



## Wirral Schools Forum

<b>Date:</b>	<b>Wednesday, 27 September 2017</b>
<b>Time:</b>	<b>6.00 pm</b>
<b>Venue:</b>	<b>Council Chamber, Wallasey Town Hall</b>

**Contact Officer:** Sue Ashley  
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## AGENDA

1. ELECTION OF CHAIR AND VICE CHAIR
2. MINUTES OF THE MEETING HELD ON 5TH JULY 2017 (Pages 1 - 8)
3. MATTERS ARISING
4. LIBRARY SERVICE UPDATE (Pages 9 - 10)
5. CONTINGENCY SPECIAL STAFF COSTS & INSURANCE (Pages 11 - 14)
6. EARLY YEARS UPDATE (Pages 15 - 24)
7. PFI BUDGET UPDATE (Pages 25 - 30)
8. NATIONAL FUNDING FORMULA UPDATE - EXECUTIVE SUMMARY (Pages 31 - 46)
9. PRESSURE ON HIGH NEEDS FUNDING 2018-19 (Pages 47 - 50)
10. HIGH NEEDS FUNDING FOR SENSORY SERVICES (Pages 51 - 52)
11. SEND SUPPORT SERVICES (Pages 53 - 56)
12. HOME EDUCATION (Pages 57 - 60)

- 13. BUDGET MONITORING UPDATE AND FINAL DSG (Pages 61 - 66)**
- 14. UPDATE ON SCHOOL BUDGET POSITION (Pages 67 - 68)**
- 15. ESG UPDATE (Pages 69 - 74)**
- 16. SCHOOL FUNDING OPERATIONAL GUIDANCE (Pages 75 - 76)**
- 17. WORK PLAN (Pages 77 - 78)**
- 18. ANY OTHER BUSINESS**

## WIRRAL SCHOOLS' FORUM

5<sup>th</sup> July 2017

### MINUTES

**Present:** Jill Billinge (Chair)

Schools Group

L Ayling	T Kelly
S Baker	N Lightwing
K Brown	D Marchant
M Forber	T Taylor
L Ireland	A Whiteley (Vice Chair)

Non-Schools Group

S Bennett	A Donelan
S Davies	N Prance

In Attendance:

S Allen	C Hibbard
S Ashley	I McGrady
S Bellerby	M Morris
A Davies	A Roberts
C Fenlon	A Snow
S Gibbs	

**Apologies:**

M Bulmer	J Goalen
E Cogan	R Mahony
B Chadwick	Cllr C Meaden
S Duggan	K Podmore
D Gornick	T Quinn
I Harris	D Spencer
Cllr P Hayes	P Young
S Higginson	V Woods

**1. Minutes from the Meetings held on 18<sup>th</sup> January 2017 and 7<sup>th</sup> March 2017**

The minutes from both meetings were accepted as true records.

**2. Matters Arising**

There were no matters arising from the minutes of both meetings that were not covered on the main agenda.

**3. Arrangements for Alternative Education Provision**

Jan Levenson updated the Forum on the progress that has been made in Alternative Education Provision in Wirral.

Developments during the 2016-17 academic year were:-

- The Wirral Guild of Alternative Education has been set up, with a number of AP providers all following the same processes for referrals and monitoring.
- Wirral Alternative Education Portal has been set up to manage school referrals and record pupil outcomes.
- A Liverpool City Region Alternative Education Forum which meets termly to discuss common concerns.

Developments moving forward are:-

- The establishment of a 35 place independent school, which from September 17 will provide a 12 week programme for Key Stage 3 students who are permanently excluded, with a view to integrating pupils back into mainstream schools.
- Over the next 18 months plans to develop a 50 place AP Free School for Key Stage 4/5 pupils.

Resolved

Forum noted the report and agreed the recommendations to support emerging AP developments, explore and research best practices in other regions and continue to lead strategically on shaping and expanding the local Alternative Education offer.

#### **4. Update of Water Charges from United Utilities**

Andrew Snow updated the Forum on the future change to billing for Surface Water and Highways drainage for Wirral Schools. After pressure applied by North West Councils and Schools, led by Sefton Council, United Utilities have agreed to give a concession to educational establishments that have attached playground facilities and deliver tuition to KS1 - KS5 pupils. This concession equates to an average 15% reduction in surface water drainage charges in 2017-18 and 40% from April 2018.

Resolved

Forum thanked Sefton Council for their work and noted the report.

#### **5. Update on Energy Prices**

Leading on from the January meeting Andrew Snow advised Forum of the estimated price increases for gas and electricity for the 2017-18 financial year. Gas supplied by Corona is estimated to rise by 2% and electricity is expected to rise by 9.5% if it is supplied by EdF or 14% if supplied by British Gas. It was noted that the reduction in school water costs may offset the rise in energy prices.

Resolved

Forum noted the report

#### **6. Free School Meals (FSM) Eligibility**

The report highlights the eligibility criteria and work by councils' benefits team to identify and maximise FSM numbers. FSM numbers are beginning to rise again as a result of automatic Opt in/Opt out registration. A similar system is in place within Early Years and has led to an increased take up of the early years pupil premium. The benefits team are now working on assessing FSM entitlement for pupils in independent and non-maintained special schools both in and out of area.

Resolved

Forum noted the report

## **7. Traded Services Update - Edsential**

Ian McGrady highlighted Essential's achievements and services offered to schools in Wirral and Cheshire West in their first full year of trading.

The company has reduced its cost base by £2m, a saving that has been passed onto schools through price freezes and reductions. Edsential are now working towards their first grant fund allocations, with an initial amount of £50k and will make decision later this year on how this will be allocated.

Resolved

Forum noted the report

## **8. Traded Services Update – Wirral Traded Services**

Stuart Bellerby briefed Forum on Wirral Traded Services which continues to work alongside Edsential. The 2017-18 level of buyback from schools is comparable to 2016-17. Every school in Wirral buys at least one service, with primary schools contributing to 70% of the total income generated.

Resolved

Forum notes the report

## **9. Early Years inclusion and Early Years Funding Agreement**

Carol Fenlon highlighted the changes in the Early Years Education and Childcare Statutory guidance for local authorities relating to SEND.

Wirral already provides an inclusion fund. Providers will be consulted on the proposed changes whereby:-

- Hourly rate to increase to £4.22 for 3 and 4 yr olds, for the universal offer only
- To extend access to the fund to nursery schools and nursery classes
- Develop a review panel for allocation of funds, meeting 2 or 3 times a year
- An annual payment rather than a termly payment

The Disability Access Fund (DAF) is a new payment of £615 per annum for children in receipt of DLA and receiving free early education.

A revised draft of the Early Years Funding Entitlement Agreement was attached to include the additional 15 hours entitlement for working parents, the Inclusion fund, Disability Access Fund and Early Years Pupil Premium.

Resolved

Forum agreed the following recommendations

- to update the SEN Inclusion Fund based on the proposals highlighted.
- nursery schools and classes will have access to the SEN Inclusion Fund
- To note the SEN Inclusion Fund will not apply to the additional 15 hours of childcare.
- To endorse the Early Years funding Agreement
- To consult in the autumn term on the proposals within the report.

## **10. School Admissions**

Sally Gibbs updated Forum on school admissions for 2015-16. There were over 7,500 applications for entry to school in September 2016 with around 2000 in-year transfers. Appeals were up by 100 to 372 compared to the previous year, however outcomes were proportionally similar.

On-line applications for admissions have increased from 87% to 92%, which is now in line with the regional and national average.

From September 2018 the 4 non-Catholic grammar schools will admit up to 15 children eligible for FSM who have reached the standard.

### Resolved

Forum noted the report

## **11. Commissioning Places for High Needs/Send**

Sally Gibbs updated the Forum on the plans to review commissioned SEN provision within Wirral. An interim report will be produced by October 2017, looking at SEN needs, this will be used to inform discussions with stakeholders and parents. The outcome from these discussions will be reported to Cabinet in January 2018, which may then request permission to consult on any changes required. It is intended that this timescale will enable the LA to agree the future of specialist provision prior to the introduction of the High Needs National Formula

Appendix 1 updates the agenda paper as it now includes the number of pupils attending bases in January 2017.

### Resolved

Forum noted the report

## **12. Schools Budget Outturn for 2016-17**

Shaun Allen outlined the year end position for the 2016-17 Schools budget. The overspend of £79,600 was better than indicated in January and was met from existing reserves. The main pressure on the budgets is the high needs block. It was noted that there is ongoing work to reduce the overspend on Independent Special Schools budget but these children are some of the most vulnerable in Wirral.

### Resolved

- Forum noted the report
- Forum agreed that underspends on de-delegated services are used to offset budget pressures and that provision is made for a Community Works carry forward of £20k.
- Forum agreed that the overspend of £79,600 is met from DSG reserves.

## **13. Update on School Balances**

Sue Ashley advised the Forum of the school balances position as at 31st March 2017.

School balances have reduced by £777k to £10.5m since last year. The budgets received so far, from schools, for 2017-18 indicate that balances at 31st March 2018 will be £4.2m reducing to £1.2m at March 2019.

There are significant and ongoing financial challenges facing all schools. The work by headteachers and governors to review and set sustainable budgets is acknowledged.

Resolved

Forum noted the report

#### **14. Schools Budget Update 2017-18**

Andrew Roberts informed the Forum of the Schools budget changes that have been made since the previous report in January. They are:-

- The primary and secondary schools budgets have reduced to take account of changes for de-delegation and academies.
- High needs adjustments for 6<sup>th</sup> forms and academy provision
- Early Years budgets have been adjusted and reduced to take account of the Early Years Census and a fall in rolls for 3 & 4 year olds.
- An increase of Early Year Pupil Premium Grant.
- A PFI adjustment agreed with the ESFA.

Resolved

Forum noted the report

#### **15. Budget Monitoring 2017-18**

Shaun Allen presented the first quarter budget monitoring report. There are no variations to report to the Schools Budget in 2017-18 at present.

Resolved

Forum noted the report.

#### **16. DSG Baseline**

Shaun Allen updated the Forum on the DSG baseline for 2018-19 and the transfer of £106k from the schools block to the high needs block.

The Vice Chair asked a question about the planned closure of Kingsway academy and the funding for pupils who would transfer to new schools. It was noted that the LA will apply to the DfE to dis-apply Schools Finance Regulations for schools who receive pupils who are or would have been attending Kingsway so there would be no lag in funding.

Resolved

Forum noted the report.

#### **17. Schools Forum Association**

The Chair –elect for the next academic year Adrian Whitely agreed to follow up the application to join the Schools Forum Association.

#### **18. Scheme for Financing Schools Changes**

Andrew Roberts highlighted the revisions to the Scheme for Financing Schools, including revised wording where charges may be made to a school budget. These will be consulted on in the autumn term, with comments brought back to the next Forum Meeting for approval.

Resolved

Forum noted the report

**19. Forum Membership update**

Sue Ashley updated the group on the membership of the Forum. The recent primary academy conversions have changed the split between maintained schools and academies. Although there is no requirement for a primary/secondary academy split there is a recommendation that the place is offered in the first instance to primary academy schools.

Adrian Whitely agreed to join the High Needs Working Group to replace Deborah Marchant.

Resolved

Forum noted and agreed the recommendation

**20. Workplan and Dates of Future Meetings**

The workplan was provided for information.

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

Wednesday 27<sup>th</sup> September 2017

Wednesday 17<sup>th</sup> January 2018

Wednesday 25<sup>th</sup> April 2018

Wednesday 4<sup>th</sup> July 2018

**21. Any Other Business**

Forum thanked Steve Dainty for all his dedication and work on the Forum over the years as primary Headteacher representative, Chair, and finally, as a primary governor rep.

Forum thanked the outgoing chair, Jill Billinge, for her hard work over the last 2 years.



Place Numbers in Schools, units and bases(as at September 2017) and the number of pupils attending schools between 2007 and January 2017.

<b>Schools</b>	<b>Learning Difficulty</b>	<b>Places</b>	<b>2007</b>	<b>2017</b>
Clare Mount School	Moderate	216	201	217
Elleray Park School	Complex	110	61	111
Foxfield School	Complex	133	138	132
Gilbrook School	Behavioural, emotional and social	55	52	54
Hayfield School	Moderate & Communication	120	120	120
Kilgarth School (boys)	Behavioural, emotional and social	55	51	53
Meadowside School	Complex	75	64	57
Orrets Meadow School	Specific	70	63	72
Stanley School	Complex	120	85	121
The Observatory School	Behavioural, emotional and social	55	44	58
Emslie Morgan Academy	Alternative Provision	80	53	96
Wirral Hospital School	Physical & Mental Health	80	51	74
<b>Units and Bases</b>				
Bebington High Sports College	Moderate	25		16
Hilbre High School	Moderate & Aspergers	30		22
Oldershaw Academy	Moderate	20		11
Woodchurch High School	Aspergers	15		14
Townfield Primary	Hearing Impairment	10		10
New Brighton Primary	Language & Moderate	22		22
The Priory CE Primary	Language	10		10
Devonshire Park Primary	Language & Social/Communication	26		25
Bidston Village CE Primary	Moderate	24		23
Woodslee Primary	Social/communication	8		6
Fender Primary	Social/communication	16		16
Eastway Primary	Social/communication	16		16
Riverside Primary	Social, emotional and mental health	8		8
St Michael and All Angels Catholic Primary	Social, emotional and mental health	8		8

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**Wirral Schools Forum**  
**School's Library Service Update**  
**27<sup>th</sup> September 2017**

## **EXECUTIVE SUMMARY**

This report updates the Forum on the recent changes to the Schools' Library Service and the service plans for the future.

## **BUDGET**

The Schools Library Service is a de-delegated service, mainly for Primary Schools although other schools can access services on request. Funding from the Schools' Forum provides £191,700, the equivalent of £7.78 per primary school pupil. The make up of the complete budget is shown below.

### **2017-2018**

Staffing	£96, 200
Other costs including book fund	£62, 641
Premises Charge	£15, 637
Support Services Recharge	£22, 222
Income	£5,000 cr
<b>TOTAL</b>	<b>£191,700</b>

### **2017-18 PRIORITIES**

- To maintain current level of book, artefact loans and audio visual resource provision for schools as a standard service.
- To continue to promote our premium service with local schools. We currently have 9 schools using our premium service. Our premium service consists of an annual loan of 150 popular fiction and non-fiction books to update and refresh the school library. Four hours consultancy time, including advice and support on the schools' own library from a qualified librarian. This includes a written report. And one hour staff training from a qualified librarian on making the most of the school library.
- Our year 7 pilot transition scheme begins at Ridgeway High School. The pilot scheme will run for one academic year and will then be offered to all secondary schools. This will cost £500 per year per school. This offer includes an annual loan of 150 popular fiction and non-fiction books to update and refresh the school's own library book stock. One Artefact box on a particular subject. One project box of up to 20 books on a chosen topic or topics and access to SLS base and collections throughout the year, including advice from a qualified librarian on all aspects of the school library and staff training.
- To continue to promote our service to encourage academy buy back.

