

# Agenda

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## SCHOOLS FORUM

Tuesday 11th September 2018 5.30pm

Lees Suite

	<u>Approx duration</u>	<u>Officer</u>	<u>Papers</u>
1 <b>Welcome and Apologies</b> Apologies/Declarations of Interest		Chair	-
2 <b>Minutes and Matters Arising</b> Minutes of meeting held on 16 <sup>th</sup> May 2018	5 mins	Chair	Attached
3 <b>DSG Funding Update 2018-19 and 2019-20 budget</b>	15 mins	Liz Caygill	Attached
4 <b>New School Funding arrangements 2019 to 2020</b>	15 mins	Liz Caygill	Attached
5 <b>Forward Plan</b>	5 Mins	Liz Caygill	Attached
6 <b>Any other Business</b>			

**Any other business – Must be notified Liz Caygill @ [liz.caygill@oldham.gov.uk](mailto:liz.caygill@oldham.gov.uk) or on telephone 0161 770 1012 24 hours before the meeting**

**Dates of next meeting: 29th November 2018**

# Minutes

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## Meeting of Schools Forum

**Wednesday 16 May 2018**  
**at the Civic Centre**  
at 5.30pm

<b>Present:</b>	Mr Mike Aston Ms Suzanne Thompson Mr Iain Windeatt Mr Hardial Hayer Mr Rob Higgins Ms Bev Harper Mr Peter Moores	St Mary's RC Primary School (Chair) Finance Director Harmony Trust Trade Union Representative The Radclyffe School The Blue Coat Academy The Blue Coat Academy Diocese Representative – St Edwards RC Primary
	Ms Tracey Cavanagh	Diocese Representative – Holy Rosary RC Primary
	Mr Graham Quinn Ms Andrea Skelly	New Bridge Academy Trust Kingsland School - PRU
<b>Also Present:</b>	Mr Andrew Sutherland Ms Anne Ryans Mrs Samantha Smith Mrs Vicky Gibbons Mrs Clare Roper Mrs Jean Coombs	Director of Education and Early Years Director of Finance Senior Finance Manager Senior Accountant Senior Accountant Clerk

### 1 WELCOME AND APOLOGIES

- 1.1 Mr Mike Aston opened the meeting and welcomed everyone.
- 1.2 Apologies for absence were received from Miss Elizabeth Caygill, Mr Jeremy Sutcliffe, Mr Brian Hurst and Councillor Amanda Chadderton.
- 1.3 Members were invited to declare any business, pecuniary or personal interests.

No declarations were made.

## 2 MINUTES AND MATTERS ARISING

- 2.1 **RESOLVED:** that the minutes of the meeting held on 27 February 2018 be approved as a correct record and signed by the Chair.
- 2.2 There were no matters arising from the minutes of the previous meeting that were not covered elsewhere on the agenda.

## 3 CONSTITUTION

Mrs Vicky Gibbons informed members that there had been changes to the Constitution and that these changes had been discussed at the September 2017 meeting.

However, as there has been new members present since that date, Mrs Gibbons provided an overview of the constitution.

Mrs Gibbons reminded members of the main areas included in the Constitution which are:

### 3.1 Membership

- 3.1.1 Members are appointed for a three-year term, and there is no limit to the number of terms of office that can be served.
- 3.1.2 Schools and academies' (including free schools) representatives on the forum should be roughly proportionate to the number of pupils in each sector.
- 3.1.3 Members are expected to act in accordance with the 7 principles of public life
- 3.1.4 Members are to report back to colleagues and act in the interest of the most equitable compromise where there are competing claims on resources.
- 3.1.5 Members who fail to attend or send apologies for three consecutive meetings are assumed to have resigned and are replaced.
- 3.1.6 Whilst observers including members of the public may attend schools forum meetings, forum members may decide to exclude them from specific agenda items. There is also no automatic right for observers to speak or ask questions at Schools' Forum meetings
- Challenge:** In response to a question, Mrs Samantha Smith informed members that the dates of the meetings can be found on the Council website.
- 3.1.7 There are two vacancies which are for representatives from the Primary and Early Years PVI sector.

## 3.2 **Role**

- 3.2.1 The role of the Schools Forum is to act as a strategic partner and a formal line of communication.
- 3.2.2 Members provide unambiguous advice on funding and strategic oversight on financial decisions.
- 3.2.3 Members are involved in the annual consultation around the LA's functions relating to schools' budgets and consider recommendations from the Fair Funding Group.
- 3.2.4 Good practice dictates that members work in partnership, provide effective support and openness; are responsive, have a strategic view and provide challenge and scrutiny.

## 3.3 **Main Powers and Responsibilities**

Under Government regulation Schools Forums generally have a consultative role than a decision-making body.

The main areas of activity are:

- 3.3.1 Members are consulted on changes to funding formula.
- 3.3.2 Members give a view on on financial issues relating to arrangements for pupils with special educational needs, the use of the PRU, Early Years Provision and the administration of government grants. They also give a view on the minimum funding guarantee.
- 3.3.3 Members in the Primary and Secondary sectors decide for their phase on the de-delegation of funds for a range of purposes.
- 3.3.4 Members decide on the movement of up to 0.5% from the schools' block to other blocks.
- 3.3.5 Members decide on the criteria for growth funding.
- 3.3.6 Members are the decision maker for any Central spend within the central schools block expenditure

## 3.4 **Meetings**

There must be 40% of the full membership present to make decisions, but when there is a general consensus then a formal vote is not necessary. When needed the Chair has the casting vote.

The local authority will be consulting with Forum members before the next meeting to seek their views on the current arrangements for Oldham's School Forum constitution

A list of schools forum members is attached as an Annex to these minutes.

## 4 BUDGET OUTTURN 2017-18 AND BUDGET UPDATE 2018-19

### 4.1 Final Outturn

Mrs Samantha Smith informed members that there was a cumulative deficit of £3.031m on the final DSG outturn statement for 2017-18. Mrs Smith explained that a DSG Note to the Accounts has been submitted for external audit.

There was an in-year deficit of £1.329m, and a reduction in overall spending of £0.072m from the predicted figure at February 2018.

