	172,745
Add back 2015-16 Academy and High Needs baseline	69,532
	<u>242,277</u>
<b>Change in ISB costs</b>	
Net rising rolls	1,053
Rates	90
Net Headroom	353
Reduction in reserves	(353)
Early Years provision for 2 year olds	(691)
Early Years Pupil Premium	(187)
	<u>265</u>
<b>Changes in SEN / High Needs Costs</b>	
Increase in Special School and Resource Base Places	178
Reduction in Statements / EHCP's	(159)
Special School top ups	257
Independent Special School Top Ups	306
	<u>582</u>
<b>Other Changes in Central Costs</b>	
Increase (inflation) re PFI contracts	150
Special Staff costs and FSM eligibility	70
Licences	(30)
School Closure	(40)
	<u>150</u>
<b>Total Schools Expenditure</b>	<u>243,274</u>
<b>Net Schools Budget</b>	<b>587</b>

**EDUCATION - SCHOOLS**

	Base Estimate 2015-16 £	Base Estimate 2016-17 £
<b>Individual Schools Budget</b>		
Primary Schools	93,028,400	98,286,800
Secondary Schools	26,045,600	89,656,100
Special Schools	8,733,400	9,921,700
SEN Bases	1,616,800	2,584,500
EMAP	-	800,000
Wirral Hospital Schools	1,352,300	1,352,300
Early Years	15,750,000	14,872,000
<b>Individual Schools Budget Total</b>	<b>146,526,500</b>	<b>217,473,400</b>
<b>Central School Costs</b>		
Early Years	378,700	378,700
Admissions	341,800	341,800
School closure / retirement costs	126,000	86,000
Licences and subscriptions	254,000	223,800
Schools Forum	10,600	10,600
Contribution to Combined Budgets	2,114,800	2,114,800
PPM	249,000	249,000
PFI Affordability Gap	2,736,500	2,886,500
<b>Costs delegated to schools</b>		
Library Service	191,700	-
Insurances	32,300	-
Minority Ethnic Achievement Service	244,600	-
School Specific Contingencies	104,300	-
Special Staff Costs	667,600	-
School Meals	13,600	-
Behaviour Support	92,200	-
<b>High Needs Pupils</b>		
Statements	4,008,000	3,849,400
SEN Top Ups	8,384,900	8,652,100
High Needs Contingency	474,000	474,000
Independent Special Schools	3,395,000	3,700,700
Home Tuition	308,900	308,900
Everton Free School and LCHI 6 <sup>th</sup> Form		434,000
Support for SEN	2,031,500	2,031,500
Special School Transport	58,200	58,200
<b>Non delegated School Costs Total</b>	<b>26,218,200</b>	<b>25,800,000</b>
<b>Total School and Central Costs</b>	<b>172,744,700</b>	<b>243,273,400</b>
<b>Dedicated Schools Grant Total</b>	(171,413,300)	(242,118,000)
Use of Reserves	(894,900)	(568,900)
<b>Grand Total</b>	<b>436,500</b>	<b>586,500</b>

Note – Base Estimate 2015-16 is after academy recoupment

## WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM 13<sup>th</sup> JANUARY 2016

### REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

#### De-Delegation of School Budgets

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#### 1. EXECUTIVE SUMMARY

This report seeks a decision by Forum representatives of maintained schools on the possible de-delegation of a number of services to schools, where there is a preference to continue a central service.

#### 2. BACKGROUND

In 2013-14 following DfE requirements a number of services were delegated to schools that were previously provided centrally by the LA. There are some areas where Schools Forum members, in their relevant phase, are able to decide, on behalf of their schools, that funding should be de-delegated and taken out of formula budgets before schools receive them. These amounts would then continue to be held centrally. Regulations provide for different decisions being made for each phase. The members eligible to vote are shown on the attached table.

#### 3. BUDGETS FOR DE-DELEGATION

- **Contingency**

The budget for exceptional/unforeseen costs that it would be unreasonable for governing bodies to meet.

- **Special Staff Costs**

Teacher maternity, paternity and trade union facility costs for both teaching and non-teaching staff.

The costs of maternity in primary schools has continued to increase in 2015-16. As a result a further £50,000 has been included within the budgeted amounts delegated to primary schools for this purpose

With regard to Trade Union Facility Time of £127,500, guidance confirms that representatives are entitled to reasonable paid time off during working hours to undertake Trade Union duties and relevant training. Wirral like many LA's has a local facility agreement in place. The budget for facility time includes non-teacher representation. Where funding is not de-delegated schools manage their own budget and make their own facility time arrangements.

- **School Library Service**

The provision of learning resources to schools, such as books, artefacts, posters and DVDs.

- **Insurance**

The cost of governor's liability to Aided schools.

- **Minority Ethnic Achievement Service (MEAS)**  
A service supporting children and young people for whom English is not their first language.
- **Free School Meal (FSM) Eligibility**  
The cost of administering applications for FSMs. An additional contribution of £10,000 has been added to this area to offset extra costs incurred supporting the FSM Opt Out initiative.
- **Behaviour Support**  
The cost of a small team working with Primary Schools and a number of embedded police in Wirral's secondary and special schools.

#### 4. DECISIONS TAKEN IN 2015-16

In the January 2015 meeting members of the forum made the following decisions:-

- The Primary Forum Representatives agreed, unanimously, to de-delegate all of the budget areas.
- The Secondary Forum Representative agreed to de-delegate all of the budget areas except for MEAS.

#### 5. SUMMARY OF BUDGETS FOR DE-DELEGATION

The tables below identify the budget for primary and secondary schools, how the budget is allocated through the formula and the amount per pupil deducted if it is de-delegated.

Primary Budget	Amount Delegated £	Method of Delegation	Amount per Pupil £	Average per School £ (300 pupils)
Contingency	93,900	Pupil	3.68	1,104
Special Staff Costs (Maternity/Paternity)	516,900	Pupil	20.28	6,084
Special Staff Costs (Trade Union)	76,500	Pupil	3.00	900
School Library Service	201,100	Pupil	7.89	2,367
Insurance	30,600	Pupil	1.20	360
MEAS	257,300	EAL	492.62	2,956
FSM Eligibility	16,200	FSM	3.52	190
Behaviour Support	62,400	SEN PA	13.03	743
<b>Total</b>	<b>1,254,900</b>			<b>14,704</b>



<b>Secondary Budget</b>	<b>Amount Delegated £</b>	<b>Method of Delegation</b>	<b>Amount per Pupil £</b>	<b>Average per School £ (1,000 pupils)</b>
Contingency	51,600	Pupil	3.03	3,030
Special Staff Costs (Maternity/Paternity)	469,100	Pupil	27.54	27,540
Special Staff Costs (Trade Union)	51,000	Pupil	3.00	3,000
Insurance	10,500	Pupil	0.62	620
MEAS	30,300	EAL	326.74	1,634
FSM Eligibility	12,900	FSM	4.75	755
Behaviour Support	77,500	SEN PA	23.31	4,545
<b>Total</b>	<b>702,900</b>			<b>41,124</b>

## **RECOMMENDATIONS**

1. The Primary Forum Representatives agree to de-delegate each of the following budgets for the financial year 2016-17:-
  - a. Contingency
  - b. Special Staff Costs
  - c. School Library Service
  - d. Insurance
  - e. MEAS
  - f. FSM eligibility
  - g. Behaviour support
  
2. The Secondary Forum Representatives agree to de-delegate each of the following budgets for the financial year 2016-17:-
  - a. Contingency
  - b. Special Staff Costs
  - c. Insurance
  - d. MEAS
  - e. FSM eligibility
  - f. Behaviour support

**Julia Hassall**  
**Director of Children's Services**

**Forum Members eligible to Vote**

**Primary Representatives**

Jill Billinge	Primary Headteacher (Birkenhead South)
Mary Walker	Primary Headteacher (Birkenhead North)
Deborah Marchant	Primary Headteacher (Wallasey)
Jill Pearson	Primary Headteacher (Deeside)
Jacqui McCallum	Primary Headteacher (Bebington/Bromborough)
Vacancy	Primary Governor
Vacancy	Primary Governor
Ken Frost	Primary Governor
Lyn Ireland	Primary Governor
Janet Devine	Primary Governor

**Secondary Representatives**

Brian Jordan	Secondary Headteacher
Adrian Whiteley	Secondary Governor

## **Briefing Note for Wirral Schools Forum – 13<sup>th</sup> Jan 2016**

### **Draft TU Facilities Time Service Level Agreement**

#### **Background**

Following a Schools Forum Meeting in Sept 2015, the Local Authority was asked by the Schools Forum, to develop a draft service level agreement covering School TU Facilities Time.

#### **Development of Service Level Agreement**

In the development of the service level agreement the Local Authority have consulted with:

- Other North West Local Authorities on current arrangements for School TU facilities time.

*NB most NW Authorities have 100% buy back for TU facilities time for maintained schools and academies.*

- Professional Associations and Trade Unions on the content of the service level agreement.
- Wirral Schools Finance Team on the appropriate costing of service level agreement, based on the de-delegation of funding to schools.

#### **Status of report**

The attached draft TU Facilities Time Service level agreement is for comment /noting by the Wirral Schools Forum

Decisions on buy back of the service level agreement will be made by individual academies and where relevant defined group of maintained schools.