## **STAFFING**

There are currently 2  $\frac{3}{4}$  FTE members of staff:

- 2 \* 0.5 Schools' Librarian - job share
- 1 \* 0.75 Assistant Schools' Librarian -  $\frac{3}{4}$  post
- 1 \* Admin Support

Additional temporary staff members are employed three times a year to help facilitate the collection and delivery of resources to and from schools at the beginning and end of each term.

The service is based at:  
Joseph Paxton Campus  
157 Park Rd North,  
Claughton  
CH41 0EZ  
0151 666 3200

Please see our entry in the Wirral Traded Services Brochure for more information on the service we offer.

Louise Rice and Catherine McNally  
Wirral Schools' Library Service

Sept 2017

## WIRRAL COUNCIL

### SCHOOLS FORUM – 27<sup>th</sup> SEPTEMBER 2017

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

#### CONTINGENCY, SPECIAL STAFF, AND INSURANCE COSTS

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### 1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to summarise the current provision for contingency, special staff, and insurance costs for Wirral's maintained nursery, primary, secondary and special schools in accordance with Schools Forum Good Practice Guidance.

### 2.0 SCHOOL SPECIFIC CONTINGENCIES

2.1 This is a dedelegated budget, and is used for exceptional and unforeseen costs, which would be unreasonable to expect the schools and governing bodies to bear.

2.2 Costs met from the contingency budget vary each year, but in the past have included:

- Adjustments for Business Rates, where actual charges are greater than those estimated when setting the budget;
- Support for schools in Key Stage 1 where a larger than usual reception class (above the published admission numbers) requires additional staff;
- Support towards costs of back dated Teacher Pension arrears in specific cases;
- In exceptional cases deficits arising from closing schools;
- Support for managed moves;
- Support for unfunded additional places required in Special Schools.

2.3 At January 2017 Schools Forum it was agreed to dedelegate this budget for primary and secondary maintained schools at £3.63 and £3.01 per pupil respectively. All special schools have agreed to buy back this service.

2.4 The contingency budget for 2017-18 is as follows:

	<b>Budget</b>
	<b>£</b>
Primary Schools	89,500
Secondary Schools	11,000
Specials Schools	<u>155,000</u>
<b>Gross budget</b>	<b><u>255,500</u></b>

As part of the budget for 2018-19 there should be some consideration of the resources supporting Managed Moves (£56,000) transferring to Behaviour Support.

### 3.0 SPECIAL STAFF COSTS

- 3.1 This is another dedelegated budget that makes provision for staff maternity, paternity and trade union facility time for both teaching and non-teaching staff. It may also in certain circumstances meet additional costs arising from staff suspensions.
- 3.2 Maternity costs make up approximately 90% of the overall spend. While a member of staff is on maternity their costs are held centrally, while the school meets the cost of any required supply cover. Costs can vary greatly from year to year depending on the number of maternity cases, and the salary costs of those staff.
- 3.3 This budget also meets paternity costs, by reimbursing the cost of supply cover for the statutory 2 weeks of paternity leave allowed.
- 3.4 The Trade Union Facilities time budget has regard to guidance which 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 also includes non-teacher representation. Primary and Secondary schools dedelegated this budget for 2017-18, Special Schools Buyback and there is a separate SLA for Academy schools.
- 3.5 Spend in 2016-17 was as follows:

	<b>Staff Numbers</b>	<b>Cost</b>
		<b>£</b>
Maternity	207	651,200
Paternity	2	2,500
Other	1	5,000
TU		79,800
Special School buy back		(55,100)
Insurance & Recharges		<u>6,700</u>
<b>Total</b>		<b><u>690,100</u></b>

- 3.6 The budget for special staff costs in 2017-18 is as follows:

	<b>Budget</b>
	<b>£</b>
Maternity, Paternity & Other Staff Costs	582,700
TU Facilities (Net cost including Secondary)	86,800
Insurance & Recharges	<u>6,900</u>
<b>Total budget</b>	<b><u>676,400</u></b>

### 4.0 INSURANCE

- 4.1 This budget is to cover the cost of governors' liability insurance for Voluntary Aided schools. A VA school's governing body should insure 10% of the replacement cost of the whole of the school premises. Where a VA school makes a claim under the policy, the Department for Education will normally provide capital grant for the 90% balance of the costs.

4.2 For a number of years Wirral schools have dedelegated budget to meet the cost of this insurance. In 2017-18 only Primary schools dedelegated, all secondary VA schools now having converted to Academy status.

4.3 VA schools purchase the insurance, and then claim the cost back from the Authority. Spend in recent years from this budget is as follows:

	<b>Spend</b>
	<b>£</b>
2014-15	29,900
2015-16	28,700
2016-17	16,000

4.4 It should be noted that even though the governing body need only insure 10% of its premises liabilities, it is essential that proper security measures are taken to protect the premises and appropriate risk management advice to minimise losses is accessed.

In 2018-19 the amount dedelegated will be reviewed and may be reduced. For a small additional premium increased cover has been provided for VA schools which removes the need to purchase a separate policy covering governors' liability.

## **5.0 RECOMMENDATIONS**

5.1 That the Forum notes the report.

**Deborah Gornik**  
**Interim Director of Children's Services**

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## Children and Young Peoples Directorate Targeted Services/Early Childhood Services (ECS)

**ReportTo:** School Forum  
**Title:** Update - 30 Hour extended childcare entitlement and funding consultation  
**Author:** Carol Fenlon, Early Childhood Service Manager  
**Date:** 27<sup>th</sup> September 2017

### **Purpose:**

The purpose of this report is to inform the School Forum on developments in relation to a number of work streams that were outlined at the July Schools Forum meeting. To which it was noted an update would be produced for Autumn Schools Forum.

### **Background:**

The Local Authority's Early Childhood Service is responsible for the implementation of early years policies and procedures, both statutory and guidance, with Wirral's childcare sector. Across the course of the past 18 months in particular, the service has been operating an implementation plan for the provision of the new policy, regarding the +15 hours free childcare entitlement for working families (eligible through a criteria).

In addition, at the end of July 17 the Department for Education (DfE) released the evaluation paper outlining the findings of those LA's that had either been an early implementer of innovator, to aid the roll out by all LA's from September 2017.

Subsequently, in association of the +15 hours free childcare operations and its relationship with other early years funding streams a consultation process was decided to be scheduled to engage conversation with the sector on such matters.

### **30 Hour extended childcare entitlement:**

To date; the DfE "**Childcare Works**" team, who are supporting in the developments of this agenda across LA's, has been very proactive across the summer with weekly updates of key issues. In the main the key issue has been that the "**Childcare Choices**" helpline gave out wrong information of who to contact for eligibility codes. As a result families/providers were contacting both verbally and in person, the LA's Early Childhood Service (ECS) team rather than HMRC. In addition, technical difficulties meant some parents were issued with a start date after 31<sup>st</sup> August, even though they applied before this date. Both of which increased workloads to the ECS team, as they had to inform providers to double check if parents had tried to apply before the 31<sup>st</sup> August.

Furthermore what also became apparent was parents were applying too early (applying in August when a child was not eligible to start until January 18), again causing confusion to settings/ parents as to when funding would be active.

Overall, the HMRC systems have struggled to cope with processing functions to which the DfE introduced a “**grace period**”, whereby if a child/ren were eligible but struggled obtaining the code in time for September, then the funding would be honoured (as a temporary measure only).

According to the DfE’s mid-august validation dashboard Wirral had validated and issued 60% of codes from the 1407 who were eligible. This has now slowed since the start of September, but is expected to pick up again towards mid October for January starts.

The ECS team leader and relevant officers attend the regular “**Progress Sharing Meetings**”, which enables benchmarking across Regional neighbours and gives direct access to HMRC and DfE representatives. At a recent event discussions took place in relation to the promotion of 30 hours childcare entitlement as being “**Free**”, this has been a contentious point with Wirral’s childcare sector as they state there are costs attached and this style of marketing is misleading, DfE did not offer a response on the day. To add, promotions of this nature have taken place across the summer break on Wirral’s buses to increase parent’s awareness. The ECS team will be running a parental questionnaire midway through the autumn term to gather feedback on the 30 hour offer and what impact it has had on the family.

### **Evaluation of Early Implementation of 30 Hours Free Childcare:**

In July 2017 DfE published the evaluation of the Early Implementer and Innovators experiences in the setting up and delivery of the offer. There were various programmes across the country and during the course of the past 12 months they held Regional networks for a continued dialogue of “**lessons learned**”, to inform the roll out in September 2017.

In summary, parents outlined the benefits were;

- Increased flexibility helped parents to obtain more secure employment, enhanced career opportunities and improved work-life balance.
- Less reliance on informal care reduced stress and the burden on grandparents.
- A positive impact on family finances, with slightly greater benefits for higher income families.

In terms of LA’s operational challenges it was outlined that there were system development issues, staffing capacity, providers reluctance to engage on the programme, schools not fully understanding the “childcare” element and a lack of central government business support in the early stages. It also was felt there would be a detrimental impact on the vulnerable 2 year offer and that there lacked clarity of SEND processes in taking up 30 hours.

In terms of provider’s feedback, it appears that due to timescales in engaging with the early implementer programme feedback does not necessarily give a clear overview. To add, at networks providers have continued to outline confusion experienced with various components of the process that would not necessarily be relevant on roll out.

Initial feedback from roll out has been that providers are managing and finding their own feet.

In terms of Wirral, the ECS team have facilitated a number of “Talk to Me” networks across various providers and two key themes emerged;

- a) the financial impact of not being able to achieve an hourly business return rate against the funding formula rate
- b) the flexibility of deploying qualified staff across a pattern of 30 hours childcare.

Both of the above remain consistent messages back to DfE.

### **Early Years Providers Consultation on Funding Rates/Inclusive Practice Fund;**

During the Autumn term an early years funding rates consultation is being undertaken for 5 weeks until 20<sup>th</sup> October. This is to further shape and embed existing funding and to take account of DfE guidance. The consultation papers are attached as an appendix to this report.

The consultation will seek views:

1. To revise the operation of the current Inclusive Practice Fund as previously reported
2. To seek views on the introduction of monthly payments to providers
3. To take account of certain claims arriving after the termly headcount
4. To increase the Funding Formula and the overall pass through rate
5. To review the existing formula supplements.

The outcome of the consultation will be considered at the Forum’s Early Years Sub Group prior to a full Forum meeting in December. Following the Sub Group’s meeting it is proposed that the changes to the Inclusive Practice Grant are implemented.

**In summary**, this report provides an update to School Forum on Early Years issues which are for noting. Any changes to the Early Years funding formula will be considered by the sub group and subsequently by the full Forum as part of the budget for 2018-19.

### **Recommendation**

1. Forum notes the report
2. Subject to the views of the Sub Committee implements the changes to the Inclusive Practice Fund
3. That the outcome of consultation is reported to School Forum at its December meeting

Deborah Gornik  
Interim Director of Children’s Services

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to **All Early Years Providers**date 11<sup>th</sup> September 2017

your ref AR0038  
my ref  
service  
tel 0151 666 4249 Please ask for Mr Andrew Roberts  
fax 0151 666 4338  
email [andrewroberts@wirral.gov.uk](mailto:andrewroberts@wirral.gov.uk)

Dear Early Years Provider,

**Consultation on Inclusive Practice Funding and Provider Rates in 2018-19**

In my March letter outlining your budget I indicated that the systems in place to support children with additional needs in early years settings would be reviewed in the Summer Term. This review took place with the Early Years Schools Forum Working Group in June and was subsequently reported to a meeting of the Schools Forum in July.

Forum members agreed that the changes being considered should be the subject of a period of consultation in order to get a wider view from the sector. The papers attached set out proposals on the following areas:

1. To revise the operation of the current Inclusive Practice Fund
2. To seek views on the introduction of monthly payments
3. To take account of certain claims arriving after the termly headcount
4. To increase the Funding Formula and the overall pass through rate
5. To review the existing formula supplements.

The consultation will run for 5 weeks until 20<sup>th</sup> October and as part of this it is planned to hold a briefing at Birkenhead Town Hall on Monday 25<sup>th</sup> September at 10.00. Please let me know if you can attend

I look forward to discussing these proposals with you and receiving your comments and views. Please reply where possible by email to the above address.

Yours sincerely

Andrew Roberts  
Senior Finance Manager – Families & Wellbeing  
Corporate Resources and Reform

## Early Years Consultation Paper September 2017

### i Early Years Inclusive Practice Fund

#### Background

The 2014 Children and Families Act sets out the duties of Local Authorities in respect of special educational needs (SEN) and disability services (SEND). Specifically for early years, providers are required to have a regard to the Special Educational Needs and Disability Code of Practice 2014 and to have a policy on how SEND will be met in their settings. Early years providers must co-operate with the LA in meeting its duties for children with SEND. The LA offers “top-up” funding to providers delivering the universal 3 and 4 year free educational entitlement, where SEN has been identified and an additional support resource needs to be put in place.

#### Current arrangements:

The LA currently provides advice, guidance, support and funding opportunities for EY’s SEND via the Early Years Intervention Team. SEND “top up” funding is provided for up to the 15 hours universal free educational entitlement. To achieve this funding for a child, settings must demonstrate that they have operated a “graduated approach”, as detailed in the SEND Code of Practice.

In considering any application for “top up” funding the setting must seek advice from the LA Early Years Intervention Team. Arrangements for funding awards are approved at monthly meetings by LA officers. Approvals are awarded on the review of termly applications, which subsequently means funding awards can be paid retrospectively, (such as an application reviewed mid-July could be for a child’s additional need identified at end of that spring term or start of summer).

Currently the LA does not award “top-up” funding to children in maintained nursery schools or children in F1 nursery classes, as there are separate funding arrangements for these and also for children with severe and complex needs.

For 2016/17 the hourly rate of “top up” was = £3.85

The number of children supported = 92 in PVI’s and 68 in maintained nurseries

The actual budget was = £292,000 (and had an underspend of approximately £100,000).