Officers are working on a recovery plan.

**Challenge:** Members questioned officers about the timescales for reducing the deficit, the position of other local authorities, and the how members would be involved or consulted.

Main points referred to:

- 4.1.1 There is no set timeframe but they need to be seen to be developing a plan to reduce the deficit over a period of time.
- 4.1.2 Ms Anne Ryans responded that some other neighbouring authorities may be moving into a deficit position, but the information is not yet in the public domain.
- 4.1.3 Mr Andrew Sutherland informed members that there is a desk-top exercise being completed by finance colleagues as part of the recovery plan which officers are starting. The whole of the High Needs Block is being reviewed. Mr Sutherland insisted that there needs to be investment in a preventative strategy, with the implementation of a more sustainable model. There is a group of officers looking at the provision and assessment for EHC Plans.

Early Years allocations are also going to be reviewed.

The action plan has been expanded to show timescales but has not yet been distributed

**Challenge:** In response to a question, Mr Sutherland said that working groups with members or school staff are not being set up yet as he believes that there is a need to get the operational issues in order first.

- 4.1.4 The deficit is continuing to increase as there are increased pressures coming on stream in 2018-19.

### 4.2 2018-19 Budget Update

The projected in-year deficit for 2018-19 is £0.395m with a cumulative projected deficit of £3.426m. Without recovery action this would further increase the cumulative deficit. The transfer from the schools' block to

the high needs block of 1% is included in the information shown at Table 4.

There may be some further requirements for additional schools funding from the DSG in 2018/19 that aren't included in Table 4. The possible emerging additional pressures that are known and may need to be addressed are set out in Table 6.

Incorporating the additional pressures shown in table 6 would mean the shortfall would increase to £2.306m. If this budget position prevails, then one means of addressing the issue would be for the Authority to once again request the agreement of Schools Forum to move funds from the Schools to the High Needs Block and to request the Secretary of State permits a full 1% movement as in 2018/19.

**Challenge:** Members asked about the funding for Laurel Bank and Ms Andrea Skelly explained that it was additional provision for Kingsland pupils as they were over their PAN.

**Challenge:** A discussion took place around the potential movement again of 1% to High Needs as there are already pressure on schools' budgets.

**Challenge:** Members noted that it was the provision for the neediest pupils that was under review, and not for the significant majority. Mr Sutherland said that it was an action plan on paper now, and that was where they had made a start, but that the review does include all high needs pupils. There is a comparison and review of top-ups across boroughs.

**Challenge:** Members asked if any school finance people were involved in the action plan work. Mr Sutherland responded that it was just local authority officers at the moment, but that at the next stage others will be involved. He added that there is no flexibility in the mainstream funding to change anything.

The special free schools planned for the borough may cause added pressures to the budgets as changes to ESFA funding may mean that the LA need to provide the base funding.

There is a review of the Growth funding. The local Authority will be seeking views from schools as to whether the growth criteria should change from autumn 2018 and whether there should be

- any growth in full (i.e. including empty places) and
- an adjustment for overcapacity in years 7 & 11.

The authority allocation for Growth Fund is £1.106m The DfE is considering options for funding growth in 2019/20 and beyond. Therefore at this stage it is not known how much funding will be received after 2018/19. The implications of this are that any reduction in funding would mean that there would either have to be:

- a reduction in the amount per pupil allocated through growth to match the resources available or

- a reduction in the schools block formula allocations for all schools (reflecting that we are still in a soft formula) to enable funds to be moved into the growth pot to match the resources required.
- 4.3

Royton and Crompton school had a deficit at 31<sup>st</sup> March 2018 of £0.312m. It is expected the school will be as close to a zero balance as possible at conversion (anticipated 01<sup>st</sup> September 2018).

To facilitate this budget position, the school received funding of £300k from schools specific contingency in 2017/18. The Director of Education has agreed that an allocation of a further £0.250m from the schools contingency be made in 2018/19 to fund the deficit

**Challenge:** There was a detailed discussion about the issues that had led to the school having such a large deficit prior to conversion and Mr Sutherland assured members that lessons had been learnt from this case.

**RESOLVED:** that Schools Forum

- (i) note the Dedicated Schools Grant outturn for 2017-18;
- (ii) note the disclosure of the Dedicated Schools Grant within the Council's statutory accounts;
- (iii) note the budget update 2018-19;
- (iv) note the possible additional budget pressures 2018-19 and possible impact on 2019-20 funding;
- (v) consider the funding of growth in future years and the impact on resources in the schools' block once further information is sent from the Local Authority; and
- (vi) have regard to the estimated closing budget position at the conversion of Royton and Crompton School to academy status.

## 5 SCHOOL BALANCES 2017-18

The total opening school balances for 2017-18 was £6.22m and this reduced to £5.54mm at the end of 2017-18. In 2017-18 two Primary schools and one Secondary school converted to academy status, taking £2.515m out of the schools' balances.

Included within the 2017/18 balances figure is, £0.045m which relates to surplus balances from 15/16 and 16/17, where schools had surplus balances above the permitted levels with no approval to carry the amounts forward.

In 2017-18 there were six schools with surplus balances. However, all these schools have plans for the balances and therefore have approval to carry these forward to 2018-19.

**RESOLVED:** that Schools Forum note the contents of the School Balances 2017-18 report.

**6 FORWARD PLAN**

The proposed agenda items for the following three Schools Forum meetings were provided to members.

The proposed dates of the meetings are, 11 September, 28 November 2018 and 17 January 2019.

(There being no further business, members were thanked for their attendance and the meeting was declared closed at 18.30pm).

Signed: \_\_\_\_\_  
Chair

Date: \_\_\_\_\_



# Report of the Director of Finance

## Item 3 – 2018/19 Dedicated Schools Grant update and 2019-20 Estimate Schools Forum – 11<sup>th</sup> September 2018

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### 1 Background

This report sets out the following:

- The 2018/19 Dedicated Schools Grant updated allocations
- An update for Schools Forum members on the deployment of the Dedicated Schools Grant in 2018/19
- An update of High Needs funding
- The estimated deployment of the Dedicated Schools Grant 2019/20
- The Growth Fund for 2018/19

### 2 2018-19 Updated Dedicated Schools Grant Settlement and Budget Update

2.1 The updated Dedicated Schools Grant settlement for 2018/19 was received on the 16<sup>th</sup> July 2018 and continues to be based on the four spending blocks:

- Schools block
- Central School Services block
- High Needs block
- Early Year's block

Also on 16<sup>th</sup> July, updated DSG allocations for 2017 to 2018 were received.