**Contact Officer** Sue Blevins  
Senior HR Manager (Schools/ER and OD)

**Email Address** susanblevins@wirral.gov.uk

**Contact Tel** 0151 691 8586

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## WIRRAL COUNCIL

### SCHOOL AND ACADEMY TU FACILITIES TIME

#### SERVICE LEVEL AGREEMENT 2016-17

#### **1. Background and Context**

There is a statutory requirement for schools to provide reasonable time off for elected representatives to undertake trade union duties specified in the ACAS Code of Practice on time off for trade union duties and activities (Jan 2010 Code of Practice 3).

#### **2. Scope of Service Level Agreement**

Working with the recognised Trade Unions and Professional Associations, the Local Authority are co-ordinating a service level agreement for TU facilities time to ensure employers' have appropriate arrangements in place for trade union recognition, representation of individual members and collective consultation and negotiation.

##### **2.1 Schools**

This SLA provides an opportunity to buy back into the Local Authority arrangements for trade union facilities without the need for each individual establishment to negotiate TU facilities arrangements with each union. The service level agreement covers all schools which are:

- Academies - independent of the Local Authority where the Local Authority is not the employer and not able to provide automatic access to the trade union facilities agreement.
- Groups of 'maintained schools' who choose not to de- delegate this money back to the Local Authority, via an annual decision at Schools Forum i.e. Primary or Secondary Schools.

*(In 2015-16 all maintained Primary and Secondary Schools De-delegated funding for this service and all Special Schools bought back).*

##### **2.2 Trade Union/Professional Associations**

The Local Authority currently co-ordinates facilities time to recognised trade unions in order to comply with the need for employers to meet their legal obligations. The trade unions/professional associations who meet the threshold for paid TU facilities time in schools, based on membership are :

- Teaching staff are NUT, NASUWT and ATL
- School Leadership staff are NAHT and ASCL
- Support staff are UNISON

### **2.3 Schools TU Facilities Agreement covers:**

- All TU/Professional Association representatives have the necessary knowledge, skills and experience to deliver an effective employee relations framework for schools, provided by representatives who will have an understanding of the local context of Wirral.
- Access to accredited and recognised trade union representatives for representation of individual members at any relevant HR meetings in relation to their employment e.g. disciplinary, grievance, sickness absence, redundancy
- Consultation and negotiation with Schools who purchase the TU facilities Time Service Level Agreement on collective staffing matters such as redundancy, restructuring, TUPE
- Consultation and negotiation with Schools on other staffing matters such as recruitment, membership, general communication with members
- Responsibilities in line with duties of a Union Learning Representative or Health and Safety Representative
- Representation on any Joint Consultative Framework meetings in place at the Academy and at Local Authority level, where appropriate
- Assisting in the purposes of good employee relations and resolution of potential disagreements and collective disputes, development and implementation of HR Policies and Procedures, where appropriate, and policy consultation and negotiation

### **3. Operational procedures and guidelines**

- Schools will provide names of TU representatives and contact details from each Trade Union/Professional Associations.
- Trade Union/Professional Associations will respond within a reasonable timeframe.
- Feedback on the standard and quality of service will be requested annually and reviewed by the Schools Strategic Joint Consultative Committee.(JCC)

### **4. Service quality**

- Trade union/Professional Association representatives will be appropriately accredited by their Union.
- Trade Unions /Professional Association representatives staff will have the necessary knowledge, skills and experience to deliver an effective employee

relations framework for schools, provided by representatives who will have an understanding of the local context of Wirral.

- Provide a local flexible and accessible facilities service which delivers responsive support for complex TU issues, and captures the benefits that come from economies of scale, seeking to be efficient and effective.

#### **4 Complaints Procedure**

- If there is a concern about the service provided, in the first instance this should be raised with the appropriate local Branch Secretary who will advise.
- If there continues to be a concern about the service provided, this should be raised with the appropriate regional officer who will advise.

#### **5 Prices**

**The prices below only apply when:**

- The Schools is an **Academy**
- A 'defined group' of maintained schools decided **not to de-delegate costs to pay for TU Facilities time**

- **Premier Service (Teachers, School Leaders and Schools Support Staff)**

Contribute towards a local facilities time agreement for schools to provide facilities time for those representing Teachers, School Leaders and Support Staff at a cost of **£3.00** per pupil.

- **Standard Service – Option 1 (Teachers and school leaders only)**

Contribute towards a local facilities time agreement for schools to provide facilities for Teachers and School Leaders for at a cost of **£2.25** per pupil.

**Professional Associations:**

- NUT
- ATL
- NASUWT
- NAHT
- ASCL

- **Standard Service – Option 2 (Support Staff Only)**

Contribute towards a local facilities time agreement for schools to provide facilities time for those representing Support staff at a cost of **£0.75** per pupil.

**Trade Union**

- UNISON

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## WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM 13<sup>th</sup> January 2016

### REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

#### School Budgets and indicative deficits balances

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#### 1. EXECUTIVE SUMMARY

Financial projections indicate that over half of schools may need to set a deficit budget in 2016-17 as a result of increasing cost pressures. This report is an update to that previously considered by the Forum in July 2015.

#### 2. BACKGROUND

There are increasing cost pressures in schools arising from "flat cash" budgets. The additional costs arising from pay awards, pension increases and national insurance changes (adding about 5% to next years school pay bill) will not be met from increased budget allocations, instead they will need to be found from efficiency savings. With the exception of Pupil Premium the funding available for schools has not increased since 2011. These cost pressures are causing significant difficulties for schools across the country and Wirral is no exception.

#### 3. Indicative Balances for Future Years

The position previously reported is shown below and is based on projections made at Budget Setting. They show that the expected school balances could reduce from £10.7m to an overall deficit of £3.4m by March 2017.

July Forecast	Actual Balances at 31 <sup>st</sup> Mar 2015	Expected Balances at 31 <sup>st</sup> Mar 2016	Expected balances at 31 <sup>st</sup> Mar 2017
Nursery	676,607	322,356	28,697
Primary	6,268,671	4,027,006	-798,529
Secondary	2,208,899	356,292	-1,553,097
Special	1,570,256	745,778	-1,038,659
	<b>10,724,433</b>	<b>5,451,432</b>	<b>-3,361,588</b>

At Period 6 the projections have been updated. These revised estimates indicate school balances would reduce to an overall deficit of £2m in 2017. Although this is a small improvement, it is still not a viable position for schools or the local authority and requires urgent corrective action.

#### Expected position at 31<sup>st</sup> March 2017

Period 6	Actual Balances at Mar 2015	Expected Balance at 31 <sup>st</sup> Mar 2016	Expected balances at 31 <sup>st</sup> Mar 2017
Nursery	676,607	532,703	-55,620
Primary	6,268,671	4,533,759	-51,787
Secondary	2,208,899	1,030,347	-1,434,444
Special	1,570,256	1,099,340	-476,754
	<b>10,724,434</b>	<b>7,196,149</b>	<b>-2,018,606</b>

All tables exclude academy schools.

#### 4. Schools indicating they would have a Deficit budget

Without remedial action the number of schools who may have a deficit budget as at March 2017 are shown below:

	Number of schools	Expected number of schools with a deficit	% schools with a deficit
Nursery	3	2	67%
Primary	88	49	56%
Secondary	6	3	50%
Special	12	8	67%
	<b>109</b>	<b>62</b>	<b>57%</b>

Within these schools there are 2 primary, 3 secondary and 4 special schools with deficits exceeding £100,000. One secondary school has a projected deficit exceeding £800,000.

## 5. Action to date

The action taken to date includes:

- Briefings and discussion at Headteacher groups and with support staff
- Briefings through the Governors Forum and their newsletter
- Discussion of proposed changes to the treatment of school redundancy costs.
- School Bursar support as part of the mid-year budget review by headteachers and governors.
- Financial review meetings last term with schools where their projected deficit exceeds £100,000 (8 schools in total) together with a further 6 causing most concern.

## 6. Future Action

The position will be updated again at Period 9 by which time schools will have a more accurate view on costs in the current year and going forward. Some further improvement to the position can be expected from this work. Other actions are:

- School budgets for 2016-17 will be available earlier. It is expected that the initial budget allocations for 2016-17 will be sent to schools shortly after the Forum meeting
- All schools indicating a shortfall will be contacted before half term. All schools will need to identify what savings or efficiencies they intend to implement before the end of March.
- Where savings are insufficient schools will meet with Finance, School Improvement and HR to agree a course of action.
- There will be further meetings with those schools with the highest projected deficits in order to ensure progress is being made and timescales are being achieved.
- Both teaching and support costs are being reviewed. Schools are encouraged to share costs where possible – back office for example - and to work across clusters
- Nationally there will be assistance with procurement decisions although details are still to be confirmed
- If agreement cannot be reached the authority is likely to issue a “Notice of Concern”. This will require an immediate action plan to be agreed by governors.
- Additional capacity will be included within the LMS team. The resource will support the financial planning undertaken in schools. This post costing £32,000 pa will be funded for 2 years on a fixed term basis from authority reserves.

## RECOMMENDATIONS

1. The report is noted and there is a further report to the next meeting.

**Julia Hassall**  
**Director of Children’s Services**

## WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM 13<sup>th</sup> January 2016

### REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

#### SCHOOL REDUCUNDANCY COSTS

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##### 1. EXECUTIVE SUMMARY

This report sets out the responses received to a short consultation on proposed changes to the treatment of school redundancy costs in schools and outlines the next steps to be taken.