A recent analysis has identified a number of areas that are in need of development and improvement to ensure that the Inclusive Practice “top-up” fund is accessible to all 3 and 4 year olds (where applicable). Also, that funding providers have clarity of the process and are able to submit high quality child centred applications

#### Proposals for SEN Inclusive Practice Fund;

The following are key areas to consider:

- Settings utilise the funding alternate to direct 1-1 support,
- There is a clear and robust pathway for identification/application
- Streamlined paperwork
- The funding award promotes early interventions
- That the early identification and funding better informs Education Health and Care Plans (EHCP’s)

The allocated budget for 2017/18 is = £450,000

It is proposed that:

1. The increased budget is for the sole purpose of the SEN Inclusive Practice Fund to better reflect the 11% population cohort of children who are potentially in need of additional support.
2. To secure the hourly rate of £4.22 for both 3 and 4 year olds.
3. To develop a funding awards allocation panel that has representation from both health and social care.
4. To replace the termly allocation of funding with a “one payment” scheme for a child’s academic year with a setting (which would move with the child if they change settings).
5. The application pack having more robust and qualitative information, ensuring evidence of on entry assessments, early observations, early interventions and a graduated approach by the setting and professionals and SMART personalised actions plans.
6. The awards allocation panel will sit 2-3 times per year.
7. To extend the access to the “top-up” award to maintained nursery schools and F1 nursery classes
8. The +15 additional childcare hours from September will not be eligible for additional Inclusion funding.
- 9 Only in exceptional cases will “top up” funding awards be made to 2 year olds.

### Questions

1. Do you agree with the proposals described for the Early Years Inclusive Practice Fund?
2. Should any alternative or additional proposals be considered?
3. Do you have any other comments?

## ii Introduction of monthly payments

The Early Education and Childcare Statutory Guidance says that “Local Authorities should pay all providers, particularly Childminders, monthly and are expected to do so from September 2018. If a provider requests and the Local Authority agree an existing alternative method of payment may be continued”

Settings currently receive funding in 2 instalments each term, an initial payment of 50% at the start of the term (using an estimate) and an actual payment later in the term (4 weeks after the headcount date). In Summer Term this meant that the first payment was made in week 1 and the second payment in week 9 out of 14 weeks.

Whilst the current method provides an element of funding in advance, it may be preferable to introduce a scheme of monthly payments on the 15<sup>th</sup> of the month for 11 months of the year as follows:.

Summer term					Autumn Term				Spring Term		
A	M	J	J	August	S	O	N	D	J	F	M
¼ est	¼ est	¼ est	Actual	No payt	¼ est	¼ est	¼ est	Actual	1/3 est	1/3 est	Act

### Questions

4. Do you agree with the proposal to introduce monthly payments?
5. Do you have any alternative suggestions?

### iii **Claims for Children arriving after Headcount date**

The funding provided to settings makes only limited financial provision for children who arrive after the termly headcount date. Whilst a setting is required to take a child where there is capacity even after headcount; the LA will only make a payment for that place where there are more than 60 unfunded hours in a term (the equivalent of 1 place for 4 weeks.) Conversely there is no clawback for a place if a child leaves after headcount.

It is proposed in future the LA will fund a child arriving at a setting after headcount, when a child is new to the area or is first taking up the early years offer. It is not intended that additional funding will be provided where moves arise from parental or setting choice. In these instances it is expected that settings themselves will reach an agreement and transfer funding. This proposal will result in the current trigger mechanism being withdrawn.

#### **Questions**

- 6 Do you agree that for children who are new to the area, or is first taking up the early years offer and arrive after headcount that these places should be funded?
- 7 Do you have any comments?

### iv **Early Years Funding Formula increase**

A requirement of the new funding formula which was introduced in April is that a minimum of 93% of Early Years funding received into the LA is passed through to providers. This means that of the £13m Wirral receives for 3 and 4 year old provision £12m is passed to providers and £1m is retained to support provision and to provide for the Inclusion Fund. In 2018-19 the pass through rate will increase to 95%. Taking account of the + 15 hours extension, this means that of the £17m Wirral will receive for 3 and 4 year old provision, £16.1m is passed out and £0.9m is retained. Overall the additional funding that will be available to increase the formula will be in the region of £300,000 (the equivalent of 8p per hour added to the base rate).

#### **Questions**

- 8 Should the additional funding available from increasing the pass through rate be added to the base rate?
- 9 Do you have any alternative suggestions?

### v **Review of Early Years Funding Formula**

In January the Schools Forum took a number of decisions with regard to the EYFF. As a result the Early Years Formula Base Rate was increased to £3.60 from £3.20 and supplements which were limited at 10% of funding distributed were all scaled back. The resulting rates that were agreed are shown below.

Base Rate	Deprivation			Quality	Flexibility	
	Low (3)	Medium (2)	High (1)		In	Out
£3.60	4p	12p	19p	13p	15p	15p

Whilst questions were asked at the time of the last consultation about the range of supplements offered there was no clear view about changes that should be made. Some areas that may be re-considered now are:



**Flexibility**, this is a significant supplement within the formula accounting for 5% of the funding distributed and for which most providers are eligible. With this in mind and considering flexibility within the school day will be limited in many settings when the extended offer is introduced, some or all of this supplement could be withdrawn and added to the base rate and / or the deprivation supplement/

**Quality**, this supplement represents 3% of funding and is claimed by 2/3rds of providers. Quality provision is set out in statutory guidance whereby the Ofsted inspection judgement is seen as the benchmark of quality. It is expected that all providers achieve an overall rating of outstanding or good. Similarly the standards set through the EYFS statutory framework and which providers must meet are there to ensure children learn and develop well and are kept healthy and safe. On the basis of the above the consultation is asking if this supplement should be withdrawn

**Deprivation**, this is a mandatory supplement in the formula and one which all providers will receive a share (based on low medium or high bands). Within the national formula about 10% funding received is through this element. Locally however our formula distributes 3%, an amount which is significantly less than schools. Evidence nationally continues to reaffirm that there are attainment gaps in Early Years and that these continue to widen through school. The use of additional deprivation funding could target resources at those areas and children who need it most. The consultation therefore seeks views about increasing this percentage.

### Questions

- 10 Should the flexibility supplement be reduced or withdrawn?
- 11 Should the quality supplement be withdrawn?
12. Should deprivation funding and the base rate be increased as a result of these changes?
13. Do you have any alternative proposals?

The tables attached can be used to indicate the impact of the proposed changes on your current budget, by multiplying the hourly rates with the hours for you setting.

## **Early Years Consultation response form**

Provider Name

Signed by

Date

### **Early Years Inclusive Practice Fund**

1. Do you agree with the proposals described for the Early Years Inclusive Practice Fund?
2. Should any alternative or additional proposals be considered?
3. Do you have any other comments

### **Introduction of monthly payments**

4. Do you agree with the proposal to introduce monthly payments?
5. Do you have any alternative suggestions?

### **Claims for Children arriving after Headcount date**

6. Do you agree that for children who are new to the area, or is first taking up the early years offer and arrive after headcount that these places should be funded?
7. Do you have any comments?

### **Early Years Funding Formula increase**

8. Should the additional funding available from increasing the pass through rate be added to the base rate?
9. Do you have any alternative suggestions?

### **Review of Early Years Funding Formula**

10. Should the flexibility supplement be reduced or withdrawn?
11. Should the quality supplement be withdrawn?
12. Should deprivation funding and the base rate be increased as a result of these changes?
13. Do you have any alternative proposals?

**WIRRAL COUNCIL  
SCHOOLS FORUM – 27<sup>th</sup> SEPTEMBER 2017  
REPORT OF THE ASSISTANT CHIEF EXECUTIVE**

**PFI Update**

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## **1. EXECUTIVE SUMMARY**

This report updates the Forum on PFI matters, inclusive of the funding formula, the developments with two PFI City Learning Centres, an update on Kingsway Academy, a brief report on the five yearly Value for Money Testing exercise and a summary of the service currently provided to schools by the PFI Team.

## **2. BACKGROUND**

Previous Forum reports have summarised the position with regard to the Wirral Schools PFI project agreement, which was signed by the Council, school governing bodies, and the PFI contractor in respect of the rebuild / refurbishment and facilities management of nine Wirral schools:

- Leasowe Primary
- Bebington High
- Birkenhead Park School
- South Wirral High
- Weatherhead High
- Hilbre High
- Prenton High
- Kingsway Academy
- Wirral Grammar Girls

The contract also supports two former City Learning Centres. The contract is for 27 years and will expire in July 2031.

From 2017 PFI agreements are also in place for Bedford Drive Primary Schools and Ridgeway High School. These are separate contracts and do not include facilities management costs.

## **3. PFI FUNDING FORMULA AND COSTS**

The budgeted PFI costs for the 9 school scheme in 2017-18 are:

	£m
Contract Payments of	12.7
Funded by:	
PFI grant	5.5
Individual school contributions	6.3
Council Contribution	0.7
Ex CLC's	0.2
<b>Total</b>	<b>12.7</b>

Funding now reflects the delegation of most of the PFI affordability gap to the 9 schools concerned together with an amount of £400,000 to reflect additional FM costs.

The PFI Government grant is fixed for the duration of the contract, whereas other costs and income sources are increased by the Retail Prices Index (less 10%) annually.

The National Funding Formula to date proposes that the PFI element within the school funding formula will be uplifted annually by inflation (RPIX all items excluding mortgage interest rates, currently 4.1%). This is still subject to confirmation. No further changes are planned to the funding formula for PFI at this time.

#### **4. EX CITY LEARNING CENTRES**

##### **West Wirral Works**

Since the last Schools Forum, an agreement on costs and terms has been completed between the Council and Hilbre High Academy School. A lease has now been drawn up between the Council and the Academy, for the remaining duration of the PFI Agreement and is in the final stages of completion.

In addition, as part of the PFI Project Agreement, a Licence to Underlet was required from our PFI Provider, which is now also in the final stages of completion. Some minor adaptations have been made to the accommodation to enable Hilbre Academy to teach Art within the CLC. The Council's Home Education Team will also occupy a small section of the building.

##### **Learning Lighthouse**

A short term agreement on cost and terms has been reached between Claremount School and the Council to allow Claremount Sixth Form to utilise the Learning Lighthouse CLC building attached to Kingsway academy. The agreement is for 12 months initially.

As Claremount is a maintained school, there is no need to amend the PFI documents, nor arrange a Licence to Underlet. Some minor redecoration works have been carried out by our PFI Provider.

There is a central "combined budget" of £68,500 to meet the part year PFI costs for the former CLC's which are not funded by the schools

#### **5. PFI – BENCHMARKING AND MARKET TESTING**

The PFI contract provides that from the first "Price Adjustment Date" and every five years thereafter, the PFI Provider, Wirral Schools Services Ltd. is given the opportunity to revise the annual price charged for specific facilities management (FM) services in line with current market prices. This price is then fixed for the next five years.

The first "Price Adjustment Date" for Wirral was 31<sup>st</sup> August 2013 and the second will be 31<sup>st</sup> August 2018, by which time the revised price has to be agreed and implemented.

Schedule 4 Part 8 Value for Money Testing from the PFI Agreement sets out the process in detail and explains both the Benchmarking and Market Testing regimes in legal terms.

Benchmarking is the process by which WSSL (Wirral School services Ltd) compares the costs of its FM subcontractor (SPIE Ltd.) against the market price of equivalent FM services.

Market Testing means the re-tendering by WSSL of the FM services, to test the value for money of each service in the market. Any decisions will need to be made by the PFI Schools on a collective basis. The Wirral Schools' PFI Scheme is a multi-school contract and as such, it is not possible for example, for one school to elect to Benchmark a service, whilst another pursues a Market Test – it has to be a majority decision, to which all schools subscribe.

Many meetings will be required over the coming year to complete the Benchmarking / Market Testing process and the PFI Schools will be kept updated at every stage. An invitation is also being extended to those schools for a representative of their group to join those meetings.

## 6. PFI SUPPORT TO SCHOOLS

The main services currently provided through the PFI Team are:

- **“Keep in Touch (KIT)” Meetings** –meetings cover all PFI matters (premises, grounds, waste, catering, insurance, PPM, audits, performance monitoring, cleaning, caretaking, FM management, audit and quality) and are attended by WSSL/Authority/FM provider/Catering Provider/School Headteacher/Premises Manager/Business Manager
- **Performance & Payment Reports** – there is a rigorous regime of checking details, formulas and line serials for each SLA area of the Project Agreement Performance and Availability criteria. Reports are sent to schools and agreed on a monthly basis, these have resulted in monetary credits and more accurate reporting and monitoring of performance.
- **Catering** – In addition to processing the catering charges and ensuring they are received in a timely way, there are monthly meetings with the Catering provider to fully scrutinise data and ensure it is correct before sent out to schools.
- **Managing the Change Order Process** – the team scrutinises costs and provides technical assistance i.e. planning, architects or engineers. All Change Order meetings at site are attended and a monthly meeting is held with the PFI Company and their sub-contractors to chase progress on works and to ensure compliance.
- **Summer works/Lifecycle Management** –Lifecycle information is received, disseminated to schools and the programme itself agreed between the parties in good time. Site visits are carried out during the summer in order to monitor progress.
- **Benchmarking/Market Testing** – the PFI Team ensures this extensive process is carried out in accordance with the Project Agreement.
- **Utilities** – The Council manages both Utility Target Setting and the annual Utilities Reconciliation process on behalf of schools.
- **Training** – for Headteachers, Business and Premises Managers.

- **Quality Checking** – All documents received from the PFI Provider and subcontractor companies is checked with any queries / questions / error corrections being raised ahead of dissemination to schools.
- **Finance** – the PFI Team verifies, agrees and collects Contract payments. There is a rigorous process in place to ensure all financial data is checked to ensure. Future overall PFI budget requirements for unitary charge contributions are forecasted
- **FF&E** – the PFI Team calculates the financial allocation of the Loose Furniture and Equipment budget for each site on a monthly basis.
- **Changes in Law** – the PFI Team oversee any claims from the PFI Provider in respect of changes in law, which may in turn have a financial impact on the PFI Schools.
- **User Satisfaction Surveys** – the PFI Team ensures the annual surveys are compliant and consistent with the contract
- **Service Provider Operational Reports** – a monthly Operational Report is provided by both the Facilities Management and Catering companies and issued them to all sites.

### **Performance January 2017-August 2017**

During this period, the PFI Team has:

1. Checked and distributed a Catering Profit Share of £68,586 to schools.
2. Pursued and received a late interest payment for the profit share.
3. Due to the late/incorrect delivery of Utilities Target Setting in 2016, pursued and received over £8k in penalties.
4. Received a refund for the late delivery of minibuses
5. Instigated a new regime for Performance and Payment reporting.
6. Challenged a “change in law” claim from the PFI Provider with proposed initial costs of around £10k direct to schools (Discussions are ongoing)
7. Managed a further re-structure from the FM Provider and from Wirral School Services Ltd..
8. Lifecycle Plan agreed four months earlier, resulting in many works being programmed for Easter. This in turn eased the Summer Programme.
9. Negotiated agreements on Change Orders.
10. Ensured the payment of performance related service failures.
11. Instigated a new process for Utilities Reconciliation and target setting to ensure this is managed in a more timely way by the PFI Provider.
12. Ensured the latest tranche of annual costs for Change Orders (Tranche 9) was verified and corrected, before issuing onto schools.

