

Total Membership 25
The Forum is quorate if at least 40% (10) of the members are present



London Borough of Waltham Forest SCHOOLS FORUM

Day/Date/Time	Venue
Wednesday 13 th September 2017 Tea/Coffee and Light Refreshments: 5:00pm Main Meeting: 5:30pm	Council Chambers, 1 st Floor, Waltham Forest Town Hall Forest Road Walthamstow E17 4JF
Contact:	Telephone / Email:
Virginia Flavius Clerk to Schools Forum	meetingsandevents@walthamforest.gov.uk
Maintained Primary Headteacher Representatives (4)	
Jane Harris	Edinburgh Primary
Kate Jennings	Mission Grove
Lindsey Lampard	Chingford CofE Primary
Linda Adair	Henry Maynard Primary School and Nursery
Primary Academies and Primary Free Schools Representatives (4)	
Maureen Okoye (Vice-Chair)	Davies Lane Primary Academy & Selwyn Primary
Matt Hanks	Roger Ascham Primary Academy
Lynne Harrowell	Larkwood Primary Academy
Anne Powell	Riverley Primary
Maintained Primary Governor Representatives (3)	
Greta Akpeneye	Thorpe Hall Primary
CLlr Aktar Beg	Edinburgh Primary
Thomas Goodall	Edinburgh Primary
Nursery School Representative (1)	
Sandra Campbell	Church Hill Nursery School and Children's Centre & Low Hall Nursery School and Children's Centre
Maintained Secondary Headteacher Representatives (3)	
Grainne Smyth	Leytonstone School
Lynnette Parvez	Kelmscott School
Shona Ramsay (Chair)	The Lammas School
Secondary Academies and Secondary Free Schools Representatives (3)	
Mark Morrall	Rushcroft / Chingford Foundation
Gareth Cross	Connaught School for Girls
Rob Pittard	Norlington School for Boys
Maintained Secondary Governor Representative (1)	
Ian Moyes	Heathcote School
Special School and Special Academies Representative (1)	
Gary Pocock	Hornbeam Academy
PRU(1)	
Julian Lee	Hawkswood Group
Non School Members (4)	
Early Years Providers	Sarah Kendrick (Redwood Pre-School)
16-19 Providers	Penny Wycherley (Waltham Forest College)
Trade Unions	Steve White (NUT)
Diocesan	Moira Bishop (Brentwood Diocese)

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AGENDA

Agenda Item	Report Name	Report Authors
1	Welcome all and Apologies	Chair
2	Declaration of Interest	All
3	Minutes of the Meeting held on 22 nd February 2017	Chair
3.1	Matters Arising	Chair / Duncan James-Pike
4	Outturn Report	Raina Turner
5	2018-19 Budgets	Duncan James-Pike
6	Secondary Bulge Classes	Duncan James Pike / Brendan Wells
7	ESG Exit Strategy Update	David Kilgallon
8	Any Other Business	All
9	Date of Next Meeting: Wednesday 11 th October 2017 5:30pm (Light refreshments from 5:00pm) Council Chambers, Waltham Forest Town Hall	All

MINUTES OF SCHOOLS FORUM MEETING**Wednesday 22 February 2017****Venue, Waltham Forest Town Hall****5:30 – 7:00pm**

ATTENDEES	CONSTITUENT
Shona Ramsay	Chair of Schools Forum and Secondary Headteacher Representative
Carole Demol	Clerk to Schools Forum Carole.Demol@walthamforest.gov.uk 020 8496 3449
Maintained Primary Headteacher Representatives (4)	
Jane Harris	Edinburgh Primary
Kate Jennings	Mission Grove School
Lindsey Lampard	Chingford CofE Primary
Linda Adair	Henry Maynard Primary School and Nursery
Primary Academies and Primary Free Schools Representatives (4)	
Maureen Okoye (Vice-Chair)	Davies Lane Primary Academy & Selwyn Primary Academy
VACANCY	
Lynne Harrowell	Larkwood Primary Academy
Anne Powell	Riverley Primary Academy
Maintained Primary Governor Representatives (2)	
Cllr Akhtar Beg	Edinburgh Primary
Thomas Goodall	Edinburgh Primary
Nursery School Representative (1)	
Sandra Campbell	Church Hill Nursery School and Children's Centre & Low Hall Nursery School and Children's Centre
Maintained Secondary Headteacher Representatives (3)	
Lynnette Parvez	Kelmscott School
Grainne Smyth	Leytonstone School
Secondary Academies and Secondary Free School Representatives (3)	
Mark Morrall	Rushcroft / Chingford Foundation

Gareth Cross	Connaught School for Girls
Rob Pittard	Norlington School for Boys
Maintained Secondary Governor Representative (1)	
Ian Moyes	Heathcote School
Special School and Special Academies Representative (1)	
Gary Pocock	Hornbeam Academy
PRU (1)	
Julian Lee	Hawkswood Group
Non-School Representatives (4)	
Sarah Kendrick	Redwood Pre-School – Early Years Provider
Steve White	Trade Unions (NUT)
Penny Wycherley	Waltham Forest College representing the 16-19 Providers Sector
Moira Bishop	Diocesan
LBWF Officers	
Linzi Roberts-Egan	Deputy Chief Executive, Families and Homes Directorate
Andrew Beckett	Assistant Director - Inclusion
Duncan James-Pike	Strategic Finance Advisor – Children and Young People Services
Raina Turner	Head of Finance Families Group (Schools and Education Services)
John Darnbrook	Programme Manager – Transformation Team – delete if no attendance
Eve McLoughlin	Head of Education Support
Lindsay Jackson	Education Business Consultant
Sanjaya Gunatilake	DSG Accountant
Shehwar Sultan	High Needs Accountant
Observers	
Shermaine Lewis	Frederick Bremer School
Sumera Beg	Chingford CoFE Primary

Minutes

1. Welcome all and Apologies

The Chair welcomed all to the meeting

Clerk received the following apologies:

Kate Jennings, Mission Grove (replaced by Paul Ryan)

Lynette Parvez, Kelmscott School (replaced by Zoe Cozens)

Gareth Cross, Connaught School for Girls

Julien Lee, Hawkswood Group

Penny Wycherley, Waltham Forest College 16-19 Providers

Moira Bishop, Diocesan

2. Declaration of interest

There were none

3. Minutes of the last meeting held on Wednesday 14 December 2016

The minutes of the last meeting were reviewed for accuracy.

3.1 Matters Arising

There were no matters arising

4. Early Years Funding Blocks-provision for the free education for 2, 3 and 4 year olds for 2017-18 and feedback from consultation

Recommendations:

That Schools Forum agrees:

- That the final hourly rates and indicative budget shares as set out in Appendix A and B should form the basis of monthly allocations to all Early Years providers in 2017-18.
- The proposed procedure for the collection of data and adjustment to budget shares in 2017-18 as set out in section 5.
- To the funding rates for 2, 3 and 4 year olds as set out in Appendix I for 2017-18 and the control total for 2017-18 as set out in Appendix H

That Schools Forum notes:

- The feedback from final consultation as set out in Appendix D and E.