##### 2. BACKGROUND AND KEY ISSUES

The Forum considered a paper at its last meeting describing proposed changes to the funding of school redundancy costs. The changes to be considered are that the LA will in future only fund 75% of redundancy costs where the following conditions are met:

- The school has or has had significant falling rolls.
- Falling rolls are evidenced.
- Evidence is provided that where there are falling rolls that there is a planned reduction / restructure.
- The decision to make redundancies in this situation is taken in consultation with LA finance, HR and School Improvement staff.

The LA will not consider funding redundancies and severance costs where:

- The deficit has arisen for reasons other than falling rolls, such as formula changes or the impact of inflationary increases.
- The school cannot demonstrate it has planned the reduction/restructure.
- The school has not taken or followed LA advice.
- The school has incurred unreasonable expenditure.

A short consultation has been undertaken with schools to obtain their views. This has followed on from briefings with Headteacher groups and with governors. The consultation ran from 30<sup>th</sup> November to 8<sup>th</sup> January. At the time of writing 6 responses had been received, however this is the start of term and there are still a few days before the consultation closes. Any further comments received will be considered at the meeting.

##### School responses

There are a number of common themes in the responses received to the questions asked:

Q1 Are the issues raised by flat cash settlements common to all schools?

This question was asked to try to see if schools thought they were all equally affected by flat cash and the need to generate efficiencies and reduce costs to offset pay awards, pensions etc. All responses agreed with this question

Q2 Do you agree that falling rolls impact certain areas and certain schools only?

This question asked if schools recognised that the difficulties associated with falling rolls were in addition to flat cash and that this was not a problem for all schools.

Most responses supported this view, although there were comments that there were bigger problems facing smaller schools and that falling rolls could be seen as cyclical. Whilst this last

point is true, the cyclical nature of falling rolls is a medium to long term issue and is over many years.

Q3 Should redundancies required in respect of falling rolls be treated differently and funded by the LA?

There was general agreement to this question.

Q4 What are your comments on the proposal to change the current redundancy policy?

The comments from schools were wide ranging and consistently negative. Schools commented on the additional burden this would place and the impact this would have on their ability to pay and attract experienced staff. Schools also questioned the LA's statutory obligation to meet these costs. This point is dealt with below.

Q5 Comments on date of introduction

Most suggested that the date of April 2016 should be deferred, since any impending decisions that schools would take in the current academic year could not be made before then. This is also a view that was expressed by Forum members at the last meeting.

Q6 Are there other changes that should be considered to make costs more affordable?

With the exception of capitalisation, which would require approval from the Secretary of State schools have not suggested any alternatives.

Q7 Is redeployment seen as a reasonable measure?

Schools support the voluntary scheme and are aware of its existence

## **School Finance Regulations**

The Education Act 2002 sets out the legal framework for the treatment of redundancies' and associated costs in schools. The act states that costs incurred in respect of the dismissal of staff in school should not be met from school budget shares unless the authority has good reason for doing so.

The School Revenue Funding guide by the EFA provides further advice and prevents any new redundancy costs being charged to central school budgets.

In response to the above the reasons that redundancy costs could be charged to school budgets follow on from the implications of flat cash budgets and the need to make cost reductions. These have been known for some time, having been a feature of school finances since 2011 and widely understood / reported.

During this time schools have taken action to review staffing levels and contracts, reduce spend and where possible increase balances / reserves. Whilst increases in pay costs next year are significant, they have been known or anticipated and will have been a feature in school budget planning.

### **Next Steps**

The proposal to change the School Redundancy Policy will be referred to Cabinet together with the views from schools and the Forum.

As part of the proposal the request to defer the implementation date to 1<sup>st</sup> September 2016 will be included in the report.

## **RECOMMENDATION**

1. The Forum considers the report and gives a view on the proposal.

**Julia Hassall**  
**Director of Children's Services**



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## **Review of childcare costs: an executive summary of the analytical report**

An economic assessment of the early education  
and childcare market and providers' costs

Page 61

**25<sup>th</sup> November 2015**

Reference: DFE-00296-2015



I welcome this review which delivers on our general election commitment to assess the cost of childcare provision in England. The report gives us a rich, detailed and clear understanding of the early education and childcare market. I am extremely grateful to all of the providers, provider representatives, and other individuals and organisations that have contributed to making this so in depth and comprehensive.

The findings of the review – the first of its kind by government – have formed the evidence base for our decisions at the Autumn 2015 Spending Review. On the basis of this review, I am pleased to be able to confirm that the government is allocating funding for a substantial uplift to the funding rate. We will be investing over £1 billion more per year by 2019-20, including £300 million for a significant uplift to the rate paid for the two-, three- and four- year-old entitlements. The new rates will be £4.88 for three- and four-year-olds, including the EYPP,<sup>1</sup> and £5.39 for two-year-olds. This shows the importance government attaches to funding high-quality childcare. We are confident that, on the basis of this review, this new rate will underpin sustainable delivery of the entitlements – including the new 30 hour entitlement for three- and four-year-olds for working families.

Our support for the industry isn't just about providing more money through the uplift. Alongside it we are announcing a package of reforms that will support successful delivery of the entitlements. We know that the current funding system creates unfair and unjustifiable differences between areas, and between types of providers.

We are committed to introducing a fairer and more transparent way of distributing funding for the entitlements, which will see more funding passed on to providers at the front line. We will consult on proposals to do this in the new year.

The review has also shown that some business models do not make full use of the flexibility in the regulatory system – and that high-quality provision can be delivered by providers that do use this flexibility. We are clear that the funding rate will enable providers to deliver high-quality places in line with statutory requirements alongside the introduction of the new National Living wage.

Providers have informed us that there can be unnecessary bureaucracy involved in delivering the entitlements. We will work to simplify and limit the conditions local authorities can place on providers delivering the free entitlement, and will work with the sector to reduce unnecessary bureaucracy that limits the time staff can spend with children. We will begin early implementation of the 30 hours entitlement in a small number of areas from September 2016. The Early Implementers programme will give us an opportunity to test capacity, flexibility and importantly innovation, as well as ensure that all eligible children, including those with special educational needs, can access the 30 hours.

This is an exciting time for the childcare sector with more government investment than ever before going towards helping parents with the cost of living, supporting them to work more hours and for children to benefit from high quality early education.



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## Executive summary

Page 63



# Acknowledgements

This review has been written by the Department for Education, with advice and support from across Government.

The review team would like to thank the childcare providers, their representatives and other interested parties that engaged so constructively with the review, and were so generous with their time. This includes the more than 2,000 organisations that responded to the Call for Evidence; those that responded to our follow-up survey; and the more than 100 that attended roundtable discussions across the country. We would particularly like to thank the Pre-school Learning Alliance, the National Day Nurseries Association, PACEY, the Independent Schools Council and other key partners for being so generous with their time.

Deloitte were engaged to support work led by the Department for Education, specifically around understanding the different cost pressures faced in different parts of the market through both a review of the published literature as well as primary research directly with providers; and to engage with providers to help inform the overall review. The Department for Education have interpreted these findings and research to inform this review.





## Purpose of the review

From September 2017, three- and four-year-olds in working families will be eligible for up to 30 hours per week of state-funded childcare. This represents a major expansion in the ‘free entitlement’, building on the existing, universal three- and four-year-old early education entitlement; and the two-year-old entitlement for disadvantaged children.

It is essential that all of these entitlements are funded properly, at a level that enables providers to deliver the good-quality early education and childcare that benefits children, meets the needs of parents, and which is fair and sustainable for the taxpayer. The government commissioned this review of the cost of providing childcare for pre-school age children in order to provide a sound analytical underpinning to inform what this rate should be.

As a major purchaser in the childcare market, government also wanted a better understanding of the state of the market, its strengths and weaknesses and to learn about the business practices of the most efficient providers in the market.

The review has been analytically-led and evidence-based. It has been worked on by a team of DfE analysts, led by the Department’s Chief Analyst, and supported by expertise from across government and outside.

The review examined the costs of childcare provision at provider level and considered all available evidence on the current demand for and supply of childcare places for two-, three- and four-year olds.

It has also considered how government regulation and funding has shaped the market. We have looked at the provision for children with additional needs and how this varies across the market.

Although the review focusses on the current costs of provision, it also examines the implications of future cost pressures facing the sector, in particular the introduction of the Living Wage from 2017.

The review is based on the best evidence available, including additional evidence collected throughout the review. The evidence used to inform the review is outlined in Section 2 and the appendix of the main document.

The Department is pleased with the engagement it has had from across the childcare market. Its Call for Evidence received over 2,000 responses between 15 June 2015 and 10 August 2015, with the majority of responses submitted coming from providers.

The Call for Evidence was supplemented by a series of roundtable events with providers, provider representatives, and academics. Events were held at DfE offices in London, Sheffield, Manchester and Coventry. We held particular thematic discussions on childcare for children with additional needs, including those with Special Educational Needs and/or Disability (SEND) and those from disadvantaged backgrounds; and held a roundtable event just with childminders.