The Forum contributes through a “Combined Budget” the sum of £61,800 to support the costs of this work.

## **6 PFI - KINGSWAY ACADEMY**

In July this year following a meeting with the Northern Schools Trust (NST – the Multi Academy Trust that runs Kingsway Academy), the Authority, the Education Skills Funding Agency (ESFA), and the Department for Education (DfE), the Minister confirmed his intention to close Kingsway Academy.

It has been agreed that full closure will be delayed until August 2018. This allows time for a transitional period to support pupils continue their education and to identify alternative places at local schools. A formal announcement was made on 3<sup>rd</sup> July.

The Council is committed through the PFI Agreement to pay for the building until 2031, regardless of whether it is occupied or empty. Discussions have / will start with the PFI Provider and the ESFA to look at alternative options.

### **RECOMMENDATION**

That the Forum notes the report

David Armstrong  
Assistant Chief Executive

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Department  
for Education

# **The national funding formula for schools and high needs**

**Executive summary**

**September 2017**

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## Introduction

1. All children, wherever they are growing up, should have an education that unlocks their potential and allows them to go as far as their talent and hard work will take them. This will provide them with the foundation they need to succeed in adult life, and to support the country's future economic prosperity, and is key to improving social mobility.
2. Schools have made significant progress towards achieving this goal. More schools are currently judged as good or outstanding by Ofsted than ever before, the attainment gap between disadvantaged students and those who are better off is closing and we have launched 12 opportunity areas to drive improvement in parts of the country that we know can do better.
3. But this has been achieved against the backdrop of a funding system that is unfair, opaque and out of date. The right resources are not reaching the schools that need them most. It is right that we hold all our schools to the same standards; but it cannot be right that some schools have so much less to invest in teachers and resources than other schools with similar pupils and needs. In addition, the way in which we distribute funding to local authorities to support children and young people with high needs is just as out of date and unresponsive.
4. The need to address these problems is longstanding and well recognised across the school system. Changes are urgent, but it is important that such significant reforms are approached with care. We have consulted extensively, in both 2016 and earlier this year, on proposals for reforming the funding system.
5. We have had a truly national debate, with an unprecedented response to our proposals. We are grateful to everyone who took the time to share their views and to respond to the consultations. Over the course of the two stages of consultation, we heard from over 26,000 individual respondents and representative organisations, making almost a quarter of a million individual comments in response to our detailed proposals. We have carefully considered them all, and are now ready to deliver on the government's commitment, and take the historic step of introducing national funding formulae for schools and high needs.
6. This executive summary gives an overview of our response to the second stage consultation and explains our final decisions, taking account of the views we have heard. It sets out the final national funding formulae that will allocate funding for schools and high needs for the next two years. This document is published alongside:
  - a policy document setting out the details of the structure of the reformed funding system and our final formulae for schools, high needs and central school services;
  - the full response to the second stage of the consultation on schools and central school services;
  - the full response to the second stage of the consultation on high needs;

- illustrative tables that show the impact of the national funding formulae over the next two years; and
- an updated equalities impact assessment.

## Our investment in schools and high needs

7. Our final decisions are underpinned by significant investment. On 17 July we announced an additional £1.3 billion for schools and high needs across the next two years, over and above the schools budget set at Spending Review 2015. This further funding will support the introduction of the national funding formulae in 2018-19 and 2019-20.
8. As a result of this investment, core funding for schools and high needs will rise from almost £41.0 billion in 2017-18 to £42.4 billion in 2018-19. In 2019-20 it will rise again to £43.5 billion. The core schools and high needs budget will therefore increase by £2.6 billion between 2017-18 and 2019-20, maintaining the schools and high needs blocks of the dedicated schools grant (DSG) in real terms per pupil up to 2019-20. Spending plans beyond 2019-20 will be set out in a future Spending Review.
9. This additional investment will allow us to increase the basic amount of funding that each pupil will attract through the formula, and provide for a minimum per-pupil funding level, in 2019-20, of £4,800 for every secondary school and £3,500 per pupil for every primary school. In 2018-19, as a step towards these minimum funding levels, secondary schools will attract at least £4,600, and primary schools £3,300. It will provide for up to 6% gains per pupil for underfunded schools by 2019-20, and, as a minimum, a 0.5% per pupil cash increase in 2018-19, and a 1% increase by 2019-20 compared to their baselines, in respect of every school.
10. The schools national funding formula will therefore provide for higher core per-pupil funding in every local area, compared to the funding schools are receiving in 2017-18. These changes, building on the proposals that we set out in December 2016, give us confidence that our historic and vital reforms to the funding system will strike the right balance between fairness and stability for schools.
11. The additional investment will also allow us to make similar increases in the funding for children and young people with high needs. Underfunded local authorities will receive up to 3% gains a year for the next two years, and by 2019-20 every local authority will be receiving more than their current planned spending from 2017-18 DSG, in proportion to their population changes.
12. Of course, how schools spend their money is just as important as the fair allocation of funding. Parents and taxpayers expect schools to look carefully at how they can use their funding so that as much resource as possible is focused on enabling teachers to improve outcomes for pupils. We will continue to increase the support offered to schools to maximise their efficiency – both for individual schools and across the system as a whole.

## The structure of the funding system

13. We have already confirmed much of the basic architecture of the new funding system, building on the first stage consultation in spring 2016.
14. The DSG is currently allocated in three blocks – the schools block, the high needs block and the early years block. Our response to the first stage of the consultation confirmed that we will create a fourth block, the central school services block. This will allocate funding to local authorities for their ongoing responsibilities towards both maintained schools and academies. Each of the four blocks of the DSG will be determined by a separate national funding formula from 2018-19, building on the early years block which has been allocated through a national funding formula since 2017-18.
15. Our intention is that individual school budgets should ultimately be set on the basis of a single national formula (a ‘hard’ funding formula), following a sensible transition period. But we recognise the importance of stability, which was raised throughout the consultation, and it is vital as we move towards fully implementing these significant reforms. Therefore, total schools funding received by each local authority will be calculated fairly and transparently according to our national funding formula. We are publishing notional school-level allocations for 2018-19 to demonstrate the school-level impact of the formula. However, local authorities will continue to set local formulae for determining individual schools’ budgets in 2018-19 and 2019-20, in consultation with schools in their area.
16. In the past, local authorities have had discretion on the movement of funding between the DSG blocks (since 2017-18 local authorities have been required to pass the great majority of their early years block to early years providers). To prepare for the future introduction of a hard formula, and to ensure the vast majority of funding allocated through the national formula reaches schools directly, the schools block will be ring-fenced from 2018-19. Local authorities will be expected to distribute their full schools block allocation through the local formula. Nevertheless, in our consultation, we recognised that a degree of flexibility would be needed to ensure that local authorities could manage other budgets funded through the DSG - for instance their high needs budget – and they will therefore be able to transfer up to 0.5% of their schools block, with the agreement of their schools forum.

## A national funding formula for schools

17. The diagram in figure 1 below sets out the basic design of the schools funding formula and the factors we have decided to include.

Figure 1: The building blocks and factors in the national funding formula for schools

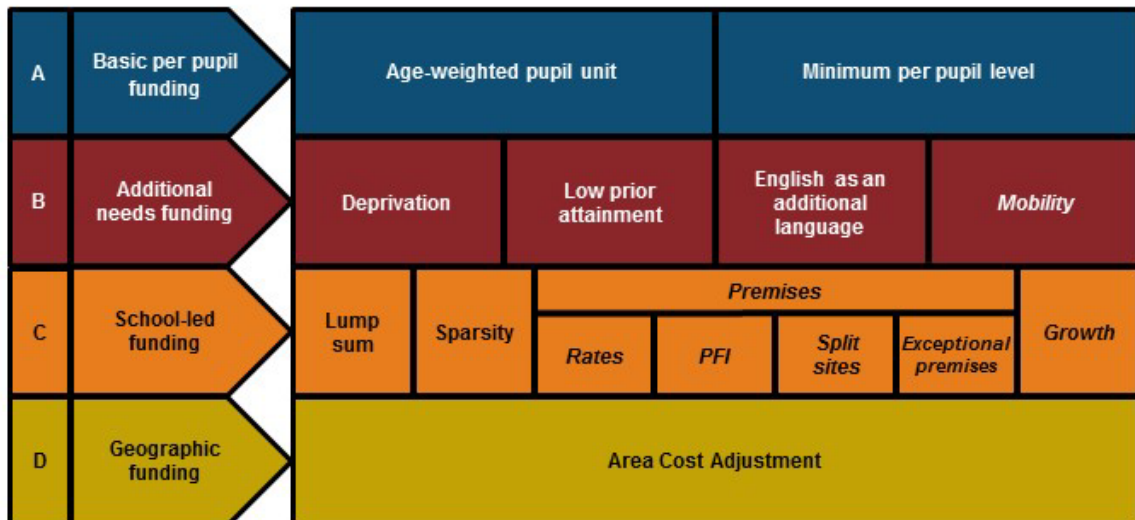


Figure 1: This illustrates the factors that will be taken into account when calculating schools block DSG funding allocations through the national funding formula. It is not designed to scale. Funding for factors in italics will be allocated to local authorities in 2018-19 on the basis of historic spend.

18. Our proposals in December 2016 would have allocated the majority of funding through the basic per-pupil allowance, while protecting the funding directed towards children with additional needs. While we continue to believe that it is right to protect funding for additional needs, there were many representations through the course of the consultation that our proposals for basic per-pupil funding needed to be higher – particularly for the lowest funded schools. With the additional £1.3 billion that we are now investing in overall schools funding, we have prioritised responding to these concerns.

### More money for all pupils

19. Basic per-pupil funding is the fundamental starting point of the formula, accounting for 72.9% of the total formula or £24.2 billion based on 2017-18 pupil numbers. The additional £1.3 billion investment allows us to move forward from our original consultation proposals in three ways:

- (i) **Increasing the age weighted pupil units** to £2,747 for primary, £3,863 for key stage 3, and £4,386 for key stage 4. This means that the amount spent on basic per-pupil funding will rise over the next two years compared to our December 2016 proposals;

- (ii) **Targeting the lowest funded schools by introducing a minimum level of per-pupil funding.** Under the national funding formula all secondary schools will attract minimum per-pupil funding of £4,800 in 2019-20, and all primary schools £3,500<sup>1</sup>. In 2018-19, as a step towards these minimum funding levels, secondary schools will attract at least £4,600 and primary schools at least £3,300. We have made this change following representations received during the consultation that there is a level of additional need in every school that may not be picked up by our proxy indicators of deprivation and low prior attainment. Through this targeted boost over the next two years, schools that attract little additional needs funding through the formula – and are therefore the lowest funded – will be better placed to support the individual needs of all their pupils.
- (iii) **Providing a minimum cash increase in respect of every school.** Every school will attract at least 0.5% more per pupil in 2018-19, and 1% more in 2019-20, than its baseline. This goes over and above the commitment that no school will lose funding as a result of the introduction of the national funding formula.

## Protecting funding for additional needs

20. The consultation confirmed the importance of funding for additional needs – deprivation, low prior attainment, English as an additional language and mobility. Evidence shows that pupils with these characteristics are more likely to fall behind, and so need extra support to reach their full potential. We proposed values and weightings for these that:

- **Protect the actual spend on additional needs by local authorities.** This includes increasing the proportion of spending explicitly allocated to additional needs, to recognise that in areas of high deprivation, some local authorities have chosen to set high basic per-pupil funding and relatively low deprivation funding, because all their schools typically have a high proportion of disadvantaged pupils.
- **Distribute that funding more fairly and in line with the evidence on attainment, by:**
  - Using both pupil level and area level measures of deprivation. This allows us to reach more than 44% of pupils, with the strongest support for the most deprived, but also reaching more ordinary working families further up the income scale; and
  - Increase the proportion of additional needs spending allocated on the basis of low prior attainment, to give additional support to those pupils

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<sup>1</sup> Middle and all-through schools will attract minimum per pupil funding levels calculated by reference to the year groups they teach.



who may not be economically deprived but who still need help to catch up.

21. We are protecting the values of all the additional needs factors at the level we proposed in our December 2016 consultation with a total spend of £5.9 billion and overall weighting of 17.8%.

## School-led funding

22. We are also confirming our proposals for school-led funding, which totals £3.1 billion or 9.3%. Every school will be allocated a lump sum through the national funding formula of £110,000. For the smallest, most remote schools, we are confirming we will distribute a further £26 million through the sparsity factor. Only 47% of eligible schools received sparsity funding in 2017-18 because some local authorities chose not to use this factor. Under our national funding formula, all eligible schools will attract sparsity funding to their local authority.
23. In 2018-19, the formula will recognise premises costs by allocating funding for schools for business rates, split sites and exceptional premises factors on the basis of historic spend. The formula will also allocate funding for private finance initiative costs (PFI) on the basis of historic spend, with PFI amounts uprated in line with inflation to recognise costs built into PFI contracts.
24. Funding for growth and mobility in the formula will also be allocated on the basis of historic spend. We will consider further how to allocate funding for premises, mobility and growth, to move away from historic spending levels in the longer term, taking account of the consultation responses we received in relation to these areas.
25. As confirmed following the first stage consultation, we will also apply an area cost adjustment to the formula to take account of variation in costs between different parts of the country.

## Transition

26. We have set out our formula for 2018-19 and 2019-20. Spending plans beyond 2019-20 will be set in a future Spending Review. The additional investment we have announced enables us to allocate gains for underfunded schools of up to 3% per pupil per year in each of 2018-19 and 2019-20, whereas our original proposals would have limited gains to 2.5% in 2019-20.
27. As set out above, following the representations we received during the consultation, all secondary schools will attract minimum per-pupil funding of £4,800 in 2019-20, and all primary schools will attract minimum per-pupil funding of £3,500 in 2019-20. The formula will provide a transitional minimum amount of £4,600 in 2018-19 in respect of secondary schools, and a transitional minimum amount of £3,300 in 2018-19 in respect of primary schools.

28. We consulted on including a floor in the formula that would limit reductions to a maximum of 3% per pupil. Because of our additional £1.3 billion investment, we can ensure that no school will lose funding as a result of the formula; instead, the formula will provide a minimum 0.5% cash increase per pupil in 2018-19 and 1% by 2019-20, in respect of every school, compared to their baselines.
29. Under a soft formula, local authorities will determine individual school budgets according to local formulae, following local consultation. They will also have a new discretion over the level of the minimum funding guarantee (MFG), which plays a similar role in local formulae to the funding floor in the national funding formula. From 2018-19 local authorities will be allowed to set the MFG between 0% and minus 1.5% per pupil, following local consultation. This protects schools from excessive turbulence, but ensures local authorities have the flexibility to move towards the national funding formula values whilst reflecting other local circumstances where necessary.