- That final outturn expenditure figures for the 2016-17 early years block funding are not available currently, but that the early years underspend reserves will be used in respect of any 2016-17 overspend or clawback from the early years block by the DfE/EFA (e.g. an £80k reduction in the 2016-17 Early Years Block allocation for 3 to 4 year olds that was actioned in January 2017). Further details on the early years underspend reserves will be provided to Schools Forum when accurate year-end expenditure is available.
- That the Early Years Task and Finish Group (EYTFG) will review the use of early years reserves underspend in February 2017 and report back to Schools Forum.
- That the LA is compliant with the DfE 93% pass through rate as outlined in the compliance tool as set out in Appendix C.
- The EYFF per pupil rates 2016-17 as set out in Appendix G.

All members of the panel approved.

Votes

15 agrees

0 against

0 Abstentions

5. Update on Local Funding Formula and Growth Fund for 2017-18

This report updates Schools Forum on the revised allocation of funding for 2017-18 for the Schools Block due to amendments requested by the Education Funding Agency (EFA) for growing schools.

This change increases the pupils funded via the Local Funding Formula from 37,881.00 to 37,970.83, an increase of 89.83 pupils. Using the current AWPU and other pupil led factors, this requires an additional funding of £0.479 million.

This change updates some individual school budget allocations reported at the Schools Forum in January 2017 due to the operation of the capping to fund the Minimum Funding Guarantee.

Recommendations:

To meet the shortfall of £0.479 million in the current control total by reducing the Growth Fund contingency from £0.772 million to £0.293 million.

Votes

14 agreed

0 against

1 Abstention

6. High Needs National Funding Formula – Government Response and New Proposals for Consultation-Stage Two

On 14 December 2016 the Department for Education (DfE) announced their response to stage one of the High Needs National Funding Formula (HN-NFF) consultations. This report provides an update of the government's decisions on the proposals set out in stage one of the consultation; and the proposals set out in stage two of the consultation that will determine funding allocations from Finance Year (FY) **2018-19**.

The DfE have published illustrations of the impact of the proposed NFF on Local Authority (LA) funding. Appendix A to this report shows the indicative high needs allocation that Waltham Forest will receive under the proposed formula compared against FY 2016-17 base allocations.

Recommendations

Schools Forum notes:

- The DfE response to the first stage of the consultation on changes to high needs funding.
- The DfE proposals on the weightings in the high needs funding formula that will determine funding allocations from 2018-19.
- The DfE proposal to support the implementation of the new funding arrangements in local areas, including support for local authorities.

Actions

- To draft response for the Head teachers' Meeting in March 2017. Draft to be ready for Friday 3 March.

All members of the panel approved and noted.

7. Update on National Funding Formula Consultation Stage 2

The DfE issued stage 1 of their consultation on the National Funding Formula in March 2016. Stage 1 set out the principles, role of the LA and the factors to be included.

This report updates Schools Forum on the proposals in Stage 2 of the consultation. Stage 2 consults on the weightings of the factors, limits on losses and gains, transitional protection, and central school services.

Responses to the DfE from schools and LAs are due 22 March 2017.

1. Question: 2020-will schools lose funding?

Answer: Illustrated in Appendix A

2. Question: How much is based on the geographic funding?

Answer: This is illustrated by the Area Cost Adjustment in Appendix B.

3. Question: When is the report out? Do we need serious strategic discussions to discuss these changes further?

Answer: hopefully before the summer recess, but no date yet. Schools needs to plan to lose approximately 1.5% of their budgets.

Recommendations

Schools Forum to note

- Response to the stage 2 of the consultation is due to the DFE by 22 March 2017.
- A Central Schools Services Block will be introduced in 2018-19.
- There will be a ring fenced schools block.
- The NFF will be introduced in 2019-20 and 2018-19 will be a transitional year.
- The NFF will have two elements: pupil based and school based.
- The Pupil based element will be calculated by the DFE and issued to the LA. The school based element will be allocated by the LA locally.
- In the transition year the LA will run the LFF within the aggregate budget based on 2017-18 using the NFF factors.

All members of the panel approved and noted.

7 Any Other Business

None

8 Date of Next Meeting

The next meeting shall take place in June 2017 at 5:30pm. Date will be confirmed.

Schools Forum 22 February 2017

Summary of Decisions

Item 4. Early Years Funding Block – provision for the free education for 2, 3 and 4 year olds for 2017-18 and Feedback from consultation

Schools Forum agreed:

- 2.1.1 That the final hourly rates and indicative budget shares as set out in Appendix A and B should form the basis of monthly allocations to all Early Years providers in 2017-18.
- 2.1.2 The proposed procedure for the collection of data and adjustment to budget shares in 2017-18 as set out in section 5.
- 2.1.3 To the funding rates for 2, 3 and 4 year olds as set out in Appendix I for 2017-18 and the control total for 2017-18 as set out in Appendix H.

Schools Forum noted:

- 2.2.1 The feedback from final consultation as set out in Appendix D and E.
- 2.2.2 That final outturn expenditure figures for the 2016-17 early years block funding are not available currently, but that the early years underspend reserves will be used in respect of any 2016-17 overspend or clawback from the early years block by the DfE/EFA (e.g. an £80k reduction in the 2016-17 Early Years Block allocation for 3 to 4 year olds that was actioned in January 2017). Further details on the early years underspend reserves will be provided to Schools Forum when accurate year-end expenditure is available.
- 2.2.3 That the Early Years Task and Finish Group (EYTFG) will review the use of early years reserves underspend in February 2017 and report back to Schools Forum.
- 2.2.4 That the LA is compliant with the DfE 93% pass through rate as outlined in the compliance tool as set out in Appendix C.
- 2.2.5 The EYFF per pupil rates 2016-17 as set out in Appendix G.

Votes

15 agreed

0 against

0 Abstentions

Item 5. Update on Local Funding Formula and Growth Fund for 2017-18

Schools Forum Agreed:

2.1.1 To meet the shortfall of £0.479 million in the current control total by reducing the Growth Fund contingency from £0.772 million to £0.293 million.

2.2 Schools Forum noted that:

2.2.1 As per EFA's request, pupil numbers of Emmanuel Community Schools, Walthamstow Primary Academy and Eden Girl's School Waltham Forest were increased to reflect additional intake in September 2017. (An increase of £0.479 million)

2.2.2 Funding allocated via the Local Funding Formula was increased from £194.700 million to £195.179 million.

2.2.3 The Pupil-led and school led Funding Formula Factor rates remain the same as noted January 2017 Schools Forum.

2.2.4 The minimum funding guarantee remains set at MINUS 1.5% (set by the government) and that this is funded by gains being capped at 1.70% (previously 1.71%).

2.2.5 Appendix A provides a revised comparison between overall funding for 2017-18 January submission and 2017-18 revised.

2.2.6 Appendix B provides a comparison between the individual school budget shares (SBS) published in January 2017 Schools Forum and school budget share after the above changes

Votes

14 agreed

0 against

1 Abstention

Item 6: High Needs national funding formula – Government response and new proposals for consultation – stage two

Schools Forum noted:

- 2.1.1 The DfE response to the first stage of the consultation on changes to high needs funding.
- 2.1.2 The DfE proposals on the weightings in the high needs funding formula that will determine funding allocations from 2018-19.
- 2.1.3 The DfE proposal to support the implementation of the new funding arrangements in local areas, including support for local authorities.