# Childcare market segmentation

This review focusses primarily on provision of early education and childcare for two-, three- and four-year-olds. The childcare market is diverse and we have focussed on the following ‘segments’ of provision:

## Group-based provision

**Private nurseries:** These providers are for-profit entities. Typically, they offer the free entitlement and provide a flexible mix of sessions. They tend to have children across all (pre-school) age groups, and include nurseries based on school sites.

**Voluntary nurseries:** This segment has a range of voluntary providers, including not-for-profits and social enterprises. These are typically open term-time only, although some also offer out-of-school and holiday care. Voluntary providers do not necessarily own their premises – they may operate out of church halls, community centres, school sites, etc.

**Independent school nurseries:** These are independent schools with nurseries for children under five.

**Primary schools with nursery provision:<sup>1</sup>** This segment typically offers morning and afternoon sessions for early education and childcare, with some offering only the free entitlement for children. Typically they have children aged above two years. They generally operate at lower staff to child ratios<sup>2</sup> than private and voluntary providers, with more qualified staff, but still above the statutory requirements. As they are based on school sites, the overhead costs are shared with the rest of the school.

**Maintained nursery schools:** This segment typically operates in areas of greater disadvantage and are designed to support early education and childcare in these areas. They operate on standalone sites, and are funded by the local authority. Many maintained nursery schools are attached to children’s centres as required by their local authorities.

## Home-based provision

**Childminders:** They comprise the largest share of the market in terms of absolute numbers of providers. However, their share of places are limited as most childminders operate alone and are restricted by the 1:3 staff to child ratio requirements for children under five. They operate out of their own domestic premises.

<sup>1</sup> These will be referred to as ‘primary school nurseries’

<sup>2</sup> Lower staff to child means fewer staff per child



# Current market strengths and weaknesses

## Market assessment

The childcare market is very complex, with a wide range of different types of providers and contexts. The wide variety in types of provision, and different business models for delivering childcare, is striking.

Our overall assessment is that the market appears to function reasonably effectively. However, there is scope for providers to use all the flexibility available to them in order to improve the sustainability of their business and deliver for parents and children.

The key strengths and weaknesses of the market, as we found them, are summarised here.

## Market strengths

Supply in the market is healthy, and has grown in recent years. Evidence suggests there is currently sufficient supply available to the majority of parents.

Government has invested considerably in this market – spending on childcare support had increased to £5billion a year by the end of the last Parliament. This has boosted demand for places and provides a guaranteed income to providers.

Most providers report breaking even or making a profit, and exit rates from the market are low. Parents tend not to switch providers frequently. This indicates parental satisfaction with provision, although we recognise the high costs to switching.

Government regulation appears proportionate and is not the key constraint on behaviour. In particular, the vast majority of providers reported that they are not constrained by government in the staffing models they choose (in respect of both qualification levels and staff to child ratios).

Nevertheless, some providers have reported that complying with regulation is complex and costly. Some have also highlighted the high administrative costs of dealing with their local authority in securing funding for the free entitlements and to cover costs associated with children with additional needs.

Barriers to entry and exit appear moderate to low and many providers report a real commitment to providing education and care to children as a key reason for staying in the market.

Quality in general, as reported by Ofsted is high.<sup>1</sup> In 2015, 85% of two-, three- and four-year-olds receive their funded early education in settings rated good or outstanding by Ofsted.

<sup>1</sup> This is where Ofsted judgements are known



# Current market strengths and weaknesses

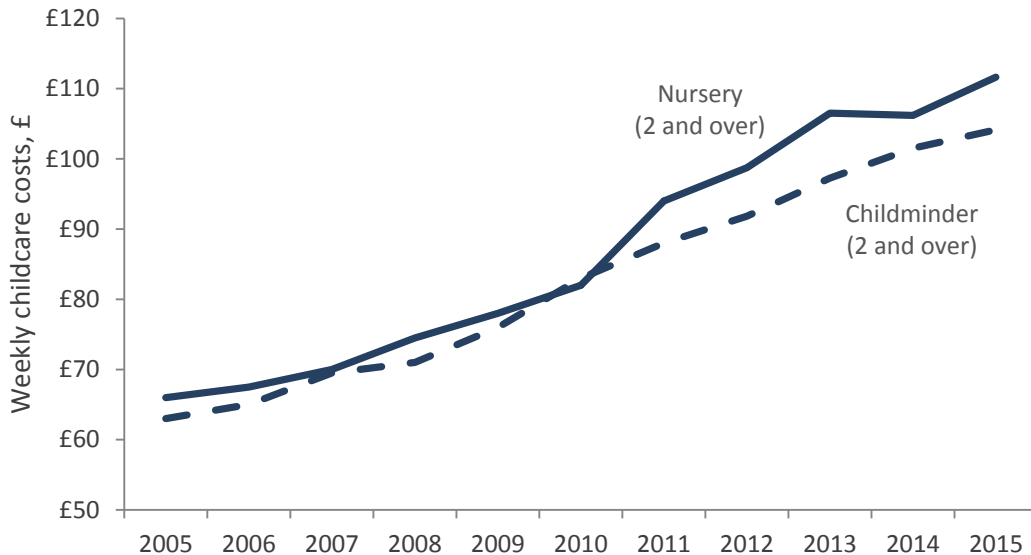
## However, the market also has some clear challenges

The childcare market is highly fragmented. Provision is very localised. It is a relatively labour intensive industry, with mostly small, single-site providers with limited scale economies.

Across the board, there are successful providers of varying scale. However, the cost of childcare has continued to increase, which raises questions as to whether providers can operate more efficiently in order to deliver value for money.

Formal childcare prices to parents have outstripped inflation over the past decade. The average market price paid for nursery provision for children aged over two has risen by 69% in the last ten years. During this time period, Consumer Price Inflation (CPI) has been only 28%. One in five parents who have not accessed formal childcare cite cost as the key barrier.

Page 68  
Typical weekly childcare fees for a full-time nursery or childminding place<sup>1</sup>



Percentage change in childcare fees and CPI inflation between 2005 and 2015<sup>2</sup>

Type of provision	Change
Nursery (under 2s)	66%
Nursery (2 and over)	69%
Childminder (under 2s)	59%
Childminder (2 and over)	65%
<i>CPI headline inflation</i>	<i>28%</i>

<sup>1</sup> Family and Childcare Trust’s annual surveys: Over the years there have been some tweaks to the definitions and coverage of the FCT survey, so assumptions have been made to create a consistent time series

<sup>2</sup> Family and Childcare Trust’s annual surveys; Office for National Statistics <http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/october-2015/tsd-consumer-price-indices-october-2015.html>



# Scope for efficiencies and learning from best practice

Looking across providers, there is scope for efficiencies in the staffing model, and specifically staff to child ratios. Providers typically use more staff than government regulations require. They report, in part, that this is a quality measure, and that 'slack' is needed to enable them to cover peaks and troughs in demand. Where providers are operating with 'slack' in the system, they incur higher costs.

Parental demand does not appear to be a factor in encouraging this common practice. There is evidence that higher quality can be achieved by providers operating close to or at statutory ratio. Graduate led settings such as school nurseries operate at high ratio and in general have a reputation for high quality.

Our analysis shows that a 'typical' provider in a private setting could save around 15% of its unit delivery costs by staffing within the statutory requirements. Similarly, there are potential savings by changing the mix of staff used, within the limits of regulation. Potentially big savings are available using more variable staffing models to recognise peaks and troughs in occupancy. Increasing overall rates of occupancy improves efficiency for the same reasons – spreading costs over a higher number of funded or paid for places.

To a lesser extent, we also consider that some providers would benefit from economies of scale (using any spare capacity within premises, for example) and of scope (using premises to care for other age groups of children or sharing back-office functions with other providers, for example).

Not all of these efficiencies are available to all providers but close examination of 'typical' business practices suggest considerable potential for efficiency across the market as a whole.

The next two slides explore the various sources of efficiency we have observed and provides some explanation and quantification of these, where that has been possible.



# Efficiencies from staff deployment

## Unit costs vary considerably by staff deployment

Our analysis shows that hourly costs can be reduced where providers deploy staff efficiently within statutory limits.

The table below shows the costs for the commonly reported staff to child ratios used in practice by providers.

For private and voluntary providers these are: 1:6 (the average) or 1:8 (the statutory minimum) for three- and four-year-olds; and 1:3.2 (average) or 1:4 (statutory minimum) for two-year-olds. School providers more typically report using a 1:10 (average) or 1:13 ratio (statutory minimum in a graduate-led setting). The estimates account for all overheads but staffing requirements constitute by far the largest share of total costs across all provider segments.

Those providers that staff at a higher ratio of staff to children (i.e. have fewer children per staff member) are incurring significantly higher costs. They are also foregoing significant revenue. Assuming a price of £5 per hour per child (of any age), the revenue per staff member generated for two-year-old provision in a private setting is £16 with the higher staff to child ratio compared to £20 per hour for the lower one. For three- and four-year-old provision, the revenue per staff member varies from £30 an hour to £40 an hour for the higher and lower assumed staff to child ratios respectively.