## Impact

30. The additional £1.3 billion we are investing in schools and high needs means that all local authorities will receive some increase per pupil in 2018-19, over the amount they plan to spend on schools in 2017-18. The increase to the basic per-pupil amount means that every school will attract a higher level of per-pupil funding than it would have done under the December 2016 proposals. Under our national funding formula, all schools will attract higher funding in 2018-19, compared to their baseline.
31. If the national funding formulae was fully implemented, without transition:
- The lowest funded secondary schools (schools which would have below the minimum per-pupil funding level, under our December 2016 proposals) will gain on average 4.7% compared to a gain of 0.3% in our December 2016 proposals;
  - Rural schools will gain on average 3.9%, compared to a gain of 1.3% in our December proposals, with sparse schools gaining 5.0% compared to 3.3%
  - Schools with the lowest prior attainment will gain 3.8% on average, compared to 1.8% in our December 2016 proposals;
  - All local authorities will have one or more schools who are gaining through the formula as a result of the decision to raise the funding floor to 0.5% in 2018-19, and 1% in 2019-20.
32. We published a detailed equalities impact assessment in December 2016 and have updated this to reflect our final formula. For further details please see the equalities impact assessment, which is published alongside this document.

## A national funding formula for high needs

33. The diagram in figure 2 below sets out the basic design of the high needs funding formula and the factors we have decided to include.

Figure 2: The factors and calculations in the national funding formula

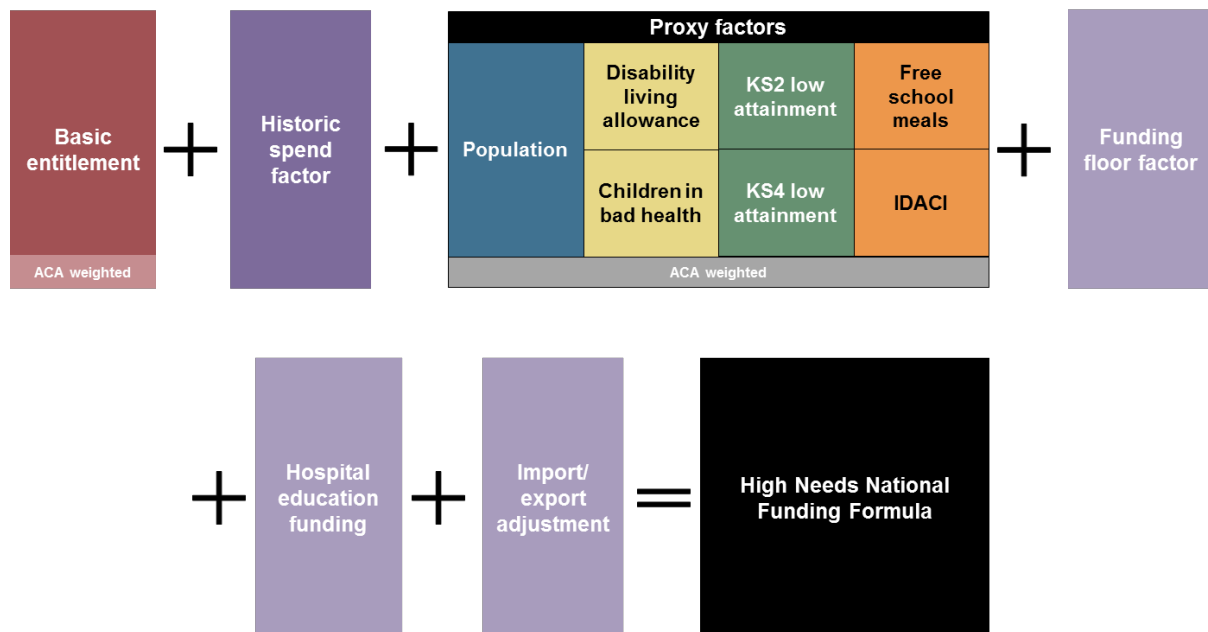


Figure 2: This diagram shows how the factors are added together to give the formula allocation, with an area cost adjustment applied to the proxy factors and basic entitlement.

34. The basic entitlement ensures that local authorities receive resources for all the pupils that they fund in their area, with £4,000 for each pupil in a special school. It provides an equivalent to the funding that mainstream schools get for all their pupils, and that colleges receive through the 16-19 national funding formula.

35. The historic spend factor attracts £2.7 billion in 2018-19, based on 50% of local authorities' existing high needs spending. This reflects both the importance of giving local authorities stability as we move towards a fairer distribution of funding, and the importance of recognising that some of the factors driving current spending will take time to change, as local authorities review and develop their local offer, plan ahead and decide carefully where to spend more and where to spend less.

36. The proxy factors are designed to target funding to local authorities in proportion both to their size, as indicated by their population of 2 to 18 year olds, and to their relative level of need. The small collection of measures relating to deprivation,

low attainment and health and disability we are using have been found to offer an appropriate way of matching funding to the level of need in different areas.

37. As a result of the overall increase in funding for high needs that is available for distribution, and taking account of responses we received to the consultation, we are able to:
- raise the funding floor to provide an uplift of 0.5% per head in 2018-19 and 1.0% per head by 2019-20 over the relevant 2017-18 high needs spending baseline (the equivalent of the funding floor in the schools formula), while keeping the gains cap at 3% in each year;
  - ensure that the funding floor and gains cap reflect any year-on-year increase in population by using a per head calculation; and
  - prevent any local authority with a falling 2-18 population from going below their 2017-18 baseline in cash terms.

## Transition

38. We have set out our formula for 2018-19 and 2019-20. Spending plans beyond 2019-20 will be set in a future Spending Review.
39. As well as the increases that 81 local authorities will receive through the funding floor factor in the formula, those that are underfunded according to the formula will be able to gain up to 3% a year, in proportion to any increase in their 2-18 population, in 2018-19 and 2019-20.

## Impact

40. The distribution of gains under the high needs formula is broadly similar to that illustrated in the December 2016 consultation. 56 local authorities are due to receive gains of more than 3% by 2019-20. The funding floor will protect all local authorities over the next two years to a greater extent than was proposed in the consultation. By calculating both the funding floor and the gains on the basis of population projections, we are making sure that those local authorities with population growth will not be disadvantaged. This is an important change reflecting comments received during the consultation.
41. We published a detailed equalities impact assessment in December 2016 and have updated this to reflect the final high needs funding formula. For further details please see the equalities impact assessment, which is published alongside this document. The final formula will distribute additional funding to local authorities, and offer greater protection because of the changes to the funding floor. This will benefit children and young people with high needs, including those with disabilities and other protected characteristics.

## A national funding formula for central school services

42. The central school services block is designed to reflect the ongoing local authority role in education. We are confirming that we will distribute £241m in 2018-19 for local authorities' ongoing responsibilities using a simple formula which distributes 90% of funding according to a per-pupil factor and 10% of funding according to a deprivation factor. Both elements will be adjusted for area costs. We have already confirmed that funding for historic commitments will be allocated based on evidence, with the expectation that historic commitments will unwind over time, for example when a contract has reached its end point.

### Transition

43. Given the extremely wide range in current expenditure for ongoing responsibilities, it is important that we balance the rate of change against the need to make progress towards the formula.
44. The transition to the formula for ongoing responsibilities will be gradual. As set out in the second stage consultation, we will put in place a protection that restricts reductions to minus 2.5% per pupil in 2018-19 and 2019-20. In order to afford the protection, year-on-year gains will be capped annually and will depend on the precise composition of the central school services block in each year. In 2018-19, gains of up to 2.5% per pupil will be allowed.

### Impact

45. Under the central school services block formula, 87 local authority areas will see funding increase. Local authorities that have been spending considerably more than the average, per pupil, will typically see reductions in funding. The protection will however ensure that no local authority will face losses of more than 2.5% per pupil in 2018-19 or 2019-20.

## Implementation and next steps

46. Alongside this document, we are confirming the primary and secondary per-pupil rates – derived from the national funding formulae – that will be used to set local authority schools block allocations in 2018-19. In December, we will confirm final local authority allocations by multiplying these per-pupil rates by the final pupil numbers from the October census. All local authorities will see an increase in their funding for schools, compared to their 2017-18 baselines.
47. Local authorities will continue to set local school formulae to distribute the funding provided by the national funding formula, in consultation with schools in their area in 2018-19 and 2019-20. Local authorities are currently developing their formulae for 2018-19, based on the schools revenue funding [operational guide](#) we published in August. They will continue to develop formulae and consult, before finalising school budgets in the spring of 2018.
48. We have also published allocations of high needs funding, indicating how much each local authority will receive in 2018-19 for the great majority of its allocation, and clear per-pupil rates for the remainder. This is the first year that we have been able to provide such detail and certainty on high needs funding allocations in advance of the December DSG announcement, showing the increases that each local authority will receive over what they planned to spend from their 2017-18 DSG allocation.
49. We will also publish the high needs revenue funding operational guide later in September, setting out the detailed operational arrangements for the distribution of high needs funding to schools, colleges and other institutions.

## Conclusion

50. The need for reform of the unfair system for funding schools and high needs cannot be resisted any longer, especially for a government which has social mobility at its heart. Our extensive consultation on these reforms, and the additional investment that we are making, have allowed us to finalise and improve on the proposals we published in December 2016, with every school's and every local authority's allocation now rising once the formula is introduced. As we move to implement these changes, and to provide more support to make the best use of the resources that will be available, we are confident that we are providing a strong foundation upon which all those on the front line will be able to continue to build a world-class education system that raises standards for all and helps to drive real social mobility.



Department  
for Education

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## WIRRAL SCHOOLS FORUM 27<sup>th</sup> September 2017

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

#### PRESSURES ON HIGH NEEDS FUNDING 2018-2019

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##### 1.0 EXECUTIVE SUMMARY

The number of children being identified with SEND and requiring specialist/ special schools continues to rise. The work that will be shortly completed by Sally Gibbs will provide a forecast of what the changing landscape will look like moving forward.

The current picture (September 2017) is as follows:

##### SPECIAL SCHOOL FIGURES

The number of children within the special school sector is exceptionally high.

Primary School	Admission Number	Sept 2017 Numbers	Number Under	Number Over
Elleray Park	110	116	0	6
Gilbrook	55	60	0	5
Hayfield	120	129	0	9
Orrets	70	75	0	5
Stanley	120	122	0	2
<b>Total</b>	<b>471</b>	<b>502</b>	<b>0</b>	<b>27</b>

Secondary School	Admission Number	Sept 2017 Numbers	Number Under	Number Over
Clare Mount	216	232	0	16
Foxfield	133	132	1	0
Kilgarth	55	48	7	0
Meadowside	75	66	9	0
The Observatory	55	46	9	0
<b>Total</b>	<b>534</b>	<b>524</b>	<b>26</b>	<b>16</b>

##### 2.2 SPECIALIST PROVISION: BASE NUMBERS – SEPTEMBER 2017

###### PRIMARY BASE NUMBERS

School/Base	Admission Number	Sept 2017 Numbers	Number Under	Number Over
Bidston Village	24	20	4	0
New Brighton S&L	10	9	1	
New Brighton MLD	12	11	1	0
Eastway	16	15	1	0
Devonshire Park S&L	10	10	0	
Devonshire Park ASC	16	12	4	0
Fender ASC	16	15	1	0
Woodslee ASC	8	7	1	0
The Priory S&L	10	9	1	0
<b>Total</b>	<b>122</b>	<b>108</b>	<b>14</b>	<b>0</b>

## **SECONDARY BASE NUMBERS**

<b>School/Base</b>	<b>Admission Number</b>	<b>Sept 2017 Numbers</b>	<b>Number Under</b>	<b>Number Over</b>
Beb High	25	12	13	0
Hilbre	30	23	7	0
Oldershaw	20	14	6	0
Woodchurch	15	16	0	1
<b>Total</b>	<b>90</b>	<b>65</b>	<b>26</b>	<b>1</b>

The numbers in both the specialist bases and special schools will be closely monitored during 2017-2018 and should adjustments be required these will be brought to the attention of schools and Schools Forum later in the autumn term of 2017.

## **ADDITIONAL PRESSURES TO THE HIGH NEEDS FUNDING BUDGET**

Analysis of Department for Education (DfE) data reveals that in the past four years there has been a substantial increase in the number of pupils with SEND who attend a specialist school setting, up from 5.6 per cent in 2012 to 8.5 per cent in 2016. The 2017 figure for those children with a statement or an EHCP attending a maintained special school or a special school academy in England 35%, Wirral 56.4%.

With increases in the High Needs Dedicated Schools Grant being limited in recent years, Wirral's High Needs budget has been under increasing pressure. Whilst there is additional funding coming into the High Needs Budget in April 2018, (around £800,000) there are already additional demands upon it. They are:

- Home Tuition Service - there is a need for this Service to be adequately funded from April 2018.
- Budget pressures both with secondary CLD provision and within primary/secondary SEMH provision. This is as a result of the complexity of the children increasing.
- The funding for EMA increased from 80 places to 100 places in September 2017 and these additional places will continue to require funding moving forward.
- The funding of additional post 16 places
- The increase in numbers in Secondary special school provision for ASC pupils.
- The Alternative Provision at the Hive that is being delivered by Progress Schools and the financial implications that this will have.
- The impact the increase in costs of the School Meals Service will have on the Special Schools budget.

- Requirements for additional Speech and Language support following assessment of need. Short term funding of £50,000 has been identified for the remainder of 2017/2018. This is for those children who have gone through the EHC assessment process and had identified SaLT needs linked to their educational outcomes. From April 2018, SALT support in schools following EHC Needs Assessment will have to be funded from existing Local Authority SaLT resources or from additional funding.
- Inflationary cost pressures across the sector

In light of these financial demands the Local Authority will arrange to meet with the High Needs Funding Group in October and discuss them in more depth.

There may be a need for School's Forum to consider whether it is appropriate to consider top slicing a small percentage off Primary and Secondary Schools' budget (up to 0.5%) to support the pressures within the High Needs block.

A further report will be brought back to the School's Forum in December 2017.

### **Recommendation**

**The Forum notes the report and refers it to the High Needs Working Group**

**Deborah Gornik  
Interim Director of Children's Services**

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## WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM 27<sup>th</sup> September 2017

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

#### SEND HIGH NEEDS FUNDING FOR SENSORY SERVICE

---

## 1. EXECUTIVE SUMMARY

The Local Authority is proposing a uniformed approach to the allocation of high needs funding (Element 3) for all pupils regardless of category of need.