Vote

All members of the panel agreed to note

Item 7: Update on National Funding Formula Consultation Stage 2

Schools Forum noted:

- 2.1.1 Response to the stage 2 of the consultation is due to the DFE by 22 March 2017
- 2.1.2 A Central Schools Services Block will be introduced in 2018-19
- 2.1.3 There will be a ring fenced schools block
- 2.1.4 The NFF will be introduced in 2019-20 and 2018-19 will be a transitional year.
- 2.1.5 The NFF will have two elements: pupil based and school based.
- 2.1.6 The Pupil based element will be calculated by the DFE and issued to the LA. The school based element will be allocated by the LA locally.
- 2.1.7 In the transition year the LA will run the LFF within the aggregate budget based on 2017-18 using the NFF factors.

Vote

All members of the panel agreed to note

LONDON BOROUGH OF WALTHAM FOREST

Meeting / Date	SCHOOLS FORUM 13 September 2016	Agenda Item	4
Report Title	Dedicated Schools Grant Outturn 2016-17		
Decision/ Discussion/ Information	For Information		
Report Author/ Contact details	Hawa Bedwa: Schools – Interim DSG Accountant 0208 496 6304 hawa.bedwa@walthamforest.gov.uk Raina Turner: Head of Finance Families Group (Schools & Education Services) 0208 496 3520 raina.turner@walthamforest.gov.uk		

1. SUMMARY

- 1.1 This report updates School Forum on the 2016-17 final outturns for the Dedicated Schools Grant (DSG).
- 1.2 This report presents a balanced budget.

2. RECOMMENDATIONS

Schools Forum is asked to note:

- 2.1 The original Waltham Forest DSG allocation of **£248.0 million** was revised downwards by **£8.4 million** to **£239.08 million**. The variance relates to deductions to the High Needs Block for direct funding of places by the Education Funding Agency of **£7.85 million** and the July 2016 reduction for Early Years of **£0.54 million** for census changes.
- 2.2 The final settlement of DSG allocation to the LA, after recoupment and adjustments, was **£168.47 million**. This budget achieved a break-even position 2016-17.
- 2.3 The cumulative carry forward into 2017-18 was **£7.416 million** which is fully committed for improvement projects approved by Schools Forum previously.
- 2.3 The revenue reserves for maintained schools as at 31 March 2017 totalled **£9.68 million**. The capital reserves for maintained schools totalled **£0.422 million**.

3. REASON

The LA provides Schools Forum with updates on the DSG final settlement allocation and Outturn position for the previous financial year as submitted to DfE.

4. BACKGROUND

DSG Outturns for 2016-17

- 4.1 The final 2016-17 DSG allocated to the Local Authority (LA) after adjusting for Academy recoupment of **£70.61 million** was **£168.47 million**. The in-year position was a break-even.
- 4.2 A total sum of **£4.573 million** was drawn down from the brought forward DSG reserves of **£11.989 million** to support various projects and the reserves carried forward to 2017-18 are **£7.416 million**.
- 4.3 Most schools have managed within their budget shares in an increasingly challenging financial climate and maintained schools revenue reserves totalled **£9.68 million** as at 31 March 2017. Maintained schools capital reserves totalled **£0.422 million**.
- 4.4 A number of maintained schools had deficits brought forward and the accumulative deficit as at 31 March 2017 was **£0.627 million**. The LA has commissioned a project which is working closely with schools in financial difficulties to assist schools to manage and improve their current financial positions.
- 4.5 **Table 1** sets out the DSG allocations, spend and use of reserves. The indicative allocation of **£248.0** million was reduced in two areas: deductions to the High Needs Block for direct funding of places by the Education Funding Agency of **£7.85 million**; and the July 2016 reduction for Early Years of **£0.54 million** for census changes.
- 4.8 **Table 2** shows the balances brought forward into 2016-17 and the spend which was planned with, and approved by, Schools Forum.

Table 1 2016-17 Summary Outturn

DSG Outturn 2016-17	Schools Block	Early Years Block	High Needs Block	Total
	£'m	£'m	£'m	£'m
Indicative Announced Dec 2015	195.33	17.91	34.76	248.00
DfE adjustments	0.00	(0.53)	(7.85)	(8.38)
Late Census reduction		(0.54)		(0.54)
	195.33	16.84	26.91	239.08
Less Academies Recoupment	(70.61)			(70.61)
DSG Final Settlement	124.72	16.84	26.91	168.47
Inter Block Transfers		(0.50)	0.50	0.00
Balances b/f including commitments	3.26	4.70	4.02	11.98
Carried Forward agreed in advance	(1.65)	(3.03)	(2.73)	(7.41)
Final Budgets Allocations	126.33	18.01	28.69	173.03
Schools Drawdown	(126.33)	(18.01)	(28.70)	(173.03)
In-year DSG Outturn 2016-17	0.00	0.00	(0.00)	(0.00)

Table 2 2016-17 Analysis of Carry forward Balances

DSG Balances 2016-17	Schools Block	Early Years Block	High Needs Block	Total
	£'m	£'m	£'m	£'m
Brought forward balances	3.27	4.70	4.02	11.98
Growth pressures	(0.42)			(0.42)
Early Years Plan Projects		(1.67)		(1.67)
High Needs Plan Projects			(1.29)	(1.29)
Primary Challenge Projects	(0.05)			(0.05)
Secondary Challenge Projects	(0.10)			(0.10)
Universal Offer Projects	(1.04)			(1.04)
Use of brought forward Reserves	(1.61)	(1.67)	(1.29)	(4.57)
Agreed Balance C/F 2017/18	1.66	3.03	2.73	7.41

Schools Block

4.9 The Schools Block is holding balances totalling **£1.663 million**:

Schools Block Reserves	£m
Primary Challenge	0.506
Secondary Challenge	0.100
Primary Contingency	0.175
Risks associated with converting academies	0.103
Leadership & Management support	0.163
Schools in Financial Difficulty	0.136
General contingencies	0.330
Universal Offer – School Improvement	0.100
Universal Offer – School business manager support & the Hub	0.050
TOTAL	1.663

Early Years Block

4.10 At the end of 2016-17 the Early Years Block is holding balances totalling **£3.029 million**. The fund is to be utilised for planned projects relates to commitments for 2017-18 and 2018-19, including top-up allocations for 2 year olds. New proposals for this balance will be discussed at the Early Years Task and Finish Group and brought back to Schools Forum for approval.

Early Years Block Reserves	£m
Capital Request for Revenue Conversion over 2 years	0.930
Contingency for increased delivery hours	0.210
Speech & Language Therapy*	0.346
Family Support*	0.200
Additional centrally retained funding	0.182
ICT Systems for FEEE and eligibility checking	0.100
Contingency for reduction in numbers 2016-17	0.921
Premise and Place development	0.140
TOTAL	3.029

* Through Children & Families Centres

High Needs Block

The High Needs Block is holding balances totalling **£2.725 million**. This is the residual balance after the agreed spend approved in January 2016 by the Schools Forum. Schools Forum has delegated review of the balances to the Inclusion Group.