2.2 These new allocations now take account of the January 2018 census data and this is reflected in increased funding:

- For 2018/19, in total, extra funding of £1.201m has been received for Early Years. Of this sum £0.981m was allowed for in the figures previously presented at the Schools Forum meeting on 16<sup>th</sup> May 2018. Therefore there is extra funding of £0.220m which has been included in Table 3.
- The change to the Early Years block for 2017/18 totalling £0.751m has not been allowed for in figures presented at any previous meeting. It therefore means that this is additional resource and at this stage it has been added to the Growth Fund for 2018/19.

The detailed figures are presented in Tables 1 and 2 below.

**Table 1 – Increased Funding for 2018/19**

<b>Year</b>	<b>Funding Element</b>	<b>Amount £</b>
<b>2018/19</b>	3 and 4 year olds	93,942
	3 and 4 year olds working parents	991,096
	2 year old	133,109
	Early Years Pupil Premium	(17,240)
<b>Increase re 2018/19</b>		<b>1,200,907</b>
Less Funding Already Provided for		(981,058)
<b>Net Increase re 2018/19</b>		<b>219,849</b>

**Table 2 – Increased Funding for 2017/18**

<b>Year</b>	<b>Funding Element</b>	<b>Amount £</b>
<b>2017/18</b>	2 year old	78,143
	3 and 4 year olds	54,136
	3 and 4 year olds working parents	628,636
	Early Years Pupil Premium	(9,969)
<b>Increase re 2017/18</b>		<b>750,946</b>

- 2.3 Taking into account the funding included in the previous estimates, additional funding of £0.971m has been received
- 2.4 Table 3 below incorporates the additional Early Years allocations of £0.220m and £0.751m and shows the change in the DSG settlement from £240.236m reported to Schools Forum on 16 May 2018 compared to the latest notification of 16<sup>th</sup> July 2018 of £241.089m. Table 3 also includes a reduction to the High Needs Block of £0.118m for cross border movement for imports (pupils and students with high needs attending Oldham schools and colleges who live outside the borough) and exports (pupils and students with high needs who live in Oldham but attend schools and colleges outside the borough). Therefore in overall terms the DSG resources have increased by £853k.

**Table 3 – DSG Projected Outturn 2018/19**

	<b>DSG 2018/19 @ April 2018</b>	<b>DSG 2018/19 @ September 2018 Schools Forum</b>	<b>Change</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Schools Block (excludes Central Services)	185,894	185,894	0
Central Schools Services Block	3,001	3,001	0
Early Years Block	14,327	15,064	737
High Needs Block – pre/post 16	32,803	32,685	(118)
Two Year Olds' Funding	3,883	4,145	262
Early Years Pupil Premium	243	215	(28)
Early Years Disability Access Fund	85	85	0
<b>Total Resources</b>	<b>240,236</b>	<b>241,089</b>	<b>853</b>
<b>Budget Requirement</b>			
Individual Schools Budgets	185,894	186,726	832
Early Year Funding Delegated to Schools	6,111	6,111	0
High Needs Funding for Schools (incl Post 16)	24,746	25,733	987
<b>Total Delegated to Schools</b>	<b>216,751</b>	<b>218,570</b>	<b>1,819</b>
Central Schools Services	3,045	3,045	0
Central Early Years Services	1,297	1,297	0
Central High Needs Services	8,407	8,407	0
Three and Four Year old PVI's	7,110	7,164	54
Two Year Old Funding	3,692	3,876	184
<b>Total Retained Centrally</b>	<b>23,551</b>	<b>23,789</b>	<b>238</b>
Early Years Pupil Premium	243	225	(18)
Early Years Disability Access Fund	86	85	(1)
<b>Budget Requirement</b>	<b>240,631</b>	<b>242,669</b>	<b>2,038</b>
<b>(Deficit)</b>	<b>(395)</b>	<b>(1,580)</b>	<b>(1,185)</b>
Balance Brought Forward	(3,031)	(3,031)	0
<b>Revised Deficit/Change</b>	<b>(3,426)</b>	<b>(4,611)</b>	<b>(1,185)</b>

- 2.5 At the May 2018, Schools Forum was advised that it was expected that if there were no other revisions to the financial position there would be an in-year deficit for 2018/19 of £395k. This would have had the impact of increasing the cumulative deficit still further if recovery action was not introduced. Table 3 above shows a revised position with a significant increase (£1.185m) to the projected in year deficit of £1.580m. The main reasons for the DSG now showing a cumulative deficit of £4.611m for 2018/19 when at May 2018 it was forecasting a deficit of £3.426m, are highlighted in the following table.
- 2.6 Allocations have increased by £853k due to additional income for Early Years (see Tables 1 and 2). However, this is more than offset as the budget requirement has increased by £2.038m.
- 2.7 The detailed changes are shown in Table 4. However, some important changes between April and September budget positions are explained below and highlighted in Table 4 in yellow is the impact of the increases funding for 2017/18 as presented in Table 2.
- (1) An increase of £899k to Special School budgets (reflected as Note 1 in the Table) due to an increase of pupils going to special schools from September 2018 of which 49% have come from mainstream schools and 12% are new pupils going into nursery in special schools
  - (2) It is estimated there will be a significant budget increase of £519k for new EHCP plans for 2018-19 (Note 2)
  - (3) An increase to the growth fund of £751k (Note 3). It is important to note that if this extra funding is not needed during 2018-19, it will be used to offset the deficit.