## 2. BACKGROUND

Wirral Council's Sensory Service aims to ensure that deaf and visually impaired children and young people (0-19 years) receive an appropriate inclusive education that enables them to fulfil their potential and develop into independent adults. The teachers of the Visually Impaired, Teachers of the Deaf and specialist teaching assistants work with families throughout their child's education.

The Sensory Service requires a medical diagnosis of impairment and applies the NatSIP Eligibility Framework when deciding on the need and level of interventions. The NatSIP criteria is fluid and can change according to a number of factors such as transition and change of condition.

Children with the highest needs receive specialist teaching and specialist teaching assistant support in class. There are approximately 53 children who receive a graded level of intervention from 1 hour a week to full time. Monitored children are seen between once a year to once a month depending on need.

### 2.1. Universal funding

The effective use of the universal funding ensures that the budget is being used by the school to meet the needs of its learners. Resources effectively used at this stage ensure that the need for more expensive resources is reduced.

### 2.2 Element 2 funding

This is used for those pupils identified by schools as requiring additional support. The SEND funding reform ensured that Local Authorities delegated resources through their funding formula via the Schools Block Low Cost High Incidence Element 2 Funding. This equates to schools receiving up to £6,000 that can be allocated for SEN/D. This is in addition to the Basic entitlement funding allocated for that pupil. With the combination of the two amounts it is assumed that mainstream schools have been delegated £10,000 for pupils with additional needs. For the vast majority of pupils this amount ensures that their needs can be met with no requirement for additional funding.

### **2.3 Category of Need**

For children identified with the following area of need-Cognition and Learning, Physical and Medical, and Social Emotional Mental Health schools are required to use up to the first £6,000 of their indicative LCHI SEN budget to purchase equipment, resources and staffing.

The exception to this arrangement is for those children with sensory needs- Hearing and Vision. For this group of children all support has been provided by the Sensory Service and schools have not been required to account for their Element 2 spend. It is proposed that from April 2018 schools will be required to evidence how their Element 2 money has been utilised prior to requesting additional support from the LA. Any request for additional support (over and above the Element 2 spend) will be applied for through a Pupil Funding Agreement Request. All equipment that is required for the child will have to be purchased by the school, with the Local Authority only purchasing large specialist pieces of equipment that can be utilised by other children when the need arises. This is in line with the allocation of the Physical/ Medical Equipment budget.

The LA is keen to maintain its highly qualified teaching and support staff to ensure that schools receive the support and advice that they require for those children with sensory needs. There will be a further piece of work in the Autumn/ Spring term on how the Sensory Service will be shaped given the changes in the funding allocation. Establishing a Traded Service is being considered as this will allow schools to purchase teachers/ teaching assistants with specialist knowledge for longer periods of time than they currently receive. This will enhance the support for CYP with VI/HI.

The staff will remain Wirral employees with any additional financial income being utilised to supplement the Support Services.

### **RECOMMENDATIONS**

- 1. The Forum note the report and refer the matter to the High Needs Working group**

**Deborah Gornik  
Interim Director of Children's Services**

## WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM 27<sup>th</sup> September 2017

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

#### SEND SUPPORT SERVICE

##### 1.0 EXECUTIVE SUMMARY

The Local Authority has had a number of unfilled vacancies within SEN support and is now proposing to utilize this funding to create a 'Systemic analysis and therapeutic school partnership Team'. This team will provide a unique service drawing in expertise from Clinical Psychology and Education to Primary Schools.

##### 2.0 BACKGROUND

The Local Authority has been in a similar position to other Local Authorities in that it has had difficulty in recruiting into vacant educational psychologists posts. This is currently being addressed by recruiting educational psychologist assistants from schools who will support children and young people in schools. In addition to this pressure there have been added demands on the Service as the number of Statutory Assessments completed rose from 203 in 14-15, 285 in 15-16 to 355 in 16-17. There are currently 67 already in the system with less than a month into the new term. This significant increase in numbers in the recent past has impacted on the educational psychologist's ability to engage in more preventative work.

##### 2.0 Proposed New Service

To address this and to ensure that children receive the necessary support the LA is planning to provide an evidenced based and effective service for primary schools. The priority will be to develop schools capacity to actively work with all children to manage their emotions, behaviour and relationships, in order to create positive motivational learning environments. The service will work collaboratively with individual schools to formulate a plan that encompasses profiling the individual children's needs, classroom approaches, whole school approaches and engaging families or a combination of these dependent on the joint analysis with the schools.

The service will aim to develop treatment plans for children with complex needs through the use of effective models of intervention. The service will work closely with Gilbrook Outreach Service to ensure that there is a joined up service that delivers the same training and support to schools. Training materials are being produced that will be able to be accessed by school staff to support them in the delivery of the suggested strategies.

##### 3.0 Project Aims

- To ensure that a growing number of children are successfully maintained in mainstream provision;

- To gain a clear picture of the complexities of the child and the challenges that these present to the school by completing a thorough assessment. This will include carrying out observations, working collaboratively with school personnel, conducting interviews with family and child and completing any relevant assessments for example: Connors, Cognitive assessments, Boxhall profile, Beck's youth inventory;
- To use the assessment to formulate the child's strengths and struggles especially in relation to the demands of the school environment and use this to raise staff awareness of the child's needs;
- To use the formulation to drive targeted interventions that are strength focused and take into account, the effects of any neuro developmental, attachment, trauma and mental health issues, and resulting specific skill deficits;
- To work with staff to plan and predict any potential pitfalls with plans and adapt as necessary to ensure success;
- To equip staff to identify barriers and advances to any intervention through robust and continuous evaluation and empower staff to be able to adapt plans, initially under supervision;
- To embed a process to sustain success and have the skills and understanding to adapt plans to meet future challenges;
- To identify any training needs and provide bespoke training sessions for school personnel that may include psycho-education on trauma, shaping behavior, effects of brain development on behaviour, attachment, skills training, emotional regulation, mental health, social and emotional mental health;
- To provide training materials in order to embed knowledge and drive future developments;
- To support the skill development of teachers on an individual level in the classroom to embed agreed intervention plan;
- To help staff develop and practice the skills to work with violence and aggression, through de-escalation techniques and plans;
- To raise awareness and skill levels of staff in how to shape children's behaviour from both a theoretical and practical perspective;
- To raise awareness of how group work can be used for specific skill development both in groups that target a skill and in recreational groups;
- To support schools to evaluate the effectiveness of whole school approaches and adapt the implementation to increase effectiveness for children with complex needs;



- To offer on a priority basis, support to embed an effective whole school approach to reduce any behavioural issues;
- To provide specialist therapeutic and rehabilitative interventions for the children, and limited interventions/training with families, to address specific areas such as anxiety, emotional regulation, family conflict and violence, significant emotional trauma, severe behaviour difficulties at school, at home and in a community setting.
- To provide specialist support to embed systemic change for improved long term positive outcomes for children, teachers and the school community.

#### **4.0 Proposed Team**

##### **Team Leaders and Specialist Practitioners**

- The Team will be led by a Consultant Clinical Psychologist and a Specialist Teacher with masters level speciality in SEBD;

##### **Practitioners**

- The practitioners will consist of Band 4, Band 6 and Band 7 Clinical psychologists. The total number of staffing will be finalised once budgets are confirmed.

##### **Recommendation**

**The Forum notes the report and refers it to the High Needs Working Group**

**Deborah Gornik  
Interim Director of Children's Services**

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## WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM Wednesday 27<sup>th</sup> September 2017

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

#### Proposed Change to funding for Wirral Home and Continuing Education Service

---

##### 1. EXECUTIVE SUMMARY

The Home and Continuing Education Service is Wirral's response to its statutory duty to provide a suitable education for children who cannot attend school because of their medical needs. 1 in 10 school children will suffer from a diagnosable mental health disorder<sup>1</sup> which is reflected in the referrals to the service (approximately 90% are through CAMHS).

This report makes proposals for a renewed service that will cater for the needs of the young people, families and schools of Wirral by providing the appropriate level of resources, facilities and accommodation that allow the effective running of the service in accordance with our statutory duties

##### 2. BACKGROUND

The Home and Continuing Education Service aims to respond to the changing needs of Wirral's children who cannot attend school for physical or mental health reasons by:

- Providing a suitable education for the children of Wirral who have medical needs that prevents them from attending school by ensuring that: that they make the best educational progress that their health needs allows and that they achieve outcomes that allow them to access the most suitable pathway to prepare them for their future success.
- Providing sufficient hours of continuing education in line with statutory guidance; the equivalent of full-time or for the number of hours the child's health condition allows. "Full-time education" is not defined in law but it should equate to what the pupil would normally have in school – for example, for pupils in Key Stage 4 full-time education in a school would usually be 25 hours a week. When education is delivered via one to one tuition it is not, necessarily, expected to be 25 hours a week.<sup>2</sup> One to one teaching is, by its nature, more intense than class teaching
- Developing a multiagency approach to a graduated pathway for sick children that enables access to a full or fuller time education in the most appropriate education setting for that child, e.g. 1:1 teaching, small group teaching, part or full time within a mainstream or special school. The overarching aim is that the child should be as fully included in the education process as their health condition allows.

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<sup>1</sup> Future in Mind: Promoting, protecting and improving our children and young people's mental health and wellbeing NHS England DoH 2015 Chapter 3 page 25

<sup>2</sup> Ensuring a Good Education for Children who cannot attend school because of health needs. May 2013 DFE-00307-2013 page 4

For many years the service was managed by the Head teacher of the Hospitals' School. The service moved by agreement to the Hilbre High School site in November 2016 and is now established in the front third of the CLC building. This change has prompted a review of the service's role and the need to respond to the changing demands being put onto schools and the LA. E.g. the increase in pupils whose mental ill health prevent them from attending school, the inclusion of social, emotional and mental health as a category in the new SEN Code of Practice, an increase in complex pupils needing 1:1 support whilst waiting for a new school placement.

**The Current Structure**

Head of Service (Full time permanent contract)  
 2 x 0.4 permanent contract general teachers  
 1 x 0.3 permanent contract general teacher

∴ = 1.1 equivalent full time contracted teachers

1 casually employed Learning Mentor  
 1 x 0.4 administration assistant

16 casually employed teachers

To June 2017 113 pupils have been or are being supported by the service during 2016/2017 academic year

**Impact of Current Structure**

The service is not adequately resourced to cater for the number of students who have been referred. The trend is for increased numbers of pupils to be referred for medical reasons.

September 2016 – July 2017

**Supported 113 pupils**

**Medical 14**  
**CAMHS 81**  
**LA/funded 20**

Average hours per week received by pupils to July 17 = 4.75

Range is 3.3h - 6.26h

	F2	Y1	Y2	Y3	Y4	Y 5	Y 6	Y 7	Y 8	Y 9	Y 10	Y 11	Y 12	Y 13	Y 14	
No	2	3	3	0	0	4	3	8	7	19	20	31	8	4	1	113
Av teaching hours		5				5	5	6.25 <sup>i</sup>	5	3.14	5	4	5.4	3.3	5	

This is unlikely to be sustainable or meet needs.

Recruitment of additional suitable teachers began in January first of whom was processed to start working in May. Having most of the teachers employed on a casual basis means that their availability is variable. We, therefore, have to work around staff availability rather than pupil need. It also does not allow for efficient delivery of the service, division of responsibility and succession planning. In addition, there is no directed time. Casual staff are invited to INSET only when it is essential, e.g. safeguarding due to cost of paying teachers on an hourly rate.

### **Proposed Structure**

Head of Service

1 Deputy Head of Service

= 2 days admin (2.5 days student services/2.5 days finance)/ inc exam invigilation

= 2 full time teachers assume U1

1 Learning Mentor (27 hours per week)

Supply (based on 30 pupils@ 10h/week @ £30/h inc on costs for 20 weeks over a year)

With this revised structure in place and existing AWPU charges budget shortfall of £130,000 would result

To achieve these improvement measures offered to Wirral pupils, it is proposed that after 1 term (12 weeks) on home education a contribution of approximately £80 per week per pupil would be charged from the pupil's main school to the home education budget. This is in line with charges made by other alternative provisions.

82 pupils needed 1 terms or more Home Education in 2016/2017 and on this basis would generate £80,000 income, leaving a net shortfall of **£50,000**.

### **Impact of Proposed Structure**

This would enable the service to effectively:

- provide a core offer of the hours of up to 10 hours tuition per week per student in at least English, Maths and Science
- ensure continued progress, achievement and attainment, within the capability of the pupil, while they are out of full time education
- make an important contribution to the safeguarding of pupils
- provide accurate and regular data regarding attendance and progress to the pupil's main school
- reduce the time between referral and start of teaching and enable the efficient reintegration of pupils into full/fuller time school.
- work with schools and the LA to facilitate pupils' timely re-integration into a full/fuller time place within an appropriate educational setting e.g. their home school, resourced base, special school
- provide outstanding specialist teachers appropriate for the pupils' age, stage and learning needs, by ensuring that staff skills are developed
- work collaboratively with other agencies e.g. CAMHS, Social Care, Community Paediatricians, regional and national centres of excellence, Troubled Families and , to holistically support the pupil

## **RECOMMENDATIONS**

- 1. That the Forum note the report and the additional demands on the current budget in 2017-18 of £50,000.**
- 2. The Forum note the additional commitment within the High Needs Contingency and that these additional costs are considered as part of the budget for 2018-19.**
- 3. That a further update is brought to the Forum in 6 months' time.**

**Deborah Gornik**  
**Interim Director of Children's Services**

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## WIRRAL COUNCIL

### SCHOOLS FORUM – 27<sup>th</sup> SEPTEMBER 2017

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

#### SCHOOLS BUDGET MONITORING REPORT 2017/18 AND FINAL DSG 2016/17

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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. An overall balanced position is reported at this time.

### 2.0 ANTICIPATED BUDGET VARIATIONS

- 2.1 The table attached summarises the Schools Budget for 2017-18. The main variations, as well as comments on specific budget areas, are set out below.

#### 2.2 Primary, Secondary and Special Schools

Four Primary Schools – Egremont, Great Meols, Poulton Lancelyn, and Stanton Road - converted to Academy status as part of a Multi-Academy Trust from 1<sup>st</sup> June 2017, with a further school to join later in the year. Balances for these schools at the date of conversion are being finalised.

Schools converting to Academy status result in a reduction in DSG grant income received, which is matched by reduced spending through the delegated budget. Budgets for the schools will be adjusted accordingly. Further Academy conversions are anticipated during the year, although transfer dates are not yet confirmed.

#### 2.3 Early Years Grant – reduction of £109,600

The Early Years budget of £18.1m reflects the funding required for 2, 3 and 4 year olds who are entitled to receive free Early Education and Early Years Pupil Premium. The budget for this is based on the January 2017 census, and the projected costs have been updated to reflect actual payments made in relation to the summer term.