High Need Block Reserves	£m
Specialist Facilities 19-24 YO	0.630
Education Psychology for EHC plan conversion	0.150
Employment strategist & co-ordinator	0.110
Education Psychology Early Years	0.041
Social Inclusion Fair Access Panel	0.022
Prior Year commitments	0.060
Allocated to finance 2017-18 budget	1.058
Allocated to finance 2018-19 budget	0.154
Contingency	0.500
TOTAL	2.725

Maintained School Reserves

- 4.13 The Local Authority can only report on the reserve balances held for its maintained schools.
- 4.14 As at the end of 2016-17, maintained schools held revenue balances of **£9.68 million** which represent a reduction movement by **£1.02 million** based on the brought forward of **£10.695 million**. This is partly as a result of numbers of schools increasing deficit brought forward and/or going into deficit in-year, but also the result of further academy conversions.
- 4.15 There were seven schools with deficit balances totalling **£0.627 million**, which relates to one Nursery, three Primary schools and three All Through or Secondary schools.

Meeting / Date	SCHOOLS FORUM 13 September 2017	Agenda Item	5
Report Title	School Budgets 2018-19		
Decision/Discussion/ Information	For Information and Decision		
Report Author/ Contact details	Duncan James-Pike, Strategic Finance Advisor, 020 8496 3502 duncan.james-pike@walthamforest.gov.uk		
Appendices	Appendix A: Central School Support Services Appendix B: Services to Maintained Schools		

1. SUMMARY

- 1.1 This report sets out the known changes to the funding available and methodology for setting school budgets for financial year 2018-19 (as at 7 September 2017).

2. RECOMMENDATIONS

- 2.1 **Schools Forum to agree** to establish a Task and Finish Group to advise the LA:

- How much / whether the Local Funding Formula should change in 2018-19 and 2019-20 to align with the National Funding Formula
- Whether to use the Current Free School Meal factor instead of, or in addition to, the Free School Meal “Ever 6” factor
- What level of Minimum Funding Guarantee should be set between minus 1.5% and 0%
- Any other changes in the rates applied to formula factors

- 2.2 **Schools Forum to note** the arrangements for central school support services and services to maintained schools.

3. REASON

- 3.1 Although Local Authorities (LAs) are responsible for making the final decisions on the local funding formula, they must engage in open and transparent consultation with all maintained schools and academies in their area, as well as with their Schools Forum, about any proposed changes to the local funding formula (LFF) including the method, principles and rules adopted.

- 3.2 Any consultation should include a demonstration of the effect of modelling such changes on individual maintained schools and academies.

4. BACKGROUND

National and Local Funding Formulae

- 4.1 The national funding formula (NFF) is being introduced for the 2018-19 financial year for the Schools Block (SB), the High Needs Block (HNB) and the new Central School Services Block (CSSB). The full NFF for 2018-2019 and 2019-2020 will be confirmed in September alongside the responses to the NFF consultations. These formulae will be used to calculate the blocks within the Dedicated Schools Grant (DSG) that are allocated to local authorities and will sit alongside the Early Years NFF which was introduced in 2017-18.
- 4.2 LA allocations for 2018-19 for the SB, HNB and CSSB will be published in September with final allocations following as usual in December, on the basis of pupil numbers recorded in the October census.
- 4.3 While it remains the government's intention that a school's budget should be set on the basis of a single NFF, in 2018 -2019 and 2019-2020, LAs will continue to determine final funding allocations for schools through a local funding formula (LFF). In 2018 -2019 and 2019-2020, the NFF will set notional allocations for each school, which will be aggregated and used to calculate the total SB received by each LA.
- 4.4 Schools Forum will need to advise the LA how much the LFF should change in 2018-19 and 2019-20 to align with the NFF.
- 4.5 Although the government has confirmed that there will be an additional £1.3 billion for schools and high needs across 2018-2019 and 2019-2020 and that all LAs will receive some increase, this may amount to only a 0.5% increase for Waltham Forest.

Changes to the Dedicated Schools Grant

- 4.6 A new block, the Central School Services Block (CSSB) has been created. LAs will be allocated funding for central school services through the new CSSB. This will comprise funding for ongoing responsibilities such as Admissions and the former retained duties previously funded by the Education Services Grant (ESG).
- 4.7 Baselines have been adjusted to take account of LAs' most recent spending patterns. For Waltham Forest this results in a guaranteed funding of **£5,231.92** per pupil in the SB.

- 4.8 Within the SB, there will be at least a 0.5% per pupil increase for each school in 2018-19 through the NFF. LAs' SB allocations will be calculated by aggregating schools' notional allocations under the NFF, and these notional allocations will reflect these increases. SB allocations will be expressed as separate per pupil primary and secondary rates for each LA. They will also include funding at LA level for premises, mobility and growth, based on historic spend.
- 4.9 Within the HNB, there will be at least a 0.5% overall increase in 2018-2019. The HNB will be protected against 2017-2018 baselines, subject to some adjustments.
- 4.10 The SB will be ring-fenced from 2018-2019, but LAs will be able to transfer up to 0.5% of their SB funding with the approval of Schools Forum. Typically this has been to support the HNB, but has not been necessary in Waltham Forest to date.

Changes to the Local Funding Formula Factors

Free School Meals (FSM)

- 4.11 To recognise the extra costs of deprivation, in addition to the Income Deprivation Affecting Children Index (IDACI) data, LAs may now use both Current FSM and FSM Ever 6, rather than one or the other. Current FSM data reflects those pupils eligible for FSM on the Census date and can be used to reflect the actual costs of providing FSMs. FSM Ever 6 records all pupils that have been eligible for FSM in the last six years so is a wider proxy indicator for general levels of deprivation. Schools Forum will need to advise the LA whether to use the current FSM factor instead of, or in addition to, the FSM Ever 6 factor

Minimum Funding Guarantee (MFG)

- 4.12 The MFG is used to protect schools from excessive year on year changes and to allow changes in pupil characteristics (for example reducing levels of deprivation in a school) to flow through. LAs can now set the MFG between minus 1.5% and 0% per pupil. This was fixed at minus 1.5% in previous years. The MFG is funded by capping the gains of schools that would see increased funding from the local formula. Schools Forum will need to advise the LA where to set the MFG in the range minus 1.5% to 0%.

Special Resource Provision

- 4.13 There will no longer be a deduction to SB pupil numbers for High Needs places in mainstream schools. Instead, the school's budget share (or the equivalent academy funding) will be determined on the basis of the total

number of pupils on the roll of the school, including those in the special unit or resourced provision. An adjustment has been made between the HNB and SB for each LA to reflect this change. For Waltham Forest this is a transfer of £0.725 million.

- 4.14 The balance of funding for this kind of special provision will come from the place funding decided in accordance with the LA's commissioning decisions, and the top-up funding for individual pupils. The place funding will be £6,000 per place where the place is occupied by pupils in years reception to 11 on the roll of the school at the time of the October school census return. Places not filled by such pupils will still be funded at £10,000. Further information for LAs on this change will be included in the High Needs operational guide

Secondary Schools

- 4.15 A new factor has been included to allow LAs to set a minimum per pupil level of funding of £4,800 for all secondary schools with pupils in years 10 and 11. As the current Basic Entitlement or Age Weighted Pupil Unit (AWPU) for Key Stages 3 and 4 is £4,776 in Waltham Forest, this is unlikely to be an issue.

Looked After Children (LAC)

- 4.16 The NFF will not include a factor for LAC but Pupil Premium Plus rates for 2018-2019 will be increased. This factor has not been used in Waltham Forest's LFF.