**Table 4 – Changes since May 16<sup>th</sup> Schools Forum**

Reason	Pressure Amount (£m)	Savings Amount (£m)
<b>DSG Overspend 2017-18</b>	<b>(3,031)</b>	
Increase in 2 year old funding July 2018 re 2017-18		78
Reduction Early Years Pupil Premium re 2017-18	(10)	
Increase in 3 and 4 year old funding working parents re 17-18		629
Increase in 3 and 4 year old funding re 17-18		54
Increase in 3 and 4 year old funding above estimated amount included in School Forum paper 16 <sup>th</sup> May		54
Increase in 2 year old funding above estimated amount included in School Forum paper 16 <sup>th</sup> May		184
Reduction in Early Years Pupil Premium above estimated amount included in School Forum paper 16 <sup>th</sup> May	(18)	
Reduction for High Needs pupils – imports/exports	(118)	
Changes in growth ( <b>Note 3</b> )	(751)	
Increase in actual rates charges due to transitional relief for revaluations of schools	(81)	
Hathershaw resourced provision	(40)	
St Paul's resourced provision	(25)	
High Needs Contingency	(20)	

Kingsland additional funding	(4)	
Hollinwood non stateded pupils recoupment adjustment		13
Spring Brook <b>(Note 1)</b>	(217)	
New Bridge <b>(Note 1)</b>	(322)	
Hollinwood <b>(Note 1)</b>	(245)	
Kingfisher <b>(Note 1)</b>	(115)	
Stateded savings due to pupils moving to Special Schools		357
Adjustment for real time movements Special		150
Estimated Increase in forecast of EHCP's <b>(Note 2 )</b>	(519)	
3 and 4 year old funding above estimated amount included in School Forum paper 16 <sup>th</sup> May	(54)	
Increase in 2 year old funding above estimated amount included in School Forum paper 16 <sup>th</sup> May	(184)	
Reduction Early Years Pupil Premium		18
Reduction DAF		1
Deficit 16th May	(395)	
<b>TOTAL PRESSURES/SAVINGS</b>	<b>(6,149)</b>	<b>1,538</b>
<b>Estimated Deficit 2018/19</b>	<b>(4,611)</b>	

### 3. Additional Budget Pressures in 2018/19 & 2019/20

- 3.1 There will be some further requirements for additional schools funding from the DSG in 2018/19. The **possible additional pressures that are known** and may need to be addressed are set out in Table 5:

**Table 5 – Additional Pressures**

Reason	Pressure Amount (£000)		DSG Block
	2018/19	2019/20	
Pupil Referral Unit	(131)	(229)	High Needs
<b>TOTAL (PRESSURES)</b>	<b>(131)</b>	<b>(229)</b>	

Incorporating these changes into Table 3 would increase the deficit in the DSG to £4.742m for 2018-19

### 4. High Needs

- 4.1 Table 6 below shows an updated financial position for 2017/18 and 2018/19 High Needs expenditure in Oldham and compares this spending to 2015/16. It shows an increase in spending from 2015/16 to 2018/19 of £7.884m.
- 4.2 This provides evidence of the estimated shortfall of £1.454m for 2018/19 between the 2018/19 allocation of £32.685m (including £1.878m movement from the Schools Block) as shown in table 3 and the estimated spend on High Needs at September 2018 of £34.139m. The

estimated spend in table 3 is made up of £25.733 High Needs Funding for Schools and £8.407 Central High Needs Service.

- 4.3 The indicative allocation for the High Needs Block for 2019/20 is £31.953m. This is shown in the Schools Forum paper item 4. New School Funding Arrangements 2019/20 – part 1 (3.1). The estimated budget requirement for 2019/20 as shown in table 7 is £33.778m. This is made up of £25.371m High Needs Funding for Schools and £8.407 Central High Needs Service.
- 4.4 If this budget position prevails, then one means of addressing the issue would be to once again request the agreement of Schools Forum to move funds from the Schools to the High Needs Block up to the movement agreed by the Secretary of State for 2018/19. Schools Forum will recall that this has been discussed previously and considered an essential requirement.
- 4.5 In order to address the High Needs spending issues, work has been on-going to review:-
- Special School budgets
  - Resourced Provision
  - The pupil referral unit – Kingsland
  - Top ups for high needs pupils in mainstream schools

The outcome of these will be discussed at future meetings of Schools Forum

To illustrate the High Needs pressure, the table below shows the overall change in spend from 2015/16 to 2018/19 at a cost of £7.885m

**Table 6 – High Needs Budget Pressure**

	2015/16	2017/18	Change from 2015/16 to 17/18 January 18	2018/19 Estimate at September Schools Forum	Change from 2017/18 to 2018/19 at September 18
	£	£	£	£	£
Statements (EHCP'S)	3,880,910	5,226,066	1,345,156	6,362,329	1,136,263
Special Schools	12,239,764	14,475,708	2,235,944	15,514,626	1,038,918
Special schools Growth - econ of scale	568,458	27,709	(540,749)	0	(27,709)
PRU	1,337,016	1,511,504	174,488	1,555,404	43,900
Resourced	619,465	677,252	57,787	519,055	(158,197)
High Needs Contingency	79,450	69,529	(9,921)	20,183	(49,346)
Early Help		350,000	350,000	350,000	0
OOB	2,363,000	3,659,973	1,296,973	3,952,019	292,046
Central Education Support Services including HI/VI Services	4,104,650.00	4,104,649.00	(1)	4,104,649	0
Post 16	1,061,891	1,754,525	692,634	1,761,000	6,475
<b>Increase in spend 15/16 to 17/18</b>	<b>26,254,604</b>	<b>31,856,915</b>	<b>(a) 5,602,311</b>	<b>34,139,265</b>	<b>(b) 2,282,350</b>

Change 2015/16 to 2017/18	(a)	£5,602,311
Change 2017/18 to 2018/19	(b)	£2,282,350
<b>Total Change</b>		<b>7,884,661</b>

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4.6 There is a requirement for the DSG to be brought back into balance as soon as possible and Authority officers are currently working on a DSG financial recovery plan. This will be the subject of reports to future meetings of Schools Forum.

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## **5. 2019/20 Budget Update**

- 5.1 The table below shows the estimated budget for 2019/20 and a comparison to the 2018/19 budget.
  