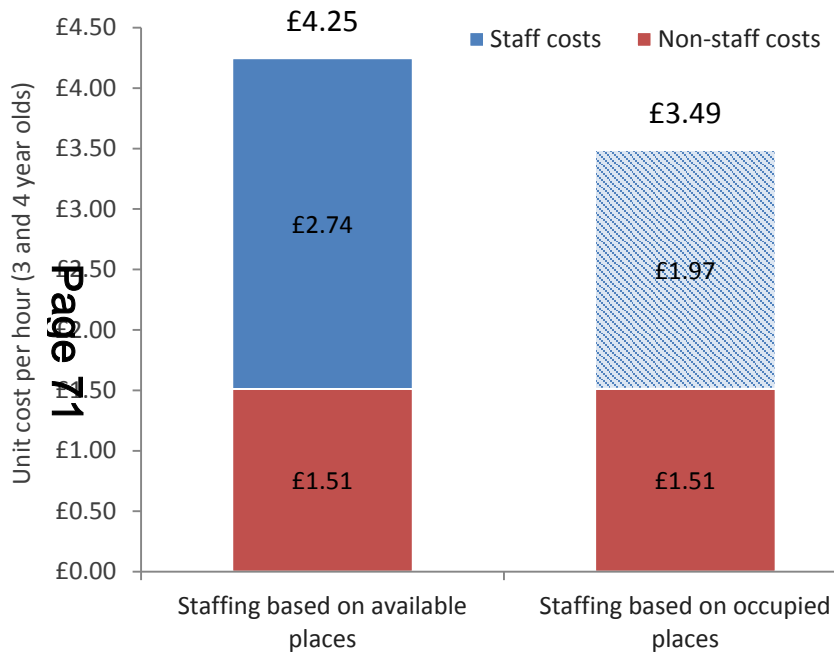
There are a number of existing published estimates of unit costs that we consider for comparison in section two of the main report. Estimates vary according to assumptions on providers' business models. We believe the estimates provided here at the statutory ratios provide a good set of unit cost benchmarks.

## Representative costs per contact hour, England 2014/15 (staff to child ratio in parentheses)

Core provider segment	Aged two		Aged three and four	
	Hourly cost at average ratios	Hourly cost at statutory ratios	Hourly cost at average ratios	Hourly cost at statutory ratios
Private	£5.87 (1:3.2)	£5.00 (1:4)	£4.25 (1:6)	£3.56 (1:8)
Voluntary	£5.39 (1:3.2)	£4.54 (1:4)	£3.81 (1:6)	£3.14 (1:8)
Primary schools with nursery provision	-	-	£4.37 (1:10)	£3.60 (1:13)

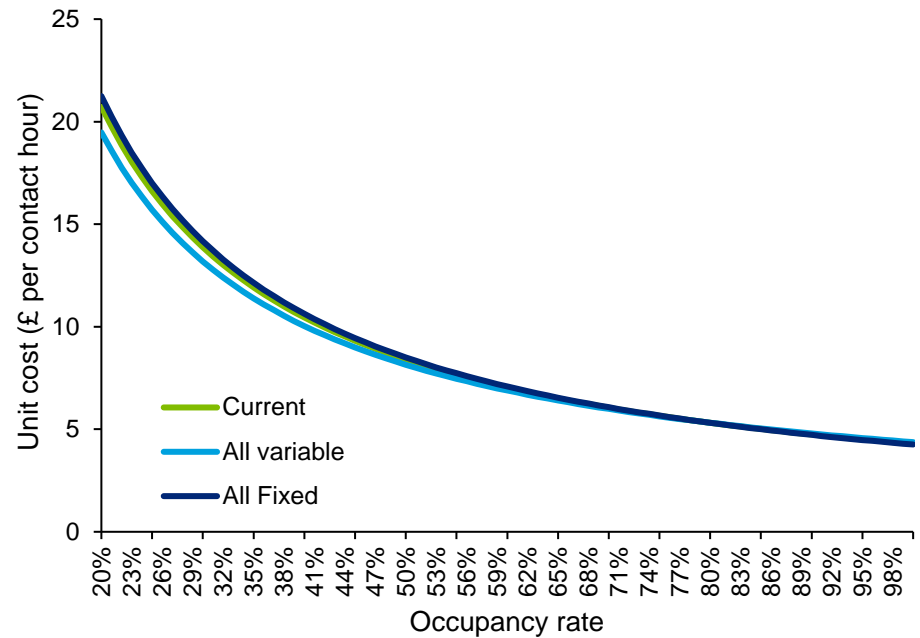
# Efficiencies through flexible staffing models, increasing occupancy and diversification

1) **Flexible staffing models** – matching staffing more closely to occupancy levels decreases cost. The chart below shows savings up to 18% from matching staff levels fully to occupancy levels.



3) **Economies of scale** - most providers in the market are small in scale. Although most costs are variable, there can be scope to spread overhead costs where building space can be used to deliver more than one type of childcare provision, for example by providing before and after school clubs.

2) **Increasing occupancy rates** - attracting children on quieter days of the week lowers unit costs, for example by lowering prices for parents on such days. Unit cost estimates fall by up to 26% if a private provider was able to operate at 100% occupancy compared to 72% occupancy.<sup>1</sup>



4) **Economies of scope** - economies of scope can also be realised by nursery chains, sharing managerial and back office functions. School-based settings may also benefit from economies of scope as being co-located with a school enables sharing of staff and administrative functions.

<sup>1</sup> We recognise that 100% occupancy is not realistic but this analysis illustrates the range of savings available for providers who can increase their occupancy.



# Conclusions

This review gives government a solid evidence base for the purposes of setting a funding rate for the entitlement.

Ministers are now in a much stronger position to make decisions about a funding rate which is fair to providers, parents and the taxpayer. In making these decisions there are a number of other factors that have also been considered.

The review has found that different types of providers (private, voluntary, school-based nurseries etc.) have different cost bases. However, it found greater variations between providers of the same type than across providers, depending on business practices adopted, geography, size of setting and so on.

The review has provided strong evidence that cost bases vary substantially across different parts of the country. In particular, staff salaries are considerably different between regions. There is, therefore, a strong evidence case for varying funding rates between areas.

This review has concentrated largely on the delivery costs of providing childcare, but we also considered the need for providers to earn a reasonable profit margin, sufficient to make setting up and running a business in the childcare market worthwhile. However, the entitlement cannot cover all of the additional extras some providers and parents might choose. The Department's statutory guidance already spells out that "this document does not provide guidance on how providers operate their private businesses, including charges for provision over and above a child's early education place."<sup>1</sup>

The review has shown that there is considerable scope for providers to become more efficient in their practice, in order to manage their costs within the available revenue. For example they could substantially reduce their unit costs by operating within statutory staffing ratios – for three- and four-year-olds, either 1:8 or 1:13 with a graduate-qualified member of staff present, and 1:4 for two-year-olds.

There is potentially scope for improving average levels of occupancy, and for providers to flex their staffing in less busy periods of the year – in particular, we anticipate that providers will do this in order to help meet any increase in costs over time, particularly the National Living Wage.

Early years funding is distributed via local authorities, who retain a proportion of funding to enable them to centrally administer the free entitlement, and other services. The level of central spend retained varies by each local authority. The funding rate also includes the margin needed for local authorities to perform this function.

<sup>1</sup> Department for Education – Early education and childcare, statutory guidance for local authorities



# CSN POLICY BRIEFING

## Funding for disadvantaged pupils – PAC report

Date 15 October 2015

Author Martin Rogers  
LGIU/CSN Associate

### Summary

The House of Commons Public Accounts Committee has published its report on funding for disadvantaged children. It is based on a value for money report from the National Audit Office and evidence taken from the Department for Education, the Education Endowment Foundation and two practicing head teachers. The report provides an overview of progress made on the Department's objective of narrowing the attainment gap between disadvantaged pupils and their peers, largely through the use of the Pupil Premium, and raises some key issues of concern for the administration of the Pupil Premium in the period ahead. PAC Chair, Meg Hillier MP, called for 'a step change in supporting pupils from disadvantaged backgrounds who risk losing out if the early success of the Pupil Premium is not spread more widely'. The report includes some points of specific relevance for local authorities.

This briefing will be of particular interest to elected members and officers with responsibility for education and children's services.

### Overview

The House of Commons Public Accounts Committee report, [Funding for disadvantaged pupils](#), sets out the conclusions and recommendations of the Committee's inquiry following the National Audit Office's value for money [report](#) of the same title. The Committee took evidence from Chris Wormald, DfE Permanent Secretary; Juliet Chua, DfE Director, post 16 and Disadvantaged Group; Sir Kevan Collins, Chief Executive, Education Endowment Fund (EEF); and two serving head teachers – Dame Sharon Hollows (Charter Academy, Portsmouth) and Alexis Widdowson (Berwick Academy).

The NAO report (see 'Related briefings') focused on the DfE's implementation of the Pupil Premium (introduced in 2011) and how well schools are using the funding in order to meet the Department's objective of having 'a significant positive impact' on the attainment gap between disadvantaged pupils and their peers – in primary schools by 2015 and in secondary schools by 2020.