The Authority Proforma Tool

- 4.17 The Authority Proforma Tool (APT) is the spreadsheet tool provided by the Education & Skills Funding Agency (ESFA) that LAs must use to calculate the SB budgets for both academies and maintained schools. The APT is pre-populated with pupil numbers and pupil characteristics by the ESFA, using October census data.
- 4.18 A new APT has been issued, using October 2016 census data, to model School Block budgets for 2018-19, allowing for the new flexibilities from the factor changes outlined above. Officers will seek the advice of Schools Forum and the wider community of schools on how best to address any changes to funding and the balance to be struck between the four principles adopted by Schools Forum: fairness, transparency, stability; and protecting the vulnerable.

Central School Support Services Block

4.19 The central school services block (CSSB) will be introduced in 2018- 2019, to fund local authorities for the statutory duties that they hold for both maintained schools and academies. The CSSB brings together:

- funding previously allocated through the retained duties element of the Education Services Grant (ESG). This was added to the SB in 2017-18 and top-sliced with the agreement of Schools Forum
- funding for ongoing central functions previously top-sliced from the SB. In Waltham Forest these are Admissions, Schools Forum administration and Copyright Licences
- residual funding for historic commitments, previously top-sliced from the SB (none in Waltham Forest)

4.20 Funding for growth and falling rolls will be allocated through the SB block in 2018- 2019, on the basis of historic spend in 2017-2018.

4.21 The duties that are included within the CSSB are set out in **Appendix A.**

Services for maintained schools

4.22. LAs are able to fund services previously funded from the general funding rate of the ESG (for maintained schools only) from maintained school budget shares with the agreement of maintained school members of Schools Forum. These are services that the LA must perform for maintained schools and that academy trusts have to supply and fund for themselves. These are set out in **Appendix B.**

4.23 The amount to be retained by the LA will need to be agreed by the relevant maintained schools members of Schools Forum. If the LA and Schools Forum are unable to reach a consensus on the amount to be retained by the LA, the matter can be referred to the Secretary of State.

4.24 LAs should set a single rate per 5 to 16 year old pupil for all mainstream maintained schools, both primary and secondary. In the interests of simplicity, this should be deducted from basic entitlement funding. In Waltham Forest the proposed rate is **£19.78** per pupil or place. This is half a percent of the budget or less. For 2FE primary schools this will be around £10,000 or less (0.4% of the budget) and £16,000 to £17,000 (0.5% of the budget) for 4 FE; for secondary schools this varies from £15,000 (0.3% of budget) to £23,000 (0.4% of the budget).

4.25 If a school converts to academy status, the amount retained for that school will be recouped from the local authority's DSG for the remaining months of

the financial year that the school is an academy. The academy will be reimbursed in its monthly general annual grant (GAG) payment from the point of conversion. Unlike for de-delegated services there will be no phased transfer of funding following conversion so there will be immediate recoupment of this part of the budget. For example, if a school converts on 1 January 2019, 3/12ths of the retained amount relating to that school will be recouped.

Central Service Overheads

- 4.26 Costs funded by the CSSB and those funded by maintained schools only may cover administrative costs and overheads relating to these services for expenditure including the financing of maintained schools; the administration of grants to the authority; recruitment, training, continuing professional development, performance management and personnel management of staff; the investigation and resolution of complaints; and legal services.

School Improvement

- 4.27 School Improvement is not included in the arrangements for central services. LAs receive a separate grant covering their statutory intervention functions and monitoring and commissioning of school improvement support. In addition, the DFES are making available to academies and maintained schools a new Strategic School Improvement Fund aimed at ensuring resources are targeted at the schools most in need of support to help them drive up standards, use their resources effectively and deliver more good or outstanding school places.

De-delegation

- 4.28 Although Schools Forums can agree to de-delegate further funding for additional school improvement provision in 2018-2019, Waltham Forest has moved direct to a part-traded model through the Purchasing Intentions exercise as part of the ESG Exit strategy.
- 4.29 The only service intended to be subject of a de-delegation request from maintained schools in 2018-19 is the Occupational Health and Employee Assistance service.

APPENDIX A

Central services that may be funded with agreement of schools forums

Source: Table 4 from Schools Revenue Funding 2018 to 2019 Operational Guide (left)

Central services that may be funded with agreement of schools forums
Responsibilities local authorities hold for all schools (funded by the central school services block with the agreement of schools forums)
<p><u>Statutory and regulatory duties</u></p> <ul style="list-style-type: none">• Director of children’s services and personal staff for director (Sch 2, 15a)• Planning for the education service as a whole (Sch 2, 15b)• Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 2, 22)• Authorisation and monitoring of expenditure not met from schools’ budget shares (Sch 2, 15c)• Formulation and review of local authority schools funding formula (Sch 2, 15d)• 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 2, 15e)• Consultation costs relating to non-staffing issues (Sch 2, 19)• Plans involving collaboration with other LA services or public/voluntary bodies (Sch 2, 15f)• Standing Advisory Committees for Religious Education (SACREs) (Sch 2, 17)• Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21)
<p><u>Education welfare</u></p> <ul style="list-style-type: none">• Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20)• School attendance (Sch 2, 16)• Responsibilities regarding the employment of children (Sch 2, 18)
<p><u>Asset management</u></p> <ul style="list-style-type: none">• 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 2, 14a)• General landlord duties for all buildings owned by the local authority, including those leased to academies (Sch 2, 14b)
<ul style="list-style-type: none">• <u>Other ongoing duties</u>• Licences negotiated centrally by the Secretary of State for all publicly funded schools (Sch 2, 8) – this does not require schools forum approval• Admissions (Sch 2, 9)

<ul style="list-style-type: none"> • Places in independent schools for non-SEN pupils (Sch 2, 10) • Remission of boarding fees at maintained schools and academies (Sch 2, 11) • Servicing of schools forums (Sch 2, 12) • Back-pay for equal pay claims (Sch 2, 13) • Writing to parents of year 9 pupils about schools with an atypical age of admission, such as UTCs and studio schools, within a reasonable travelling distance (new addition to CSSB, to be included in 2018-19 regulations).
<p><u>Premature retirement and redundancy</u></p> <ul style="list-style-type: none"> • No functions
<p><u>Central support services</u></p> <ul style="list-style-type: none"> • No functions
<p><u>Monitoring national curriculum assessment</u></p> <ul style="list-style-type: none"> • No functions
<p><u>Therapies</u></p> <ul style="list-style-type: none"> • No functions

Source: Schools Revenue Funding 2018 to 2019 Operational Guide

https://www.gov.uk/guidance/pre-16-schools-funding-guidance-for-2018-to-2019?utm_source=EFA%20e-bulletin&utm_medium=email&utm_campaign=e-bulletin&mxmroi=2305-30871-96671-0

APPENDIX B

Services to Maintained Schools

Source: Table 4 from *Schools Revenue Funding 2018 to 2019 Operational Guide* (right)

Central services that may be funded with agreement of schools forums
Responsibilities local authorities hold for maintained schools (funded from maintained school budgets only) with agreement of the maintained school members of the schools forum)
<u>Statutory and regulatory duties</u> <ul style="list-style-type: none">• Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 2, 56)• Budgeting and accounting functions relating to maintained schools (Sch 2, 73)• Functions relating to the financing of maintained schools (Sch 2, 58)• Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2, 57)• Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 58)• 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 2, 59)• Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 60)• 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 2, 61)• 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 2, 62)• Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 75)• HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition/organisation of staff (Sch 2, 63); determination of conditions of service for non-teaching staff (Sch 2, 64); appointment or dismissal of employee functions (Sch 2, 65)• Consultation costs relating to staffing (Sch 2, 66)• Compliance with duties under Health and Safety at Work Act (Sch 2, 67)• Provision of information to or at the request of the Crown relating to schools (Sch 2, 68)• School companies (Sch 2, 69)