The take up of the 2 year old offer has increased during the summer term, and Early Years Pupil Premium numbers have also increased. However, there has again been a reduction in 3/4 year old take up. Projections for autumn and spring term numbers have been updated giving an anticipated spend of £109,600 less than originally budgeted, which will be offset by a corresponding adjustment to DSG funding.

This budget also includes £2.43m funding for the DfE's estimate of 3 and 4 year olds eligible for additional hours. It is assumed at this stage that this will all be spent. Allocations to providers will be determined by take up from September 2017, while final DSG allocations for the extended offer will be based on the January 2018 census.

The table below summarises the projected position for Early Years:

	Budget	Summer 17 (actual) £	Autumn 17 (projected) £	Spring 18 (projected) £	Projected Total £	Variance £
2 Year Olds	3,592,400	1,257,618	1,411,773	1,059,661	<b>3,729,052</b>	136,652
3/4 Year Olds (Universal)	11,743,100	4,648,135	3,326,707	3,398,343	<b>11,373,185</b>	(369,915)
3/4 Year Olds (Extended)	2,423,600	0	1,357,216	1,066,384	<b>2,423,600</b>	0
EYPP	245,800	126,388	136,110	106,943	<b>369,441</b>	123,641
DAF	100,000	0	56,000	44,000	<b>100,000</b>	0
<b>Total</b>	<b>18,104,900</b>	<b>6,032,141</b>	<b>6,287,806</b>	<b>5,675,331</b>	<b>17,995,278</b>	<b>(109,622)</b>

#### 2.4 Schools Forum – projected under spend £5,600

A £5k contribution to the Benefits team in the Finance Department has been committed to finance additional resources for the Free School Meals work undertaken, with the aim of maximising DSG claimed in the October 17 census, and Pupil Premium in the January 18 census.

#### 2.5 Special Staff Costs – no projected variance

The purpose of this budget is described elsewhere on the agenda, and although spend to date is currently lower than last year it is assumed that the budget will be spent in full due to the unpredictable nature of maternity costs. This budget, which will be monitored closely throughout the year, is broken down as follows:

	Budget £	Projected Spend £	Projected Variance £
Maternity, Paternity & Other Staff Costs	582,700	582,700	0
TU Facilities	86,800	86,800	0
Insurance & Recharges	6,900	6,900	0
<b>Total</b>	<b>676,400</b>	<b>676,400</b>	<b>0</b>

#### 2.6 Contribution to Combined Budgets – no projected variance

The combined budgets of £0.9m are broken down as follows:

	Budget £
School Improvement	330,000
Discretionary Rate Relief Top Up	106,600
LCSB contribution	30,000
Governors Forum	2,200
PFI Support Team	61,800
LACES	140,500
School Intervention	136,000
CLC PFI	68,500
<b>Total</b>	<b>875,600</b>

It is anticipated that these budgets will be fully committed.

#### 2.7 School Specific Contingencies – no projected variance

There is a contingency budget of £100,500 to take into account any specific costs that cannot be met from school budgets. The purposes of this budget are discussed elsewhere on this agenda, and it is assumed at this stage that this budget will be spent in full.



## 2.8 Special Education Needs Top Ups – no projected variance

A budget of £9.2m funds the Pupil Led Top Up funding in Specialist Provision, Resource Bases, FE, Colleges and Alternative Provision. Budgets have been increased to reflect additional learners at Wirral Metropolitan College and Birkenhead Sixth Form College and increased placements at Emslie Morgan Academy.

Projections have been updated to account for the summer term census figures. While at this stage FE and 6<sup>th</sup> Form Top Ups are expected to be fully spent, there are £20,000 of additional costs due to placements at Emslie Morgan Academy, and Additional Nursing Support is projecting an overspend due to two unexpected invoices relating to previous years. However, these areas are expected to be offset by Resourced Provision and Maintained Special Schools top ups being lower than budgeted in the summer term.

The breakdown of the budget is as follows:

	<b>Budget</b>	<b>Projected Spend</b>	<b>Projected Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Top Ups for Maintained Special Schools	6,527,400	6,497,400	-30,000
Top Ups for Resourced provision	704,000	654,000	-50,000
Alternative provision	367,000	387,000	20,000
FE and 6 <sup>TH</sup> Form Top Ups	946,000	946,000	0
Additional Nursing Support	127,100	187,100	60,000
Exceptional Needs	504,100	504,100	0
<b>Total</b>	<b>9,175,600</b>	<b>9,175,600</b>	<b>0</b>

## 2.9 Special Education Needs Statements – no projected variance

Current pressures indicate that Primary statements may overspend by £100,000 particularly when new children are identified in the autumn and spring terms. However, this overspend is expected to be absorbed by underspends elsewhere within the budget.

## 2.10 Independent Special Schools – no projected variance

There is approximately £500k of this budget that has not yet been committed. However, at this stage it is anticipated that this will be allocated during the autumn and spring terms. This area will be closely monitored, and Forum will be updated at future meetings.

## 2.11 Support for SEN – no projected variance

There are a number of vacant posts within this area, some of which will be filled during the year. These staffing underspends are expected to be offset by pressures in the SEN team converting statements to EHCPs, as well as continuing demand for speech and language support.

## 2.12 Home Tuition – no projected variance

At this stage the Home Tuition Service is expected to be spent in full, although the service is subject to review in 2017-18, the impact of which will be reported to future Forums.

## 2.13 DSG - £165,787,500

The revised Dedicated Schools Grant (DSG) for 2017/18 was published in July and confirmed Wirral's allocation. The budget includes £568,900 of DSG carried forward from 2016/17.

Original DSG Budget	250,795,200
Academy Recoupment – Schools Block	(75,613,500)
Academy Recoupment – High Needs Block	(4,083,000)
Early Years reduction (Jan-17 census)	(783,300)
Other Adjustments	5,100
Academy conversions June 2017	(4,423,400)
Anticipated Early Years Adjustment	(109,600)
	<b>165,787,500</b>

In July, DfE also published the final DSG allocations for the 2016/17 financial year. This confirmed Wirral's allocation as £168.951m, £29.9k more than reported to Forum in July, due to an increase in Pupil Premium numbers. This additional amount will be transferred to the DSG reserve.

### 3.0 UPDATE ON SPECIFIC RESERVES

3.1 The DSG reserves total £1.9m and have been earmarked in the accounts as follows:

**- Job Evaluation and Pay Harmonisation Reserve - £0.65m**

**- DSG Reserve - £1.0m**

	£
DSG Carry Forward from 2016/17	1,072,400
Budgeted use of Reserve in 2017/18	(568,900)
Additional DSG for 2016/17 (see para 2.13)	29,900
	<b>533,400</b>

**- City Learning Centres - £0.045m**

This reserve will be used in 2017/18 to fund the remaining final closure costs in relation to the City Learning Centres.

**- Early Years £0.13m**

This reserve of £130,500 is expected to fund the Early Years Portal and expand the 2 year old provision.

### 4.0 CONCLUSION

4.1 The Schools Budget is monitored throughout the year, and any projected variances against budget will be reported to the Forum.

### 5.0 RECOMMENDATIONS

5.1 That the Forum notes the report.

**Deborah Gornik**  
**Interim Director of Children's Services**

## Appendix 1 – Budget Variations 2017/18

	Adjusted Budget 2017/18 £	Projected Spend 2017/18 £	Variation 2017/18 £
<b>Individual Schools Budget:</b>			
Primary Schools	95,172,700	90,749,300	-4,423,400
Secondary Schools	20,884,800	20,884,800	0
Special Schools	8,941,300	8,941,300	0
SEN Bases	1,580,000	1,580,000	0
Wirral Hospital School	1,356,300	1,356,300	0
Early Years	18,104,900	17,995,300	-109,600
<b>Individual Schools Budget Total</b>	<b>146,040,000</b>	<b>141,507,000</b>	<b>-4,533,000</b>
<b>Central School Costs:</b>			
Early Years	518,700	518,700	0
Admissions	341,800	341,800	0
School Closure / retirement costs	60,000	60,000	0
Licenses and Subscriptions	226,100	226,100	0
Schools Forum	10,600	5,000	-5,600
Contribution to Combined Budgets	875,600	875,600	0
PFI affordability gap	1,551,100	1,551,100	0
Retained duties - ex Education Support Grant	1,021,600	1,021,600	0
<b>Costs delegated to schools:</b>			
Library Service	191,700	191,700	0
Insurances	29,200	19,200	-10,000
School Specific Contingencies	100,500	100,500	0
Special Staff Costs	676,400	676,400	0
School Meals	19,700	19,700	0
Behaviour Support	84,200	84,200	0
School Improvement	101,600	101,600	0
<b>High Needs Pupils:</b>			
Statements	4,174,800	4,174,800	0
SEN Top Ups	9,175,600	9,175,600	0
High Needs Contingency	305,100	305,100	0
Independent Special Schools	3,770,000	3,770,000	0
Home Tuition	348,900	348,900	0
Support for SEN	1,971,500	1,971,500	0
Special School Transport	58,200	58,200	0
<b>Non Delegated School Costs Total</b>	<b>25,612,900</b>	<b>25,597,300</b>	<b>-15,600</b>
<b>Total School and Central Costs</b>	<b>171,652,900</b>	<b>167,104,300</b>	<b>-4,548,600</b>
Dedicated Schools Grant	-170,320,500	-165,787,500	4,533,000
Use of Reserves	-568,900	-568,900	0
<b>Grand Total</b>	<b>763,500</b>	<b>747,900</b>	<b>-15,600</b>

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## WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM 27<sup>th</sup> September 2017

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

#### School Budgets and Indicative Deficits Balances

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#### 1. EXECUTIVE SUMMARY

This report is one of a series that have been considered by the Forum describing the current and projected financial position for schools together with action that is being taken. The position remains challenging.

#### 2. BACKGROUND

There are ongoing cost pressures in schools arising from "flat cash" budgets. There are additional costs arising from pay awards and other inflationary pressures. These costs have not been met from increased budget allocations, instead as in previous years they will need to be found from efficiency savings.

#### 3. Indicative Balances

The final school balances as at 31<sup>st</sup> March 2017 were £10.5m, reflecting a number of difficult decisions taken by schools and governing bodies to restructure and reduce costs.

When schools have set their budget for 2017-18 they also reviewed their financial position for future years. The table below summarises this position and indicates that balances may reduce by £3.5m in 2017-18 and a further £4.8m in 2018-19.

Table 1

	<b>Actual Balances at Mar 2017</b>	<b>Expected Balance at 31<sup>st</sup> Mar 2018</b>	<b>Expected balances at 31<sup>st</sup> Mar 2019</b>
Nursery	£277,421	£15,989	-£158,995
Primary	£7,319,213	£5,684,443	£2,337,179
Secondary	£474,275	-£136,283	-£47,240
Special	£2,000,181	£1,052,528	-381,353
<b>Total</b>	<b>£10,071,090</b>	<b>£6,616,677</b>	<b>£1,749,591</b>
Academy Conversions since Mar 17	£429,451		
<b>Total</b>	<b>£10,500,541</b>		

#### 4. Individual School Deficits

There are currently 3 schools with licenced deficits and agreed budget plans. In addition there are 2 that have projected deficits that the LA cannot licence.

On the basis of table 1 the number of schools who may have a deficit budget as at March 2019 would increase to 37, each school with an average deficit of £60k.

Table 2

	<b>Number of schools</b>	<b>Expected number of schools with a deficit</b>	<b>% schools with a deficit</b>
Nursery	3	2	67%
Primary	84	25	30%
Secondary	6	3	50%
Special	11	7	64%
	<b>104</b>	<b>37</b>	<b>36%</b>

## 5. Action Taken to Date

- During the summer term letters were sent to a number of schools with expected deficits in 2018 requesting further details. Information from this exercise provided greater clarity on the projected financial position. Where needed there were also meetings with Headteachers and governors.
- Licenced deficit plans have been agreed with 3 schools that cannot set a balanced budget in 2017-18.
- A Notice of Concern is in place at one school and will shortly be issued to another.
- LMS and HR continue to work with schools to balance budgets and plan any reduction in staff numbers or hours. Where schools are reviewing staffing levels this is in a number of cases leading to a consideration of redundancies
- There are briefings and discussions with headteachers and school finance staff.
- School Bursars continue to support Headteachers and governors with more detailed projections.

## 6. Future Action

- Review of financial plans to ensure they are sustainable.
- Contact schools with large projected deficits in 2018-19 to discuss plans.
- Schools requesting a licenced deficit are required to demonstrate how the budget will come back into balance within 3 years (4 years in exceptional circumstances).
- Where agreement cannot be reached a Notice of Concern will be issued, requiring an immediate action plan to be agreed by governors.
- Consider the potential impact of the National Funding Formula on school budgets.

## RECOMMENDATIONS

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

**Deborah Gornik**  
Interim Director of Children's Services

## **REPORT OF THE DIRECTOR OF CHILDREN’S SERVICES**

### **EDUCATION SERVICES GRANT (ESG)**

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#### **1.0 EXECUTIVE SUMMARY**

1.1 The purpose of this report is to inform Forum on how the schools budget contribution to the former Education Services Grant is spent, and to advise of likely future requirements.

#### **2.0 BACKGROUND**

2.1 The Education Services Grant (ESG) has been provided by Department for Education (DfE) since 2013. It was not part of DSG, nor was it a ring fenced grant. It has been used by the Council as a general contribution to support functions to schools, including a variety of services such as asset management and education welfare.

2.2 Up to and including 2016/17 ESG has been split into 2 areas:

- Retained duties with a rate of £15 per pupil, paid to local authorities to fund services to maintained schools and academies.
- General duties rate of £66 per pupil, paid to local authorities and academies for support services (where academies would need to provide those services themselves).

2.3 In the 2015 spending review, DfE confirmed that from 2017/18 ESG will change. The retained duty rate has been transferred into DSG, the amount transferred into Wirral’s DSG in 2017/18 being £703k. Meanwhile the general rate has been removed as part of a £600m saving within the DfE. DfE have provided one-off transitional funding covering the period April to August 2017 to help with the changes, Wirral’s allocation confirmed in August 2017 is £919k (although £185k of this will support School Improvement).