Key points from the NAO report which surfaced in the PAC inquiry include the following:

- the DfE currently defines children as disadvantaged if they are (or have been in the past six years) eligible for means-tested free school meals, or if they are or have been looked after by a local authority; two million (29%) of the seven million pupils aged 4 to 16 years in state schools are from disadvantaged backgrounds. It is estimated that 11% of eligible pupils do not receive free school meals (or trigger pupil premium payments) as their parents do not claim the entitlement; the introduction of Universal Infant Free School Meals and the

forthcoming introduction of Universal Credit raise unresolved issues about future identification of disadvantaged pupils

- the Pupil Premium, worth £2.5 billion in 2014-15, is distributed to schools according to their number of disadvantaged pupils. Schools have freedom to choose how it is spent, but are held to account through Ofsted inspection, published Pupil Premium statements and exam results; school autonomy makes variation in use and outcomes inevitable, 'while at the same time making good oversight and effective dissemination of best practice essential'. Introducing the Pupil Premium has increased school leaders' focus on improving outcomes for disadvantaged pupils, but many schools spend some of the Pupil Premium on approaches that may not be cost effective and the different choices made by schools about which pupils to fund leave some disadvantaged pupils at risk of missing out on the full benefit of the funding
- the DfE requires local authorities (LAs) to use deprivation as a factor when allocating core funding to schools. In 2014-15, LAs distributed £2.4 billion on this basis, out of a total of £41.5 billion of revenue funding for pupils aged 4-16. However, there is very wide variation in local arrangements, leading to very substantial differences in the level of funding between similar schools in different areas
- to help schools use the Pupil Premium effectively, the DfE provides funding to the Education Endowment Foundation, to increase the amount of relevant evidence available and encourage its use by schools
- the attainment gap has narrowed since the introduction of the Pupil Premium, but slowly (by 4.7 percentage points in primary schools and 1.6 percentage in secondary schools), and it remains wide: in 2014, 63.5% of disadvantaged pupils failed to achieve five good GCSEs including maths and English compared with 36% of their peers. The DfE has not yet been specific enough about how it will judge whether the Pupil Premium has succeeded.

The PAC's conclusions and recommendations (summarised) are:

- the Department has demonstrated the potential of the Pupil Premium, but it has not yet set out how it will judge success... In line with its original objective to obtain significant impact in primary schools by 2015 and in secondary schools by 2020, the Department should urgently define what "significant" means, setting out its timetable for action as soon as possible and how it will track and report on the post-school destinations of pupils
- while the evidence base for what works is growing, the Department does not do enough to make sure this good practice is adopted in weaker schools... it should develop the necessary mechanisms to make sure that schools use effective interventions with disadvantaged pupils. In addition, the Department should make Pupil Premium Reviews mandatory for those schools identified as using the Pupil Premium ineffectively and should ensure that schools share best practice on using the Pupil Premium effectively. It should consider how best to encourage weaker schools to participate, and set out its action plan and timetable to achieve this
- the DfE and EEF do not understand enough about the reasons why disadvantaged pupils from some backgrounds do markedly better at school than others... The EEF should carry out and disseminate research into the reasons why disadvantaged pupils from certain communities do better at school than others
- parental engagement is important if a child is to do well at school but some schools are struggling to challenge disengaged parents effectively... The Department should clarify the

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circumstances in which it expects schools to challenge parental disengagement and, in collaboration with the EEF, should improve guidance about what schools should do. It should also set out what could be done to join up other public and third sector groups to ensure that parental support, or lack of it, is addressed across the board

- the Department has not yet resolved the potentially destabilising impact that Universal Credit may have on the ability to identify disadvantaged pupils... It should write to the Committee within six months to update us on its plans to mitigate this risk, and should ensure that local authorities encourage all eligible parents to register for free school meals
- it will be important to monitor the impact of spending on the recently introduced Early Years Pupil Premium... The Department should review its level and effectiveness after the first year of operation
- there continues to be wide variation in the funding given to schools, even those dealing with similar levels of disadvantage... The Department should set out a clear timetable for completing its review of the schools funding formula and make sure this review leads to a more structured and evidence-based approach to setting overall funding for schools with similar levels of deprivation.

## Briefing in full

Using the NAO report as the basis of its inquiry, the Committee took oral evidence from two head teachers, the DfE Permanent Secretary and the Group Director responsible for the Pupil Premium and from the Chief Executive of the EEF. It received a [written submission from the DfE](#) providing further information on points raised in questioning, and a similar (but much shorter) [submission from the EEF](#).

It also received a [written submission from the Carers Trust](#), which urged the inclusion of all young carers in the scope of the Pupil Premium, and the collection of data on the number of pupils currently receiving the Pupil Premium who have caring responsibilities. The Carers Trust estimates that 60% of young carers receive Pupil Premium funding through free school meal eligibility, but this takes no account of disadvantage arising from caring responsibilities; the submission sets out the case for their full inclusion.

Links to the oral and written evidence are provided in the report. Key points arising are summarised below.

## The head teachers' evidence

The head teachers both emphasised the importance of knowing their pupils and families well in order to be aware of their individual needs. They valued the flexibility they have in applying the premium, and illustrated how they use it to meet very different individual needs, but both make use of the EEF toolkit on effective interventions, and both agreed that schools should be pressured to carry out a pupil premium audit where necessary (it is generally schools which are weak that are slow or reluctant to seek out models for improvement). They emphasised the importance of parental engagement, and described how they encourage a high level of contact.

## DfE and EEF evidence

The Permanent Secretary welcomed the NAO report, and ‘endorsed everything written in it’, pointing out that it was extremely timely ‘because the Government has a lot of decisions to take in the spending review and beyond about how it wishes to evolve this policy’. Sir Kevan Collins added that, while there are differences between children from communities with different ethnic origins, the differences *within* those communities between those who are disadvantaged and others are far greater (with the widest gap amongst white pupils at GCSE, amongst whom the disadvantaged group also have the lowest attainment by ethnicity, as shown in figure 1 of the NAO report).

Key points arising from the [questioning](#) are outlined below (in the order in which they arose); further detail on pupils with English as an additional language and the Early Years Pupil Premium is to be found in the written submissions:

- there is concern about families not claiming free school meals to which they are entitled (and schools consequently missing out on Pupil Premium payments), and the DfE is to ‘open a dialogue’ with LAs and schools with high rates of under-registration
- there is discussion with the Department for Work and Pensions (DWP) about arrangements for identifying eligibility for free school meals following introduction of Universal Credit
- the DfE will be looking at how the system of Pupil Premium reviews is working, and has increased the number of available reviewers in response to the NAO report - though capacity issues remain. (A [guide to effective pupil premium reviews](#) has been produced by the Teaching Schools Alliance and Sir John Dunford, Pupil Premium Champion.)
- the EEF has developed a [‘family of schools’ toolkit](#), with every school in England placed in a group of 50 schools with similar characteristics, to encourage and facilitate comparison of performance and school-to-school learning on use of the Pupil Premium
- the DfE acknowledges the challenge over how long-term progress will be measured; it is reluctant to set targets, but is looking at how performance could be benchmarked against the highest-performing jurisdictions – in order to set the challenge of being as good as the best in the world rather than meeting numerical targets
- “the governing [Conservative] party committed itself to providing the pupil premium, protected at current rates, as part of its manifesto”
- a DfE paper comparing the Pupil Premium with previous approaches to improving the attainment of disadvantaged pupils, including Excellence in Cities is annexed to the Department’s written submission; this is a previously unpublished internal review
- the focus for measuring success of the Pupil Premium has been exam performance; in future, the DfE will be looking increasingly at destination measures. The EEF is doing some work jointly with the DfE on what is broadly called ‘character’ (eg. self-resilience, regulation and confidence) to try and understand the relationship between attainment as the best indicator for a life of work and wellbeing and other contributing factors
- the impact of Pupil Premium expenditure at school level depends on the thought that goes into deciding which intervention to use to make a difference for particular pupils and the effectiveness with which interventions are deployed; there is ample evidence of the same interventions having a different impact in different schools. EEF (which is not a field force, but has only 24 people) is working with others on building local capacity by improving access to evidence (eg. a recent [report](#) on making best use of teaching assistants)

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- the Government is committed to developing a fairer funding mechanism for schools, but this will await the spending review; meanwhile Pupil Premium does provide ‘a more level field and real resources’ – with two big changes, supported by evidence: increasing the allocation to primary schools above that to secondary schools, and putting more money into early years
- the DfE will be considering the point raised in the NAO report that schools in some deprived areas (eg. some rural and coastal areas) struggle to recruit high quality teachers, but have not generally been using their pay freedoms to address this problem; some measures are in place or planned (eg. Teach First and the talented leaders programme), and the Prime Minister has made a commitment to looking at the idea of a national teaching service to get some of the best teachers to work in the most challenging places
- the EEF has recently published a significant [report](#) on English as an additional language and educational achievement, which highlights a number of key issues. But there is a significant issue of why white, disadvantaged and poor pupils are doing so badly – yet many schools serving such pupils are doing really well, and we need to learn from those and replicate their practice in others
- despite its acknowledged importance, what successful parental engagement actually looks like is at school level is under-researched, and opinion is divided (even between successful schools) about whether their focus should be on actively reaching out or on what happens within the school; a number of studies are exploring this issue
- a brief response to a request for an update on progress over careers advice (arising from a PAC recommendation in 2014) is amplified in the DfE written submission, which sets out an account of the Enterprise Adviser pilots run by five Local Enterprise Partnerships.