- Functions under the Equality Act 2010 (Sch 2, 70)
- Establish and maintaining computer systems, including data storage (Sch 2, 71)
- Appointment of governors and payment of governor expenses (Sch 2, 72)

Education welfare

- Inspection of attendance registers (Sch 2, 78)

Asset management

- General landlord duties for all maintained schools (Sch 2, 76a & b (section 542(2)) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have:
 - appropriate facilities for pupils and staff (including medical and accommodation)
 - the ability to sustain appropriate loads
 - reasonable weather resistance
 - safe escape routes
 - appropriate acoustic levels
 - lighting, heating and ventilation which meets the required standards
 - adequate water supplies and drainage
 - playing fields of the appropriate standards
- General health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc Act 1974)
- Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012)

Central support services

- Clothing grants (Sch 2, 52)
- Provision of tuition in music, or on other music-related activities (Sch 2, 53)
- Visual, creative and performing arts (Sch 2, 54)
- Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 55)

Premature retirement and redundancy

- Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 2, 77)

Monitoring national curriculum assessment

- Monitoring of National Curriculum assessments (Sch 2, 74)

Therapies

- This is now covered in the high needs section of the regulations and does not require schools forum approval

Source: Schools Revenue Funding 2018 to 2019 Operational Guide

https://www.gov.uk/guidance/pre-16-schools-funding-guidance-for-2018-to-2019?utm_source=EFA%20e-bulletin&utm_medium=email&utm_campaign=e-bulletin&mxmroi=2305-30871-96671-0

Meeting / Date	SCHOOLS FORUM 13 September 2017	Agenda Item	6
Report Title	Secondary Bulge Class Funding		
Decision/Discussion/ Information	For Information and Decision		
Report Author/ Contact details	<p>Duncan James-Pike, Strategic Finance Advisor, 020 8496 3502 duncan.james-pike@walthamforest.gov.uk</p> <p>Brendan Wells, Head of Service Based Commissioning Capital & Planning, Families & Homes 020 8496 3549 brendan.wells@walthamforest.gov.uk</p>		
Appendices	<p>Appendix A: Growth Fund scheme Appendix B: Model of secondary bulge class protection Appendix C: Bulge class cost estimates Appendix D: Class size guarantee tables</p>		

1. SUMMARY

- 1.1 This report sets out the Local Authority's position on funding for potential secondary school bulge classes.

2. RECOMMENDATIONS

2.1 Schools Forum to agree that:

- 2.1.1 The existing Growth Fund scheme funds secondary bulge classes adequately.
- 2.1.2 The existing Growth Fund scheme be amended for 2018-19 to include a table showing the secondary class size guarantee (Appendix D)

3. REASON

- 3.1 Schools Forum decides on the size of the Growth Fund and criteria for receiving funding from it. The Growth Fund is top-sliced from the Schools Block funding, reducing the amount available for allocation to all schools and academies through the local funding formula.

4. BACKGROUND

- 4.1 There may be a need for two secondary bulge classes in September 2018 depending on whether proposals to open a secondary free school are realised.
- 4.2 The current Growth Fund scheme applies to both secondary and primary schools, but it was designed to compensate primary schools for their cost and risks.
- 4.3 A Task and Finish Group was convened on 17 July to test whether the existing Growth Fund scheme would provide sufficient funding to support secondary bulge classes. The question arose as primary education is largely class-based while secondary education is largely subject-based and could incur additional teaching costs.
- 4.4 The group comprised representatives from five secondary schools / academies (four heads / principals and three secondary school business managers).
- 4.5 The current scheme (**Appendix A**) provides a first year funding guarantee of average pupil-led funding for a school for a minimum of 25 places for seven months (September to March). This assumes that the pupil characteristics (free school meals, prior attainment etc.) of the new bulge pupils are, on average, the same as the pupils already on roll.
- 4.6 If more than 25 pupils appear on the following October census for Year 7, additional average pupil-led funding will be allocated. There will be no claw-back if less than 25 pupils appear.
- 4.7 In the years after admission, the scheme provides a minimum class size guarantee of basic entitlement (AWPU) funding for 25 pupils per bulge class until the final year the bulge class is in the school unless the numbers in the bulge class fall to zero, when the class size guarantee will cease. The class size protection for bulge classes is capped at 15 AWPU.
- 4.8 In the final year the class size protection will be reduced to 5/12 of AWPU to reflect that the bulge class matures after five months.
- 4.9 The final year of a bulge class gives protection to the school. When a bulge class matures, the seven months (September to March) funding generated by the bulge class pupils is retained by the school to assist with the contraction in resources.
- 4.10 An additional £5,000 will be paid for each new FE towards the cost of additional resources when the first year funding guarantee is applicable
- 4.11 The Task and Finish Group were provided with the details of the workings of the guaranteed funding and protection which showed a first year minimum funding of over £90,000 for each of the four schools modelled (**Appendix B**).
- 4.12 This was benchmarked to schemes in other LAs and was the highest level of first-year funding as other LAs either gave a lower lump sum for staffing costs or used the AWPU rate rather than full average per pupil funding rate.

- 4.13 One school (George Mitchell) modelled the costs, including some capital costs, of accommodating all four bulge classes. The total cost per class was estimated at just over **£96,842** only **£1,412** higher than the minimum guaranteed by the existing scheme for one bulge class. **(Appendix C)**
- 4.14 Bulge class protection is higher for secondary schools than primary schools as not only is the basic entitlement (AWPU) higher by 36%: **£4,776.00** per pupil secondary to **£3,508.00** primary; deprivation funding is higher too, for example **£1,437.00** for secondary FSM Ever 6 to **£788.00** for primary FSM Ever 6. Overall, the primary: secondary ratio for pupil-led funding is 1:1.38
- 4.15 Concern was expressed at the Task and Finish Group that a school hosting a bulge class might face financial difficulties from restructuring costs if a new free school opened after the bulge class was admitted and pupils left the host school for the new free school.
- 4.16 Officers consider that the protection funding (**£71,640** for classes of 10 or less) should provide sufficient support for a host school to address restructuring costs given that the costs of supporting the curriculum for the remaining pupils would be substantially less too and therefore that the existing Growth Fund scheme should fund secondary bulge classes adequately.
- 4.17 It is recommended that the existing scheme be amended for 2018-19 to include a table showing secondary class size guarantee **(Appendix D)**.
- 4.18 The new national funding formula-based allocation to the LA for 2018-19 will include specific funding for growth, based on historic spend in 2017-18. Schools Forum will have to decide whether this funding is sufficient for the operation of the local Growth Fund scheme or whether the scheme needs to be scaled back. As this funding is within the Schools Block, a movement of funding from the schools formula into the Growth Fund is allowable as it would not be treated as a transfer between blocks or reduce the size of the schools block.