- 5.2 The actual resources for 2019/20 will be known in late December so the position will change



5.3 These 2019/20 projections are based on the following estimates and include estimated additional income for pupils in Oasis Leesbrook and Northmoor at October 2018 census as these will be on the October 2018 census and so will form part of 2019/20 funding. The costs for these have also been included. Estimates are:

<b>Table 7 – DSG out turn 2018/19 &amp; 2019/20</b>	<b>DSG 2018/19 @ September 2018 Schools Forum £000's</b>	<b>DSG 2019/20 @ September 2018 Schools Forum £000's</b>	<b>Change  £000's</b>
Schools Block (excludes central services)	185,894	188,843	2,949
Central Schools Services Block	3,001	2,985	(16)
Early Years Block	15,064	14,381	(683)
High Needs Block – pre/post 16	32,685	33,860	1,175
Two Year Olds' Funding	4,145	4,067	(78)
Early Years Pupil Premium	215	225	10
Early Years Disability Access Fund	85	85	0
<b>Total Resources</b>	<b>241,089</b>	<b>244,446</b>	<b>3,357</b>
<b>Budget Requirement</b>			
Individual Schools Budgets	186,726	188,844	(2,118)
Early Year Funding Delegated to Schools	6,111	6,111	0
High Needs Funding for Schools (incl Post 16)	25,733	25,371	362
<b>Total Delegated to Schools</b>	<b>218,570</b>	<b>220,326</b>	<b>(1,756)</b>
Central Schools Services	3,045	3,045	0
Central Early Years Services	1,297	1,297	0
Central High Needs Services	8,407	8,407	0
Three and Four Year old PVI's	7,164	7,164	0
Two Year Old Funding	3,876	3,876	0
<b>Total Retained Centrally</b>	<b>23,789</b>	<b>23,789</b>	<b>0</b>
Early Years Pupil Premium	225	225	0
Early Years Disability Access Fund	85	85	0
<b>Budget Requirement</b>	<b>242,669</b>	<b>244,425</b>	<b>(1,756)</b>
<b>(Deficit)/Surplus</b>	<b>(1,580)</b>	<b>21</b>	<b>1,601</b>
Balance Brought Forward	(3,031)	(4,611)	(1,580)
<b>Revised Deficit/Change</b>	<b>(4,611)</b>	<b>(4,589)</b>	<b>21</b>

- An additional 150 pupils have been included for Oasis Leesbrook from September 2019.
- Implicit growth of **£1.041m** has been included on the same basis as for 2018/19 on revised numbers for Oasis Leesbrook and Northmoor, however we will not know if this will be received until later in the autumn term 2018.
- Income for explicit growth of £1.2m has been included. This is the same level as 2018/19, however we will not know the amount for 2019/20 until later in the Autumn Term 2018
- Growth expenditure has been reduced by £146k in the table below to £961k.
- Statemented budget has been included as for 2018/19
- The projection for 2019/20 does not include any additional funding required for the Pupil Referral Unit 2018/19 and 2019/20.
- The projection assumes the **1% movement to High Needs is agreed again** for 2019/20

## 6. Growth Funding

6.1 The growth fund is to support pupil growth relating to Local Authority planned basic need. The current estimated allocation of places from the growth fund for 2018/19 is shown below. This includes the £751k extra resources as discussed earlier (as highlighted in yellow).

School	As per Schools Forum January 18 £	Estimated numbers @ September 18 Schools Forum £	Difference £
Yew Tree Primary	48,778	45,526	(3,252)
Greenfield	16,260	16,259	(1)
EC St George's	48,778	1,625	(47,153)
Mills Hill	48,778	48,778	0
Propps Hall	16,259	16,259	0
Watersheddings	24,389	24,389	0
Holy Trinity Dobcross	8,130	6,504	(1,626)
Christ Church Denshaw	0	8,130	8,130
St Herberts	8,130	1,626	(6,504)
Limeside	48,778	47,152	(1,626)
The Blue Coat School	107,738	107,738	0
Crompton House	66,477	66,477	0
Failsworth	0	22,923	22,923
North Chadderton	68,769	68,769	0
Oasis Leesbrook	491,111		(491,111)
Saddleworth	22,923	22,923	0
Oasis Leesbrook April to August	106,428	106,428	0
Adjustments for significant growth	0	79,701	79,701
Growth to be allocated	260,011	232,933	(27,078)
Anticipated adjustment from ESFA	0	131,037	131,037
Diseconomies of scale - Northmoor	0	23,549	23,549
Yew Tree – Bulge Class	0	27,873	27,873
<b>Additional Growth Early Years</b>		<b>751,000</b>	<b>751,000</b>
<b>Total Estimated Cost</b>	<b>1,391,737</b>	<b>1,857,599</b>	<b>465,862</b>

6.2 The above schools will be allocated actual funding based on the October 2018 census.

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## 7 Conclusion

7.1 The proposed DSG budget for 2018-19 for each funding block is set out below and comparing resources available to resources allocated, this leaves a projected in year deficit of £1.580m.

Block	Allocation 2018-19 £000	Proposed Budget 2018-19		
		Retained £000	Delegated £000	Total £000
<b>Schools inc ESG</b>	<b>185,894</b>	0	186,726	186,726
<b>Central Schools Block</b>	<b>3,001</b>	3,045	0	3,045
<b>Early Years</b>	<b>19,509</b>	12,647	6,111	18,758
<b>High Needs</b>	<b>32,685</b>	8,407	25,733	34,140
<b>Total Funding</b>	<b>241,089</b>	<b>24,099</b>	<b>218,570</b>	<b>242,669</b>

7.2 Schools Forum is requested to:

- Note the latest settlement of Dedicated Schools Grant for 2018/19 of £241.089m (See Table 3)
- Approve the latest deployment of Dedicated Schools Grant 2018/19. (See Table 3)
- Note the changes to the DSG allocation for 2017/18 and 2018/19. (See section 2)
- Note there is currently an estimated cumulative overspend of £4.611m on the DSG for 2018/19. (See Table 3)
- Note the possible additional budget pressures 2018/19. (See section 3)
- Note the High Needs Budget pressure. (See Table 6)
- Note the 2019/20 budget update. (See Table 7)
- Note the requirement to bring the DSG back towards a balanced position especially given the new requirement to provide a report to the DfE on the proposed action (see agenda item 4 part 1)

## Report of the Director of Finance

### Item 4. New School Funding Arrangements 2019/2020 – Part 1 – DSG Funding Announcements

#### Schools Forum – 11<sup>th</sup> Sept 2018

#### 1. Purpose of the Paper

- 1.1 This paper is to inform members of the main changes to schools funding for 2019/20, as per recent announcements from the Education and Skills Funding Agency (ESFA), in comparison to 2018/19.