## Comment

Local authorities have an important role to play in a number of the issues arising from the PAC inquiry: monitoring the effectiveness of Pupil Premium expenditure in schools in their area, and encouraging school-to-school learning; monitoring whether schools conduct an effective Pupil Premium Review when one is recommended; supporting schools in the successful engagement of parents, including through the coordination of such activity across agencies working with families; making effective efforts to ensure that all parents eligible to claim free school meals do so (as many LAs already do); and providing support to schools that struggle to recruit high quality teachers.

Despite the Permanent Secretary ‘endorsing everything’ written in the NAO report, the Department has some pressing issues to resolve, some of which have been around for a very long time – as one member of the Committee observed, “Although I am delighted by much of what I have heard, part of me is thinking, ‘What have you all been doing for the last 50 or 60 years?’ I would think that figuring out how you help disadvantaged pupils and what works and what does not was pretty mainstream business for a Ministry of Education”.

There is obviously an urgency about resolving the impact of Universal Credit, and the DfE is asked to inform the PAC within six months on progress. And defining success for the Pupil Premium (which was meant to have been ‘significant’ in primary schools by this year) is also pressing; whilst numerical targets have their faults (a narrow attainment caused by low attainment at the top is obviously undesirable), the aim of benchmarking our performance against the highest performing

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jurisdictions and being as good as the best suggests a high degree of optimism, or a long haul. [Key findings](#) from the most recent OECD PISA results show that the UK is around the middle of the table in terms of overall performance in maths, reading and science and around the OECD average in terms of the correlation between socio-economic status and performance. But we have schools – and areas, especially London – which significantly buck the national trend; the trick (as so frequently) is finding how to narrow that gap.

## External links

[Funding for disadvantaged pupils](#) – PAC report

[Funding for disadvantaged pupils](#) – NAO report

## Related briefings

[Funding for disadvantaged pupils – NAO report](#) (July 2015)

For further information, please visit [www.lgiu.org.uk](http://www.lgiu.org.uk) or email [john.fowler@lgiu.org.uk](mailto:john.fowler@lgiu.org.uk)

## WIRRAL COUNCIL

WIRRAL SCHOOLS' FORUM 13<sup>th</sup> January 2015

### REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

#### Scheme for Financing Schools – Consultation

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#### EXECUTIVE SUMMARY

This report informs the Schools Forum of the responses to a consultation regarding some minor changes to the Scheme for Financing Schools and advises on further changes proposed by the Department for Education.

#### Revisions to the scheme

Local Authorities are required to publish Schemes for Financing Schools. This document sets out the financial relationship between the LA and the Schools they maintain. Guidance is issued by the DfE on what the scheme must, should or may include and periodically this will be updated. This guidance must be taken into account when schemes are revised in consultation with the Schools Forum and local schools.

In 2014 there were 2 directed revisions concerning

- 2.9: A requirement for maintained schools to publish a register of the business interests of their governors, along with any relationships to staff.
- 3.6: Clarification that borrowing includes the use of finance leases and is not allowable, with the exception of certain schemes approved by the Secretary of State. Currently only Salix loans have such approval.

A further suggested revision was included to amend 2.10.1 (c) Purchasing, Tendering and Contracting Requirements as follows:-

- (c) to seek **five** tenders **or quotations** in respect of any contract with a value exceeding £10,000 in any one year.

#### Consultation

There were 4 responses from governing bodies and a number of comments at Financial Support Group Meetings.

The main issue was the change from 3 tenders to 5 tenders or quotations as schools have difficulty getting 3 quotes, particularly for specialised items. This will be revised to read:-

- (c) to seek **Three** tenders **or quotations** in respect of any contract with a value exceeding £10,000 in any one year.

There was one comment concerning business interest, which is a directed change. These comments will be forwarded to the EFA.

The Scheme will be updated and issued early January.

#### Scheme Change December 2015

Since consulting with schools the DfE have issued further guidance in December. This latest document includes a change that enables local authorities to charge schools for the

cost of administering school admission appeals – where these costs have already been delegated to schools.

Wirral's current appeal costs for presenting officers are met from within the Admissions budget of £341,800.

The option of charges will be considered, however there are difficulties in matching any further amounts delegated to appeals activity in schools.

### **Recommendation**

That Forum notes the report.

**Julia Hassall**  
**Director of Children's Services**





Department  
for Education

# **School and Early Years Finance (England) Regulations 2015**

**Government consultation response**

**December 2015**

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## Introduction

The purpose of the School and Early Years Finance (England) Regulations is to put in place arrangements for local authorities to set school budgets and allocate funding to early years providers.

The Regulations largely provide for the same arrangements as the School and Early Years Finance (England) Regulations 2014. Some of the changes update references to key dates, to make them relevant to the financial year 2016-17.

Other changes introduced by the regulations are more substantial, but are mostly technical changes or changes to simplify the process. The consultation made 6 proposed changes to the:

- Ability of local authorities to carry forward any unspent falling rolls fund or new schools fund;
- Ability of local authorities to use place-based funding for 2 year olds;
- Definition of amalgamated schools;
- Budgets of closed and amalgamated schools;
- Expenditure a local authority can incur from their non-schools education budget; and
- Authorised expenditure in respect of Children and Young People with High Needs.

The consultation took place from 11 September 2015 to 13 November 2015. It was conducted online using the government's consultation software, but alternatively respondents were able to email or send a response form.

## Summary of responses received and the government's response

This section sets out the views that we have heard in response to the consultation on the School and Early Years Finance (England) Regulations. It also sets out the decisions that have been taken as a result.

In total there were 35 responses to the consultation. The majority of responses received came from local authorities (49%).

Respondent type	Number of responses	Percentage
Local authority:	17	49%
Schools forum:	7	20%
Combined LA/Schools forum	1	3%
Other:	6	17%
Governor:	4	11%

Table A- Types of respondents

A full list of the organisations that have responded can be found at Annex A.

Some respondents chose only to answer a subset of the questions that were posed. Throughout the report, the number of responses for each question is given and the percentages are expressed as a proportion of those answering each question, not as a proportion of all responses.

### Main findings from the consultation

The majority of respondents to the consultation agreed with the changes to the Regulations.

The proposals were broadly welcomed as providing consistency, clarity and flexibility to the current funding system. We therefore intend to proceed with the proposed revisions to the School and Early Years Finance (England) Regulations, as set out in the consultation document, with some minor technical clarifications in the drafting of the Regulations in light of responses to the consultation.

## Question analysis

### Question 1

**1a) Do you agree that local authorities should be able to carry forward any unspent funding retained centrally to support outstanding or good schools with falling pupil numbers where their capacity will be needed within three years, for the same purpose?**

<b>There were 34 responses to this question.</b>	<b>Total</b>	<b>Percentage</b>
Agree	31	91%
Disagree	2	6%
Not sure	1	3%

**1 b) Do you agree that local authorities should be able to carry forward any unspent funding retained centrally to support the opening of new schools (funding the appointment of staff and enable the purchase of any goods and services), to be used for the same purpose?**

<b>There were 35 responses to this question.</b>	<b>Total</b>	<b>Percentage</b>
Agree	31	89%
Disagree	3	9%
Not sure	1	3%

The majority of respondents agreed that local authorities should be able to carry forward any unspent funding retained centrally to support outstanding or good schools with falling pupil numbers and to support the opening of new schools. A number of respondents provided positive comments around bringing this funding in line with centrally retained funding for other purposes and having a consistent approach. Respondents also welcomed the increased flexibility this would provide, allowing local authorities to plan and manage uncertainty.

It was suggested that the wording of regulation 8 (7) and 8 (8) is changed to refer to 'planned expenditure' rather than unspent expenditure.

### Government response

The proposed changes bring the treatment of funds for new schools and the falling rolls fund in line with those to support basic need growth and infant class sizes. We think the meaning of the regulations is plain without the drafting change suggested, and so as there was overwhelming support for this proposal, we will therefore be proceeding with the change.

## Question 2

**Regulation 16 (8) amends the provision for local authorities to fund all 2 year olds eligible for the early years entitlement using place-based funding. This is to be limited to children with special educational needs (SEN) and children in need. For all other eligible 2 year olds, local authorities are to use participation-based funding. Do you agree with this change?**

<b>There were 35 responses to this question.</b>	<b>Total</b>	<b>Percentage</b>
Agree	16	46%
Disagree	8	23%
Not sure	11	31%

Respondents who agreed with the change, were in favour because the policy intention had already been announced and the change consulted upon was to bring the regulations in line with the policy, which respondents called sensible. The consistency with the allocation of funding for 3 and 4 year olds this change brings was also welcomed.

23% of respondents disagreed with the proposed changes, raising concerns about the practicalities of participation based funding.

The exemption of 2 year olds with special educational needs (SEN) and children in need also caused some concern. Questions were raised on how “children in need” and SEN are defined in this context.

### Government response

The intention to fund local authorities for the two-year-old entitlement on a participation basis from 2015-16 was made clear from the beginning of the programme. It was announced in a written ministerial statement when the Department made the 2013-14 funding allocations in November 2012. This was confirmed again in December 2013 when the Department made the 2014-15 LA allocations and the Minister for Education and Childcare wrote to all Directors of Children’s Services.

Prior to 2015-16, local authorities were funded on the number of eligible children. The government provided local authorities with £525 million in 2013-14 and £755 million in 2014-15 which included trajectory funding to build capacity and £100m in capital funding.

In addition, in 2012 the Department contracted with Achieving Two Year Olds to support local authorities to build capacity and increase the take-up of funded places. The contract was extended for a further year from April 2015.