Growth Fund Scheme 2017-18

In this document “school” means any maintained school, academy or free school

1 Permanent Expansions

- 1.1 When a school admits an additional form of entry as part of a permanent expansion planned by the LA it will be eligible for support from the Growth Fund.

First year funding guarantee

- 1.2 Each new form of entry will receive a first year funding guarantee: a minimum of $7/12 \times 25 \times$ average pupil-led funding rate for the school, i.e. for a minimum of 25 places for seven months (September to March).
- 1.3 If more than 25 pupils appear on the following October census for Reception / Year 7, additional average pupil-led funding will be allocated. There will be no claw-back if less than 25 pupils appear.

Second and subsequent entry years of expansion

- 1.4 Ordinarily, the first year funding guarantee will apply in the second and subsequent years to each new form entry until the fully expanded PAN has been reached.
- 1.5 Where more than one form of entry has been implemented, and more than 30 additional pupils appear on the following October census, the first year funding guarantee will apply for the first form of entry up to 30, then for any subsequent forms up to the NOR.

Years after admission

- 1.6 Funding for the year group for the financial year following admission will reflect the actual NOR in the October census, in line with all other year groups.

Permanent expansion when a bulge class is in its final year

- 1.7 When a permanent expansion occurs in the same year as a maturing bulge class, an adjustment is necessary as the school would benefit from the bulge class final year protection but does not require assistance with a contraction in resources. The bulge class final year protection will be deducted from the permanent expansion’s first year funding guarantee to avoid double-funding

Leadership and Management Allowance

- 1.8 Where there is a planned expansion of a school by at least 1FE, the local authority will provide additional leadership and management funding worth a maximum of £150,000 in recognition of the increase in management costs associated with expansion.
- 1.9 This shall be released in staged payments. If at any stage the proposal to expand is cancelled the staged payments shall only be paid up to the end of the stage at which the project is stopped.

Leadership And Management Allowance		Primary
Stage 1	At point of the second bulge class intake	£20,000
Stage 2	At point of approval of the permanent expansion of PAN by Cabinet/Secretary of State.	£30,000
Stage 3	September of the first form entry of the permanent expansion.	£75,000
Stage 4	April preceding the September entry of the second year of expansion.	£25,000

Leadership And Management Allowance		Secondary
Stage 1	At point of approval of the permanent expansion of PAN by Cabinet/Secretary of State.	£50,000
Stage 2	September of the first form entry of the permanent expansion.	£50,000
Stage 3	April preceding the September entry of the second year of expansion.	£50,000

Second sites

1.10 Commitments made to schools which have expanded onto second sites in agreement with the local authority will be honoured, but further expansions onto second sites will not receive additional funding.

Capacity	Year of expansion	Planned number of pupils on site	Shortfall	Funding at £150 per pupil
420	1	60	360	£54,000
420	2	120	300	£45,000
420	3	180	240	£36,000
420	4	240	180	£27,000
420	5	300	120	£18,000

Resources

1.11 An additional £5,000 will be paid for each new FE towards the cost of additional resources when the first year funding guarantee is applicable.

2 Temporary (Bulge Class) Expansions

- 2.1 When a school admits an additional form of entry as a temporary expansion (bulge class) planned by the LA it will be eligible for support from the Growth Fund.

First year funding guarantee

- 2.2 Each new bulge class will receive a first year funding guarantee: a minimum of $7/12 \times 25 \times$ average pupil-led funding rate for the school, i.e. for a minimum of 25 places for seven months (September to March).
- 2.3 Where more than one bulge class has been implemented for the same year group in an academic year, and more than 30 additional pupils appear on the following October census, the first year funding guarantee will apply for the first bulge class up to 30, then for any subsequent classes up to the NOR.
- 2.4 If more than 25 pupils appear on the following October census for Reception / Year 7, additional average pupil-led funding will be allocated. There will be no claw-back if less than 25 pupils appear.

Years after admission: minimum class size guarantee

- 2.5 The Local Authority will give a minimum class size guarantee of AWPU funding for 25 pupils per bulge class until the final year the bulge class is in the school unless the numbers in the bulge class fall to zero, when the class size guarantee will cease.
- 2.6 Class size protection for bulge classes is capped at 15 AWPU.
- 2.7 In the final year the class size protection will be reduced to $5/12$ of AWPU to reflect that the bulge class matures after five months.

over PAN (excluding bulge)	top up places	places funded	primary AWPU top up (2016-17) £3,482
25 or more	0	0	£0
24	1	25	£3,482
23	2	25	£6,964
22	3	25	£10,446
21	4	25	£13,928
20	5	25	£17,410
19	6	25	£20,892
18	7	25	£24,374
17	8	25	£27,856
16	9	25	£31,338
15	10	25	£34,820
14	11	25	£38,302
13	12	25	£41,784
12	13	25	£45,266
11	14	25	£48,748
10 or less	15	25	£52,230
0	0	0	£0

Final year protection

2.8 The final year of a bulge class gives protection to the school. When a bulge class matures, the seven months (September to March) funding generated by the bulge class pupils is retained by the school to assist with the contraction in resources.

Resources

2.9 An additional £5,000 will be paid for each new FE towards the cost of additional resources when the first year funding guarantee is applicable

3 Reception and Key Stage 1 classes

3.1 Where as a result of an appeal or the Local Authority asks a school to take a pupil which takes the number in the reception or Key Stage 1 class to over 30, the Local Authority will meet the cost of an additional teaching assistant to keep the class size at 30 or below. Payments will be made termly in arrears based on submitted evidence of costs incurred by the school.

Secondary Bulge Class Funding Appendix B

Budget

	Lammas	Buxton	George Mitchell	Rush Croft
First Year Funding Guarantee: 7/12ths of average pupil-led funding for 25 pupils	£88,519	£87,704	£90,430	£88,117
Full Year Funding for 30 pupils	£182,097	£180,420	£186,027	£181,269
Full Year Funding for 25 pupils	£151,747	£150,350	£155,023	£151,057
Protected funding for 20 pupils	£145,278	£144,160	£147,898	£144,726
Protected funding for 15 pupils	£138,808	£137,970	£140,774	£138,394
Protected funding for 10 pupils	£132,339	£131,780	£133,649	£132,063
Protected funding for 5 pupils	£101,989	£101,710	£102,645	£101,851

When First Year Funding Guarantee applies:

Extra for Resources	£5,000	£5,000	£5,000	£5,000
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First Year Minimum per current funding	£93,519	£92,704	£95,430	£93,117
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Revision for Secondary Costings	£96,842	£96,842	£96,842	£96,842
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Variance	£3,323	£4,138	£1,412	£3,725
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Per Pupil

Lammas	Buxton	George Mitchell	Rush Croft	
£6,069.90	£6,014.01	£6,200.91	£6,042.29	annual equivalent
£6,069.90	£6,014.01	£6,200.91	£6,042.29	
£7,263.90	£7,208.01	£7,394.91	£7,236.29	
£9,253.90	£9,198.01	£9,384.91	£9,226.29	
£13,233.90	£13,178.01	£13,364.91	£13,206.29	
£20,397.90	£20,342.01	£20,528.91	£20,370.29	