#### 2. Background

- 2.1 At the end of July, the main Schools Funding announcements were released by the Education and Skills Funding Agency (ESFA). The below gives a summary of the main changes.

#### 3. School Funding Levels 2019/20

- 3.1 The 2019/20 schools National Funding Formula (NFF) will be broadly the same as 2018/19 NFF. The table below summarises the indicative funding levels for 2019/20 for the various blocks and shows the comparison to 2018/19 funding levels. Amounts are indicative as funding is based on October 2017 pupil numbers and will be confirmed once the October 2018 census is available in December 2018.

Block	2018/19 (£)	2019/20 Indicative Amount (based on Oct. 2017 census) (£)	Change from 2018/19 (£)
<b>Schools</b>	187,771,905	188,937,035	1,165,130
<b>High Needs</b>	30,925,000	31,952,327	1,027,327
<b>Central Schools</b>	3,000,789	2,984,865	(15,924)
<b>Total</b>	<b>193,865,194</b>	<b>223,874,227</b>	<b>2,176,533</b>

The above figures exclude the Early Years Block.

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Final allocations for 2019/20 will be calculated following the October 2018 census in December 2018 and will include LA allocations through the new growth factor. In overall terms £2.176m of extra resources are anticipated at this stage.

### 3.2 Schools Block Funding Announcements

The NFF for 2019/20 will be based on the following:

- 3.2.1 Minimum per pupil funding levels set at £3,500 and £4,800 for primary and secondary schools respectively. Oldham implemented minimum funding levels of £3,300 and £4,600 in 2018/19. The cost to implement this in 2018/19 was £60k, due to only one school not meeting MFL levels. In 2019/20 the cost of implementing the increased minimum per pupil funding levels would be £868k, however these schools would get further Minimum Funding Guarantee (MFG) protection of £543k (if there was a positive MFG of 0.5%) if this was not implemented.
- 3.2.2 All schools receiving a 1% per pupil gain against 2017/18 baselines.
- 3.2.3 Underfunded schools can gain a further 3% per pupil, on top of the 3% in 2018/19.
- 3.2.4 The most substantial change in 2019/20 will be the introduction of a formulaic approach to the growth factor
- 3.2.5 A growth factor will be introduced from 2019/20 to determine each Local Authority's allocation.
- 3.2.6 The High Needs Block has changed from the illustrative allocation September 2017 due to changes in pupil and student numbers (basic entitlement factor change) and their movement between Local Authorities (LA) (import/export) factors.

### 3.3 High Needs Block Funding Announcements

- 3.3.1 The gains cap increases to 6.09% in 2018/19 compared to 2017/18 baselines. Oldham's increase before the cap is 7.6%. Actual allocation for High Needs will change further for changes in pupil and student numbers and their movement between Local Authorities through basic entitlement factor update and import/export adjustment. There are also further changes to the High Needs funding formula e.g. Special free school place funding, Hospital education and Post 16 high needs funding.

### 3.4 Other Funding Announcements

- 3.4.1 Block movements – where the Department for Education (DfE) has previously approved a request to move more than 0.5%, and where there is continuing Schools Forum agreement to the transfer, the Local Authority does not need to submit a further request for 2019/20, up to the level previously approved. Schools Forum will recall the 1% movement agreed for 2018/19.
- 3.4.2 For 2019/20, there will be a new approach for allocating funding to Local Authorities to support schools with significant in-year growth in pupil numbers. Local Authorities will be funded according to actual levels of pupil number growth, rather than on the basis of historic spend. Growth allocations will be protected so a Local Authority cannot see a decrease of greater than 0.5% of the Schools Block. For Oldham this is £939k. Growth allocations for 2019/20 will be based on pupil data from the October 2018 census. Growth allocations will be part of the Dedicated Schools Grant (DSG) allocation in December 2018. Further information will be provided in the autumn term to Local Authorities to assist in predicting the

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growth allocation for 2019/20. This will affect both implicit and explicit growth. This area is crucial to the affordability of 0.5% increase for schools. In 2018/19 Oldham received £1.914m. At this stage no implicit growth funding has been included in formula modelling.

- 3.4.3 From 2019/20 the DfE will tighten the rules governing deficits in Local Authorities' overall DSG accounts. Local Authorities will be required to send the DfE a report where the DSG deficit is more than 1% as at March 2019. This report will need to be discussed with the Schools Forum. The DfE will consult local authorities during autumn 2018 about the detailed implementation of these new rules. Based on the current position Oldham would be required to report to DfE.
- 3.4.4 Historic commitments in 2019/20 will be allocated at the same level as in 2018/19. From 2020/21 the DfE expect to start to reduce the historic commitments element of the central school services funding block where authorities' expenditure has not reduced. Any savings from a reduction made to historic commitments can be used elsewhere in 2019/20.
- 3.4.5 The soft formula will continue to 2020/21 allowing the movement between blocks.
- 3.4.6 A Teachers Pay Grant to be introduced from 2018/19. This will cover in full, the difference between the 2018 teachers pay award and the cost of the 1% award under the previous public sector cap.
- 3.4.7 Free School Meals supplementary grant – due to the roll out of Universal Credit, an income based threshold was introduced. As a result the number of pupils eligible for free school meals will increase. This grant is for 2018/19 and 2019/20 and is to provide schools with extra funding to help them meet the higher costs of providing extra meals before the lagged funding system catches up. The grant will be determined by the difference between the number of meals taken by pupils eligible for free school meals in a school as recorded October 2018 and October 2017 census.

## 4. Conclusion

Members are asked to note the contents of this report.