2.4 The table below compares the ESG grant received in 2016/17 with 2017/18 and highlights the loss in funding:

	<b>2016/17</b>	<b>2017/18</b>	<b>Difference</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Retained duties (transferred to DSG in 17/18)	728,130	702,531	(25,599)
General funding rate (transitional April - August in 17/18):			
Mainstream schools	2,343,525	796,722	(1,546,803)
Special schools	341,322	121,906	(219,416)
<b>Total</b>	<b>3,412,977</b>	<b>1,621,159</b>	<b>(1,791,818)</b>

#### **3.0 ESG IN 2017/18**

3.1 With the reduction / removal of this funding, guidance from the EFA acknowledged that “we recognise the LA’s will need to use other sources of funding for Education Services once the General Funding Rate has been removed”. This can include

funding from maintained schools with the agreement of Schools Forum, and at January Forum it was agreed that £1,021,600 would be retained centrally to contribute to the running costs of the services:

	<b>De-delegated £</b>
Retained duties (DSG)	730,000
General duties (7/12ths)	<u>291,600</u>
	<b>1,021,600</b>
Transitional funding	<u>733,340</u>
<b>Total funding for ESG services</b>	<b><u>1,754,940</u></b>

3.2 The table below shows the estimated costs of services funded by the former ESG grant based on the 2017-18 Section 251 Budget return:

	<b>Total £</b>
Education Welfare	377,400
Asset Management	155,200
Statutory and Regulatory duties	1,029,500
Premature retirement and redundancy	128,300
Monitoring national curriculum assessment	<u>64,540</u>
<b>Total</b>	<b><u>1,754,940</u></b>

#### **4.0 ESG SERVICES**

- 4.1 A full list of former ESG services is shown in Appendix 1. This is extracted from the “Schools Revenue Funding 2017-18 Operational Guide” issued by the ESFA. The table sets out which services can be provided by retaining funding from all schools (retained rate) and those which can be charged to maintained schools only.
- 4.2 Services come under the headings Statutory and Regulatory Duties, Education Welfare, Asset Management, Central Support Services, Premature Retirement and Redundancy, and Monitoring National Curriculum Assessment.
- 4.3 Costs for services under the Statutory and Regulatory Duties heading include salary costs (or partial salary costs) for various officers including the Director of Children’s Services and assistants, the Senior Manager for Financial Management, Principal Officer School Admissions Place and Planning, Principal Accountant for Schools, and Principal Officer LMS and Finance.
- 4.4 The Senior Manager for Financial Management has overarching responsibility for education finances, including planning for strategic decisions on school funding, overseeing the revenue budget preparation, preparation of information on income and expenditure relating to education, formulation of schools funding formula and external audit relating to education.
- 4.5 Principal Officer School Admissions Place and Planning is involved in the planning for the education service as a whole, including primary and secondary school place applications, admissions timetables, and appeals.
- 4.6 The role of the Principal Accountant for Schools includes the accounting, budgeting, financial monitoring, and financial support for the Schools budget, and the preparation of income and expenditure relating to education for incorporation into the authority’s annual statement of accounts. This role also includes the



compilation and submission of grant claims and statistical returns in accordance with due dates to required standards, as well as preparing responses to Government consultation papers.

- 4.7 The Principal Officer LMS and Finance is responsible for budgeting and accounting functions relating to maintained schools, in addition to the monitoring of compliance with requirements in relation to the scheme for financing schools, as well as other LMS functions that fall outside of its SLA.
- 4.8 Other statutory and regulatory services include HR costs that fall outside of the HR SLA such as pay alterations, whole school pay policy and conditions of service; IT costs of establishing and maintaining computer systems and data storage, and Internal Audit costs, which in 2017/18 include 770 hours allocated to audits of specific schools during the year.

## **5.0 ESG IN 2018/19**

- 5.1 As the transitional funding received in 2017/18 (described in paragraph 2.3) related to the period April to August, the total amount dedelegated for ESG in 2017-18 was based on just 7/12ths of the total requirement. On this basis in 2018-19 the full year effect of de-delegation would increase to £500,000
- 5.2 However there will no longer be any transitional support from DfE resulting in a shortfall between the estimated cost of services and the contribution from the schools budget. Based on the 2017-18 Section 251 Budget return and DSG allocations published in July 2017 this is as follows:

	<b>Total £</b>
Cost of former ESG services (see para 3.2)	1,754,900
Required contribution:	
Retained duties (DSG)	702,500
General duties	500,000
<b>Total</b>	<b>1,202,500</b>
<b>Shortfall</b>	<b>552,400</b>

The Council will need to consider this shortfall, and may need to take decisions with regards to its budget setting process for 2018/19.

## **6.0 CONCLUSION**

- 6.1 There will be a shortfall in funding of former ESG services from 2018-19, due to the withdrawal of DfE transitional funding.

## **7.0 RECOMMENDATION**

- 7.1 That the Schools Forum working group considers this information in more detail before decisions are taken in respect of 2018-19 funding

**Deborah Gornik**  
**Interim Director of Children's Services**

## Appendix 1 – Duties Formerly Funded by Education Services Grant

<b>ESG Duties</b>	
<b>Responsibilities local authorities hold for all schools (funding may be retained centrally from all schools with agreement of schools forum)</b>	<b>Responsibilities local authorities hold for maintained schools (funding may be retained centrally from <u>maintained schools only</u> with agreement of schools forum)</b>
<p><b><u>Statutory and Regulatory duties</u></b></p> <p>Director of children's services and personal staff for director (Sch 1, 20a)</p> <p>Planning for the education service as a whole (Sch 1, 20b)</p> <p>Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 1, 20d)</p> <p>Administration of grants (Sch 1, 20e)</p> <p>Authorisation and monitoring of expenditure not met from schools' budget shares (Sch 1, 20fi)</p> <p>Formulation and review of local authority schools funding formula (Sch 1, 20g)</p> <p>Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 except duties specifically related to maintained schools (Sch 1, 20i)</p> <p>Consultation costs relating to non-staffing issues (Sch 1, 20r)</p> <p>Plans involving collaboration with other LA services or public/voluntary bodies (Sch 1, 20v)</p> <p>Standing Advisory Committees for Religious Education (SACREs) (Sch 1, 24)</p> <p>Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 1, 20w)</p>	<p><b><u>Statutory and Regulatory duties</u></b></p> <p>Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 1, 20c)</p> <p>Budgeting and accounting functions relating to maintained schools (Sch 1, 20d)</p> <p>Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 1, 20fii)</p> <p>Functions relating to the financing of maintained schools (Sch 1, 20e)</p> <p>Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 1, 20j)</p> <p>Compliance with duties under Health and Safety at Work Act (Sch 1, 20s)</p> <p>Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 for maintained schools (Sch 1, 20i)</p> <p>Consultation costs relating to staffing (Sch 1, 20r)</p> <p>Investigation and resolution of complaints relating to maintained schools (Sch 1, 20t)</p> <p>Establish and maintaining computer systems, including data storage (Sch 1, 22)</p> <p>Appointment of governors and payment of governor expenses (Sch 1, 26)</p> <p>Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 1, 20h)</p> <p>Investigations of employees or potential employees, with or without remuneration to work at or for schools under the direct management of the headteacher or governing body (Sch 1, 20L)</p>

<b>ESG Duties</b>	
<b>Responsibilities local authorities hold for all schools (funding may be retained centrally from all schools with agreement of schools forum)</b>	<b>Responsibilities local authorities hold for maintained schools (funding may be retained centrally from maintained schools only with agreement of schools forum)</b>
	<p>Functions related to local government pensions and administration of teachers' pensions in relation to staff working at maintained schools under the direct management of the headteacher or governing body (Sch 1, 20m)</p> <p>Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 1, 20n)</p> <p>HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition/organisation of staff (Sch 1, 20o); determination of conditions of service for non-teaching staff (Sch 1, 20p); appointment or dismissal of employee functions (Sch 1, 20q)</p> <p>Provision of information to or at the request of the Crown relating to schools (Sch 1, 20w)</p> <p>School companies (Sch 1, 20x)</p> <p>Functions under the Equality Act 2010 (Sch 1, 20y)</p>
<p><b><u>Education Welfare</u></b> School attendance (Sch 1, 11)</p> <p>Responsibilities regarding the employment of children (Sch 1, 29)</p> <p>Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 1, 10c)</p>	<p><b><u>Education Welfare</u></b> Inspection of attendance registers (Sch1, 11)</p>
<p><b><u>Asset management</u></b> Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions (Sch 1, 10a)</p> <p>General landlord duties for all buildings owned by the local authority, including those leased to academies</p>	<p><b><u>Asset management</u></b> General landlord duties for all maintained schools (Sch 1, 10a (section 542(2) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have:</p> <ul style="list-style-type: none"> <li>• appropriate facilities for pupils and staff (including medical and accommodation)</li> <li>• the ability to sustain appropriate loads</li> <li>• reasonable weather resistance</li> <li>• safe escape routes</li> <li>• appropriate acoustic levels</li> <li>• lighting, heating and ventilation which meets the required standards</li> <li>• adequate water supplies and drainage</li> <li>• playing fields of the appropriate standards</li> </ul>

<b>ESG Duties</b>	
<b>Responsibilities local authorities hold for all schools (funding may be retained centrally from all schools with agreement of schools forum)</b>	<b>Responsibilities local authorities hold for maintained schools (funding may be retained centrally from <u>maintained schools only</u> with agreement of schools forum)</b>
	<p>General health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc Act 1974).</p> <p>Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012).</p>
<p><b><u>Central support services</u></b> No functions</p>	<p><b><u>Central support services</u></b> Clothing grants (Sch 1, 10e)</p> <p>Provision of tuition in music, or on other music-related activities (Sch 1, 15)</p> <p>Visual, creative and performing arts (Sch 1, 16)</p> <p>Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 1, 17)</p>
<p><b><u>Premature retirement and redundancy</u></b>  No functions</p>	<p><b><u>Premature retirement and redundancy</u></b> Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 1, 25)</p>
<p><b><u>Monitoring national curriculum assessment</u></b>  No functions</p>	<p><b><u>Monitoring national curriculum assessment</u></b> Monitoring of National Curriculum assessments (Sch 1, 23)</p>
<p><b><u>Additional Note</u></b> Services set out in the table above will also include overheads relating to these services (regulation 8(11) already refers to this for schedule 2 services) for:</p> <ul style="list-style-type: none"> <li>· Ensuring payments are made in respect of taxation, national insurance and superannuation contributions (sch 1, 20e).</li> <li>· Recruitment, training, continuing professional development, performance management and personnel management of staff (Sch 1, 20k)</li> <li>· Investigations of employees or potential employees, with or without remuneration (Sch 1, 20l)</li> <li>· Investigation and resolution of complaints (Sch 1, 20t)</li> <li>· Legal services related to education functions (Sch 1, 20u)</li> </ul>	

Note: References are to the schedules in the schools and early years finance (England) regulations.

**WIRRAL COUNCIL  
SCHOOLS FORUM – 27<sup>th</sup> SEPTEMBER 2017  
REPORT OF THE INTERIM DIRECTOR OF CHILDRENS SERVICES  
SCHOOL FUNDING GUIDANCE**

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## **EXECUTIVE SUMMARY**

This report summarises the Schools Revenue Funding Guidance for 2018-19 and some of the main changes that have been announced by the ESFA

## **BACKGROUND**

In July the ESFA issued the “Schools Revenue Funding 2018-19 Operational Guidance” document to assist local authorities and Schools Forum in their planning for the coming year’s budget.

The guide sets out some of the main requirements including:

- The makeup of the local schools funding formula and the allowable factors
- Minimum pupil funding amounts for schools
- The Minimum Funding Guarantee
- Excluded Pupils
- Movements between funding blocks
- The introduction of a Central Schools Block
- High Needs
- Budget timescales

The full document can be found at:-

<https://www.gov.uk/guidance/pre-16-schools-funding-guidance-for-2018-to-2019>

## **KEY ISSUES**

Some of the key areas are:

1. The National Funding Formula will initially sit alongside the agreed local formula in 2018-19 and 2019-20
2. Additional funding identified for schools of £1.3bn will mean that all LA’s will receive an increase in funding
3. A Central Schools Block is created for ongoing responsibilities such as Admissions, Combined Budgets, Historic Commitments and retained duties (formerly Education Services Grant).
4. The Schools Block will provide for at least a 0.5% increase in funding for schools and at least £4,800 per pupil funding for Secondary schools. The implementation of this will be determined locally
5. A flexible Minimum Funding Guarantee of between 0% and minus 1.5% to be determined locally
6. The ability to transfer up to 0.5% from the Schools Block to the High Needs Block to meet spending pressures where this is agreed by the Schools Forum and the Secretary of State (about £1m for Wirral).
7. Full consultation with schools and academies when considering any changes to the local funding formula.

8. A requirement to deduct amounts relating to the age and circumstances of Excluded Pupils, pro rata to the number of weeks remaining in the year
9. Confirmation of continuing de-delegation for School Improvement, Contingencies, Behaviour, MEAS, Free School Meal eligibility, Insurance, Library Service and Special Staff costs.
10. An adjustment to change the funding for Resource Bases and Special Units in schools. There will no longer be a deduction to the school budget for pupil numbers in the base; instead place funding will be reduced from £10,000 to £6,000 where the place is occupied by a pupil on the school roll.
11. Equivalent pupil funding adjustments (£4,000) for changes in pupil numbers at Special Schools, Non Maintained Special Schools and Special post 16 provision.

## **RECOMMENDATION**

That the Operational Guidance is considered at a meeting of the Schools Forum Formula Working Group alongside proposals to consult on the School Funding Formula for 2018-19

Deborah Gornik  
Interim Director of Children's Services

**WIRRAL SCHOOLS FORUM – 27<sup>th</sup> September 2017**

**WORK PLAN**

<b>Meeting Date</b>	<b>13<sup>th</sup> December 2017</b>	<b>17<sup>th</sup> January 2018</b>	<b>25<sup>th</sup> April 2018</b>	<b>Wed 4<sup>th</sup> July 2018</b>	<b>September 2018</b>
	5pm Training for new members				Elect chair & vice chair
Budget	Budget Monitoring	Schools Budget 2018-19 Changes to Schools, High Needs and Early Years funding formula De-delegation of budgets Update on School budgets/balances	Schools Budget update 2018-19 Schools Budget provisional outturn Update on School budgets/balances	Schools Budget Outturn 2017-18 School Balances and Reserves School Budget Monitoring	Budget monitoring and Final DSG Update on School budgets/balances
Consultation	Early Years High Needs School Formula Scheme for Financing Schools and Teacher Conditions	National Funding Formula for Schools & High Needs			Early Years Inclusion and Funding
DfE Regs & guidelines		School Finance Regulations Schools Forum Structure (identifies voting rights)			DfE Operational Guide
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	Combined and other central budgets  Behaviour Support	School Contracts MEAs Update Academy update Arrangements and funding for School Exclusions	School Admissions Early Years Traded services Free School Meals eligibility update	Arrangements for Alternative Provision Energy update Arrangements for High Needs /SEND	Forum Membership Combined budgets PFI budgets Other central budgets High needs funding & places Primary place planning 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>• Behaviour Support</li> </ul>

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