Indicative Basic Costs for 4 Bulge Classes - George Mitchell

	4 Bulge classes	Per Bulge classes
	£	£
Accomodation		
Refurbish rooms x 4 £4,000		
30 desks/chairs and teacher desk x 4 £40/each £4,800		
75" LCD panel or equivalent x 4 £8,000		
Teacher PC x 4 £2000		
Teacher desk plus Chair x4 £600		
Total cost £19,600	19,600	4,900
Excluding Capital Fund Cost		
Teaching Staffing		
2 English		
2 Mathamatics		
2 Science		
1 Morden Foreign Language		
1 Humanities and Social Science		
8 teachers @ approx £36,846 each per year		
Total cost £294,768	294,768	73,692
Capital Costing?		
Kitchen upgrade £20,000		
New boiler £20,000		
Broadband upgrade £3,000		
Hire facilities £30,00 per year		
Total cost £73,000	73,000	18,250
	387,368	96,842
CURRENT SCHEME		95,430
DIFFERENCE		1,412

	Comparisons of LA Secondary Bulge Funding					
	George Mitchell	Waltham Forest	Greenwich	Barnet	Southwark	Kingston
	£	£	£	£	£	£
AWPU / Pupil Led	0	90,430	76,639			75,539
Accomodation	4,900					
Staffing	73,692			61,000	60,000	
Resources		£5,000				
Capital	18,250					
TOTAL	96,842	95,430	76,639	61,000	60,000	75,539

Secondary Bulge Class Funding Appendix D

MINIMUM CLASS SIZE GUARANTEE - SECONDARY

			£4,776
over PAN	top up places	places funded	secondary AWPU
25 or more	0	0	£0
24	1	25	£4,776
23	2	25	£9,552
22	3	25	£14,328
21	4	25	£19,104
20	5	25	£23,880
19	6	25	£28,656
18	7	25	£33,432
17	8	25	£38,208
16	9	25	£42,984
15	10	25	£47,760
14	11	25	£52,536
13	12	25	£57,312
12	13	25	£62,088
11	14	25	£66,864
10	15	25	£71,640
9	15	24	£71,640
8	15	23	£71,640
7	15	22	£71,640
6	15	21	£71,640
5	15	20	£71,640
4	15	19	£71,640
3	15	18	£71,640
2	15	17	£71,640
1	15	16	£71,640
0	0	0	£0

MINIMUM CLASS SIZE GUARANTEE - PRIMARY

			£3,482
over PAN	top up places	places funded	primary AWPU
25 or more	0	0	£0
24	1	25	£3,482
23	2	25	£6,964
22	3	25	£10,446
21	4	25	£13,928
20	5	25	£17,410
19	6	25	£20,892
18	7	25	£24,374
17	8	25	£27,856
16	9	25	£31,338
15	10	25	£34,820
14	11	25	£38,302
13	12	25	£41,784
12	13	25	£45,266
11	14	25	£48,748
10	15	25	£52,230
9	15	24	£52,230
8	15	23	£52,230
7	15	22	£52,230
6	15	21	£52,230
5	15	20	£52,230
4	15	19	£52,230
3	15	18	£52,230
2	15	17	£52,230
1	15	16	£52,230
0	0	0	£0

Meeting / Date	SCHOOLS FORUM 13 September 2017	Agenda Item	7
Report Title	Update on ESG Exit Strategy		
Decision/Discussion/ Information	For Information and Decision		
Report Author/ Contact details	<p>Duncan James-Pike, Strategic Finance Advisor, 020 8496 3502 duncan.james-pike@walthamforest.gov.uk</p> <p>David Kilgallon, Director of Learning and systems Leadership, 020 8496 3221 david.kilgallon@walthamforest.gov.uk</p>		

1. SUMMARY

- 1.1 This report updates Schools Forum on progress in implementing the Education Services Grant (ESG) Exit Strategy.

2. RECOMMENDATIONS

- 2.1 **Schools Forum to note** the contents of this report.

3. REASON

- 3.1 The removal of the ESG General Duties funding (£1.906 million) from the Local Authority (LA) and the transfer of ESG Retained Duties funding (£06.23 million) from the LA to the DSG put the maintenance of a wide range of School Improvement and support services at risk.
- 3.2 The LA has developed a two-phase exit strategy to deal with this loss of funding: the first phase covering 2017-18, the second covering 2018-19.

4. BACKGROUND

Exit Strategy Phase One: Financial Year 2017-18

- 4.1 The first phase, for financial year 2017-18, was secured following a major consultation exercise when maintained schools agreed at Schools Forum to fund a basket of services to which the ESG could be attributed, making good the shortfall in funding from April to December 2017.
- 4.2 This funding, together with the transitional funding and the continuation of the retained duties funding through the DSG was sufficient to cover the shortfall

planned for in the Council's Medium Term Financial Strategy (MTFS) for 2017-18.

- 4.3 The LA has agreed that maintained schools will continue to receive the full service offer for January to March 2018, i.e. for the whole financial year. A few academies agreed to contribute also and this extended service offer applies to them too.
- 4.4 In addition, the LA will reduce the contributions from ten months (April to December 2017) to seven months (April to October 2017) to ensure that maintained schools and the contributing academies have not been disadvantaged when compared to the non-contributing academies.
- 4.5 The process of withdrawing access to services for non-contributing academies has now begun and they will now be unable to gain free access to following services from 1 September 2017:
- Early Help 5-16
 - Community Safety
 - Virtual School Support
 - Emergency Planning
 - Careers Service (Secondary Only)
 - Early Help Co-ordinator
 - School Business Manager Support
 - The HUB (enhanced features)
 - Safeguarding in Education
 - Schools HR
- 4.6 Letters outlining the LA's position will be sent to all affected schools. It should be noted that this will have an impact upon schools with children accessing the LA's Early Help and Virtual School provision. The impact on each academy will be highlighted in a bespoke, supplementary appendix that lists affected children and details of what the academy will need to do if it seeks to provide this work independently from the LA.
- 4.7 It is expected that some academies may wish to reverse this decision; those choosing to do so will be provided with information on how to purchase these services during the remainder of 2017-18.

Exit Strategy Phase Two: Financial Year 2018-19

- 4.8 The second phase, for financial year 2018-19, has several elements. Firstly, a second major consultation was held to secure commitments from all schools and academies through a “Purchasing Intentions” exercise to contribute to the cost of specific service offers from Early Help, Community Safety, the Virtual School and Emergency Planning in 2018-19. The target for this exercise is £0.315 million in match-funding contributions.
- 4.9 The process of securing purchasing commitments for 2018-19 continues as there are still a number of schools yet to return their intentions. Senior officers will be engaging with these schools throughout September to ensure all purchasing intentions are returned before the end of the month.
- 4.10 From the purchasing commitments secured to date, most services are likely to remain available although some may be reduced in size and scope. A further report will be made to Schools Forum in October when the purchasing intentions exercise has completed.
- 4.11 Secondly, the new Central School Services Block (CSSB) of the DSG which will be introduced in 2018- 2019, includes a continuation of the retained duties funding which was added to the Schools Block in 2017-18 before being top-sliced with the agreement of Schools Forum. The DFES has indicated that this is likely to be reduced by 5% each year.
- 4.12 Thirdly, maintained schools will be asked to de-delegate £19.78 per pupil in 2018-19 to cover costs that the local authority incurs for its maintained schools and that academy trusts have to fund for themselves, such as preparing annual consolidated accounts and performance information, and health and safety and asset management responsibilities.
- 4.13 These three elements, together with some further actions from the LA should complete the exit strategy.