## **Report of the Director of Finance**

### **Item 4. New School Funding Arrangements 2019-2020 – Part 2 Schools Block Funding**

#### **Schools Forum – 11<sup>th</sup> Sept 2018**

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#### **1. Purpose of the Paper**

- 1.1 The purpose of the paper is to provide members with an overview of Oldham's 2018/19 Schools Block formula factor values in comparison to those chosen by other Local Authorities as at March 2018 with reference to the National Funding Formula.

#### **2. Background**

- 2.1 The financial year 2018/19 saw the introduction of the National Funding Formula (NFF). This reform means that for the first time, school funding is being distributed to Local Authorities according to a formula based on the individual needs of every school in the country.
- 2.2 In order to provide stability for schools during the transition to the NFF, originally the Education and Skills Funding Agency (ESFA) confirmed that Local Authorities will continue to be responsible for distributing money between schools in their area up to 2019/20, this has since been extended to 2020/21.
- 2.3 In January 2018, Local Authorities submitted their local Schools Block Funding Formulae to the ESFA. The ESFA completed an analysis of all Local Authorities' formulas and published a document in July 2018 which summarised this analysis.

#### **3. Analysis of Oldham's School Formula Compared to The National Funding Formula**

- 3.1 The DfE released a document in July 2018 "Schools Block Funding Formulae 2018/19" which provided an overview of the 2018/19 formula factor values chosen by Local Authorities as at March 2018 in comparison to the NFF.

3.2 The table below gives a comparison between Oldham's School formula for 2018/19 and the NFF. The Oldham position in contrast to other local authorities is set out in section 3.

<b>Factor</b>	<b>National Funding Formula 18/19 (£ per pupil)</b>	<b>Oldham (£ per pupil)</b>	<b>Variation (£ per pupil)</b>	<b>Total Funding allocated by Oldham £</b>	<b>% of Total Funding Allocated</b>
<b>Basic Entitlement</b>					
Primary	2,747	2,787	40	67,819,643	36.70%
Secondary - KS3	3,863	3,929	66	37,392,667	20.24%
Secondary - KS4	4,386	4,404	18	26,034,645	14.09%
<b>Minimum per pupil Funding Level</b>					
Primary	3,300	3,300	Same as NFF	0	0%
Secondary	4,800	4,600	(200)	59,880	0.03%
<b>Deprivation</b>					
FSM Primary	440	440	Same as NFF	1,822,486	0.99%
FSM Secondary	440	440	Same as NFF	1,173,497	0.64%
FSM 6 Primary	540	540	Same as NFF	3,962,476	2.14%
FSM 6 Secondary	785	785	Same as NFF	4,415,477	2.39%
Primary IDACI Band F	200	N/A	N/A	N/A	N/A
Secondary IDACI Band F	290	N/A	N/A	N/A	N/A
Primary IDACI Band E	240	N/A	N/A	N/A	N/A
Secondary IDACI Band E	390	N/A	N/A	N/A	N/A
Primary IDACI Band D	360	360	Same as NFF	1,296,875	0.70%
Secondary IDACI Band D	515	515	Same as NFF	1,092,583	0.59%
Primary IDACI Band C	390	390	Same as NFF	986,109	0.53%
Secondary IDACI Band C	560	560	Same as NFF	760,402	0.41%
Primary IDACI Band B	420	420	Same as NFF	1,380,308	0.75%
Secondary IDACI Band B	600	600	Same as NFF	1,266,037	0.69%
Primary IDACI Band A	575	575	Same as NFF	708,299	0.38%



Secondary IDACI Band A	810	810	Same as NFF	563,140	0.30%
<b>Low Prior Attainment</b>					
Primary	1,050	983	(67)	10,047,994	5.44%
Secondary	1,550	1,437	(113)	4,797,198	2.60%
<b>English as an additional Language</b>					
English as an additional language: Primary	515	515	Same as NFF	2,640,311	1.43%
English as an additional language: Secondary	1,385	1,385	Same as NFF	811,391	0.44%
<b>Mobility</b>	Cannot be compared as allocated on historic spend		N/A	23,355	0.01%
<b>Lump Sum</b>					
Lump Sum: Primary	110,000	108,864	(1,136)	9,362,304	5.07%
Lump Sum: Secondary	110,000	108,864	(1,136)	1,369,872	0.74%
<b>Sparsity</b>					
Sparsity: Primary	25,000	N/A	N/A	0	0%
Sparsity: Secondary	65,000	N/A	N/A	0	0%
<b>Premises</b>	Cannot be compared as allocated on historic spend		N/A	3,964,982	2.15%
<b>Total Funding Before MFG</b>				<b>183,751,932</b>	<b>99.44%</b>
MFG				1,035,655	0.56%
<b>Total Funding Post MFG</b>				<b>184,787,587</b>	<b>100%</b>

### 3.3 Overall Summary

The data in the 2018 “Schools Block Funding Formulae 2018/19” document highlights the following out of 152 Local Authorities:

- 41 Local Authorities’ (27%), 2018/19 formula mirrors the NFF almost exactly.
- 62 Local Authorities (40%) set their minimum funding guarantee (MFG) at 0.5% or above.
- 112 Local Authorities, (74%) introduced a minimum per pupil funding factor.

In terms of the above, Oldham reflects the picture nationally as it has also closely mirrored the NFF, set an MFG of 0.5% and introduced a per pupil minimum funding factor.

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### 3.4 Pupil Led Formula Factors

#### 3.4.1 Basic Per Pupil Entitlement

Overall, the proportion of funding being spent on this factor ranges from 59% to 89%, with 50% of Local Authorities allocating between 75% and 80%. Oldham allocates 71% of its funding through this factor.

Oldham is 1.5% over the NFF values for basic entitlement. The Local Authority is currently considering whether moving fully to NFF values is affordable and is modelling the effect on all schools.

#### 3.4.2 Deprivation

Income Deprivation Affecting Children Index (IDACI) – this is a measure of income deprivation and identifies the proportion of children in out of work households or on low incomes.

All but 5 Authorities are using this factor in their formula. 19% of Local Authorities are using it to allocate more than 6% of their total funding. Oldham has chosen to use the highest 4 bands and has moved in full to the NNF values. Oldham is allocating 4.36% of its funding through this factor and therefore are within the majority of Local Authorities who allocate less than 6% of their total funding through IDACI.