For 2015-16 we allowed flexibility for local authorities to fund providers on a place basis for all eligible two-year-olds to allow local authorities to continue building capacity. Since we have now moved to participation-based funding, we are limiting this flexibility to children with special educational needs and children in need from 2016-17. This change is in line with the way three- and four-year-olds are currently funded. Therefore, the final regulations contain this provision.

As is stated in the draft regulations, “special educational needs” is defined by section 20 (1) of the Children and Families Act 2014 and “children in need” refers to children in respect of whom the local authority in whose area they reside must provide a range of services appropriate to their needs under section 17 of the 1989 Act.

### Question 3

**3 a) Do you agree that the definition of amalgamated schools should be extended to include situations where a school has closed and another school has had its upper or lower age range changed?**

<b>There were 35 responses to this question.</b>	<b>Total</b>	<b>Percentage</b>
Agree	31	89%
Disagree	0	0%
Not sure	4	11%

**3 b) Where a school's age range is expanded, or a new school is established, as a result of the closure of another school, the local authority is allowed to add all or part of the unspent budget of the closed school to the budget of the successor or, expanded school. This is provided for by regulation 21(8) and (9). Do you agree with this change?**

<b>There were 34 responses to this question.</b>	<b>Total</b>	<b>Percentage</b>
Agree	31	91%
Disagree	0	0%
Not sure	3	9%

The majority of respondents welcomed these changes as they reflect the way in which school amalgamations often take place, provide greater flexibility and remove the burden of applying for a disapplication of the regulations.

Furthermore, some respondents who agreed with the change, suggested an amendment to the definition of "unspent budget" so that it also included any "unspent surplus" brought forward by the closing school.

It was also suggested that the balance brought forward should be outside of the Minimum Funding Guarantee the year it is added to the budget of the successor or expanded school, and excluded from the Minimum Guarantee baseline the following year. Schedule 4 should be re-drafted to reflect this.

Concerns were raised, in response to both questions, as to whether an amalgamation and the rolling forward of the unspent budget should occur if the closing school has a budget deficit. Clarification was requested on this point.



## Government response

The proposed change brings the regulations into line with other departmental guidance on amalgamations. There was overwhelming support for the proposal and we will be proceeding with the change, subject to amending the drafting of Schedule 4 as suggested in the comments outlined above. The reference to “unspent surplus” has been made clear in the latest version of the regulations. Where a closing school in this situation has a deficit, it reverts to the local authority as a matter of law.

## Question 4

Schedule 1 paragraph 18 has been updated so that local authorities' functions under section 15B of the Education Act 1996 are included under the agreed expenditure that can be incurred from their non-schools education budget. Do you agree with this change?

There were 35 responses to this question.	Total	Percentage
Agree	27	77%
Disagree	2	6%
Not sure	6	17%

The majority of respondents agreed with this change, as it ensures that the Regulations reflect local authorities' existing responsibilities under section 15B of the Education Act 1996.

However, some respondents raised concerns that this change might have financial implications, and one argued that the responsibility for post-19 education should rest with the Skills Funding Agency rather than local authorities.

### Government response

This change to the regulations has no financial implications and makes no changes to authorities' legal responsibilities. It simply ensures that where a local authority decides to spend money under section 15B of the Education Act 1996, that money forms part of the authority's non-schools education budget. We are therefore proceeding with the change.

## Question 5

**5a) Paragraph 17 of Schedule 2 has been updated to allow local authorities to authorise expenditure in respect of pupils at special academies, where it is unreasonable for the expenditure to be met from the general annual grant paid to an academy. Do you agree with this change?**

<b>There were 35 responses to this question.</b>	<b>Total</b>	<b>Percentage</b>
Agree	24	69%
Disagree	8	23%
Not sure	3	9%

**5 b) Paragraph 21 of Schedule 2 has been updated so that it also allows local authorities to authorise expenditure in respect of pupils at alternative provision academies, where it is unreasonable for the expenditure to be met from the general annual grant paid to an alternative provision academy. Do you agree with this change?**

<b>There were 33 responses to this question.</b>	<b>Total</b>	<b>Percentage</b>
Agree	24	73%
Disagree	6	18%
Not sure	3	9%

The majority of respondents agreed with the proposed changes to allow local authorities to authorise expenditure in respect of pupils at special academies and alternative provision academies, where it is unreasonable for the expenditure to be met from the general annual grant paid to an academy, as it brings the regulations into line with current policy and practice. It was suggested that all such authorisations be reported to Schools Forums to guarantee transparency.

A number of comments received in relation to these changes queried whether it was the local authority's duty to support academies. These respondents argued that funding from the Education Funding Agency or the Education Services Grant paid to academies should be used for the purpose. There were also concerns that this would put pressure on high needs budgets and the Dedicated Schools Grant more generally.

Clarification was requested that this change applies to the top-up funding element and that this did not constitute double funding for special academies and alternative provision academies. Clarification was also sought on how "unreasonable" would be defined, with some respondents arguing that the definition cannot be unrestricted and requested guidance on what this covers. Conversely, one respondent argued that local authorities should not be obliged to follow a nationally determined definition.

## Government response

The proposed changes bring the regulations into line with current responsibilities and practice, whereby local authorities are responsible for paying top-up funding to all types of high needs providers, including special and alternative provision academies. They will not create additional pressure on high needs budgets or on the Dedicated Schools Grant, and do not constitute double funding. The approach of referring to “unreasonable” has been used in the regulations for some years in this context and in relation to other high needs institutions without causing problems. It is for local authorities to decide and therefore, we do not see a need for further definition of “unreasonable”. We are therefore proceeding with the changes as drafted.

## Question 6

**The other changes introduced by the regulations reflect current practice, as well as updating references to reflect the financial year 2016 to 2017. For these changes we are therefore only consulting on the drafting of the regulations rather than the substance of the policy. Do you have any comments on the drafting?**

Aside from comments on the drafting of regulation 8, which is addressed above under question 1, no comments were received on the drafting of these changes.

A number of comments were received relating more widely to school funding policy. We will consider these comments in developing policy for future years.

## Other changes

We are also amending regulation 14 (5) so that local authorities must include at least the equivalent amount per hospital education place, as they have included in the budget share for special schools or pupil referral units in the previous funding period. This does not compel local authorities to increase the funding for hospital school places, but provides them with the ability to increase the value of hospital education should they wish to do so.

We acknowledge that we did not consult on this, but we are making this change as a result of feedback from external stakeholders. External stakeholders have raised the disparity between other High Needs institutions benefiting from an uplift through top-up funding, that hospital education providers did not receive. Therefore, this change will provide local authorities with the opportunity to increase the funding for hospital education providers, should there be local demand and agreement to do so.

## Next steps

The Department will therefore make these regulations. They will be laid in Parliament and come into force on 7 January 2016.

## **Annex A: List of organisations that responded to the consultation**

- Achieving for Children
- Association of School and College Leaders
- Bright Kids
- Catholic Education Service
- CfBT Schools Trust
- Cheshire East Council
- Cheshire East Schools Forum
- Council of the Isles of Scilly
- Dorset County Council
- Hertfordshire County Council
- Hull City Council
- Knowsley Schools Forum
- Lancashire Schools Forum
- Lindridge CE Primary School
- London Borough of Barking and Dagenham
- London Borough of Croydon
- London Borough of Islington
- London Borough of Islington Schools Forum
- London Borough of Waltham Forest
- NASUWT – The Teachers’ Union
- North East Lincolnshire Council
- North Lincolnshire Council
- Nottingham City Council
- Our Lady and St Philip Neri Catholic Primary
- Oxfordshire County Council Schools Forum
- Ready Teddy Go Pre School
- Slough Borough Council
- Slough Borough Council Schools Forum

- Surrey County Council
- The Kemnal Academies Trust
- Warrington Borough Council
- Warwickshire County Council
- Worcestershire Association of Governors





Department  
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## WIRRAL SCHOOLS FORUM – 13<sup>th</sup> January 2016

### WORK PLAN

Meeting Date	Wednesday 27 <sup>th</sup> April 2016	Wednesday 6 <sup>th</sup> July 2016	October 2016	January 2017
			Elect chair & vice chair	
Budget	Schools Budget update 2016-17 Schools Budget provisional outturn	Schools Budget Outturn 2015-16 School Balances and Reserves School Budget Monitoring	Budget monitoring	Schools Budget 2017-18 Budget monitoring De-delegation of budgets
Consultation	National Funding Formula for Schools, High Needs and Early Years	National Funding Formula for Schools, High Needs and Early Years		
DfE Regs & guidelines			Scheme for Financing Schools	School Finance Regulations
Working Groups	School Formula High Needs Early Years	School Formula High Needs Early Years	School Formula High Needs Early Years	School Formula High Needs Early Years
Other	School Admissions Early Years MEAS Update Traded services Primary place planning Arrangements for High Needs /SEND Arrangements for Alternative Provision	De-delegated services <ul style="list-style-type: none"> <li>• Contingency</li> <li>• Special Staff Costs</li> <li>• Library Service</li> <li>• Insurance</li> <li>• FSM eligibility</li> <li>• Behaviour Support</li> </ul> UIFSM's	Membership Combined budgets PPM and PFI budgets Other central budgets High needs places and alternative provision Traded services	

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