#### 3.4.3 Prior Attainment

This factor is optional but it is included in the NFF. The “Schools Block Funding Formulae 2018/19” document shows a significant movement of all Local Authorities towards the NFF values. Oldham has moved 93% of the way towards a full movement to the NFF values.

72% of Local Authorities are allocating between 5% and 10% of their schools block funding through this factor. Oldham allocates 8% of its funding through this factor and therefore is in the middle of this range.

#### 3.4.5 English as an Additional Language (EAL)

The use of this factor is optional but is included in the NFF. All but 3 Local Authorities have chosen to use this factor in their formulae. Oldham has chosen to use the number of pupils with EAL who entered the compulsory school system in the last three years and has moved completely to the NFF values. Oldham allocates 1.87% of its funding through this factor. Across all Local Authorities 1.1% of funding is allocated through this factor.

#### 3.4.6 Mobility

Use of this factor is optional and only 63 Local Authorities have chosen to use it. It is funded on a “historic basis” and therefore the proportion of authorities using this factor has remained relatively stable compared to 2017/18.

Oldham only allocates 0.01% of its funding through this factor.

#### 3.4.7 Total Pupil Led Funding

A requirement of the 2018/19 formulae is across each authority, as a whole a minimum of 80% of school block funding must be allocated through these factors. The majority of Local Authorities are allocating between 88% and 94% of their funding through these factors. Oldham is allocating 91% of its funding and is therefore in the middle of this range.

### 3.5 School Led Factors

#### 3.5.1 Lump Sum

This factor is optional although every local authority has chosen to use it in their 2018/19 formulae. Most Local Authorities have chosen to use the NFF value of £110,000 or a value very close to it. A total of 78% of Local Authorities have selected equal primary and secondary lump sum amounts, 14% have selected a greater secondary lump sum than

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primary and 7% have selected a greater primary lump sum than secondary. Oldham has moved 99% of the way towards the NFF values for both primary and secondary.

Overall, Local Authorities are allocating 7.3% of their funding through this factor whereas Oldham allocates 5.81%. The reason for this difference is due to the fact that 15 Authorities are allocating the maximum of £175,000 for either their primary and/or secondary lump sum which is effectively increasing the average percentage. Therefore, if the effect of this was removed Oldham would be close to the average funding allocation through this factor.

### 3.5.2 Sparsity

Oldham does not use this factor in its funding formula as it does not have any schools meeting the eligibility thresholds for funding through this factor.

### 3.5.3 Minimum Funding Levels (MFL)

A total of 75% of Authorities used this factor in 2018/19. A total of 52% used the NFF rate for primaries and 52% also used the NFF rate for secondaries.

Based on affordability, Oldham currently uses the full NFF values for primaries and is 96% of the way towards using the NFF value for secondaries.

### 3.5.4 Minimum Funding Guarantee (MFG)

The MFG protects the per pupil funding of schools from one year to the next. For 2018/19 Authorities can choose to set a rate between -1.5% and 0.5%. Therefore, any change in the per pupil funding amount in 2017/18 compared to 2018/19 for an individual school can be capped and scaled at a level set by the Local Authority.

A total of 68% of Authorities have chosen either zero or a positive MFG threshold and 41% selected a 0.5% threshold mirroring the NFF funding floor protection. Oldham uses the NFF funding floor protection of 0.5% and is therefore ensuring that all schools see an increase of at least 0.5% in their pupil led funding.

### 3.5.5 Primary: secondary funding ratios

The overall ratio nationally across all local authorities is 1:1.296. Oldham's ratio is 1:1.286 and therefore is the very close to the national ratio. This calculation excludes the effects on schools' funding of applying the MFG.

## 4. Conclusion

4.1 Oldham has moved fully to the NFF values in all but 4 of 14 factors (Basic Entitlement, IDACI, Lump Sum and Minimum Funding Levels).

4.2 Until 2020/21 Oldham has the flexibility to set its own funding formula in order to distribute the schools block allocation. A full move to the NFF in 2019/20 would mean that Oldham would not be able to meet the High Needs pressures which currently exist. In order to move the required 1% of the Schools' Block (c£1.9m) to the High Needs Block, to fund the current forecasted deficit, the Schools Block formulae would be required to mirror 2018/19 values. Schools Forum will recall discussions at previous meetings where the confirmed movement between blocks has been considered an essential requirement. The Local Authority will be consulting with schools and will be holding meetings with Fair Funding Group representatives early in the Autumn in order to make decisions about the 2019/20 schools block funding formula. The final decision will be made at Cabinet by Elected Member in December 2018.

4.2 Members are asked to note the contents of this report.

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## Report of the Director of Finance

### Item 5– Forward Plan

**11th September 2018**

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Proposed agenda items for the next 2 meetings are set out below:

**28<sup>th</sup> November 2018**

<b>Item</b>	<b>Purpose</b>	<b>Officer Responsible</b>
School Funding Update	To discuss the National Funding Formula	Finance Team
Estimated DSG Budget 2019/20	For School Forum members to consider the budget issues from 2018/19 budget	Finance Team
Comprehensive Spending Review	To update members	Finance Team
School Forum operational and good practice	To update members	Finance Team
Schools Financial Value Standard	Inform members of the position of Oldham schools	Finance Team

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17<sup>th</sup> January 2019

<b>Item</b>	<b>Purpose</b>	<b>Officer Responsible</b>
Pupil Premium 2019/20	To update members	Finance Team
High Needs Funding update	To update members	Finance Team
School Funding Update	To discuss any proposed formula changes and update members	Finance Team
Formula Modelling	To agree formula changes and update members	Liz Caygill
DSG Final Settlement 2019/20	To update members	Finance Team
Contribution to funding of the Early Help service	To seek support for a continued contribution of £350k in 2019/20	Communities and Early Intervention Team

**Proposed Meeting Dates 2018/19**

28<sup>th</sup> November 2018

17<sup>th</sup> January 2019

There will be other items presented as appropriate

**Action**

Schools Forum are requested to note the contents of this report