

MEETING

SCHOOLS FORUM

DATE AND TIME

THURSDAY 12TH MAY, 2016

AT 4.00 PM

VENUE

**BEST HUB, CONFERENCE ROOM 1
LANACRE AVENUE, GRAHAME PARK, COLINDALE, LONDON NW9 5FN
([MAP & DIRECTIONS](#))**

TO: MEMBERS OF SCHOOLS FORUM (Quorum 11)

Chairman: Gilbert Knight
Vice Chairman: Anthony (Tony) Vourou

Andrew McClusky	Hasmonean High	Keith Nason	National Union of Teachers
Angela Trigg	London Academy	Lesley Burgess	Northway School
Anthony Vourou	St Johns CE N11	Lesley Ludlow	Moss Hall Infants
Clare Rees	Sunnyfields Primary	Matthew Glenn	St Mary's & St John's
David Byrne	Barnet & Southgate Col	Maureen Kelly	St Theresa's Catholic
Elizabeth Pearson	Holly Park/ Livingstone	Michael Whitworth	Wren Academy
Gilbert Knight	Oakleigh	Nigel Taylor	Wessex Gardens
Jack Newton	Grasvenor Infants	Perina Holness	Moss Hall Nursery
Jane Beaumont	Copthall	Robin Archibald	Broadfields Academy
Jeanette Adak	Monkfrith Primary	Sally Lajalati	Colindale Primary
Jo Djora	The Hyde Academy	Sarah Vipond	Middlesex Uni. Nursery
Joanne Kelly	Pavilion PRU	Seamus McKenna	Finchley Catholic
Jude Stone	Cromer Road	Simon Horne	Friern Barnet

Councillors

Reuben Thompstone

Officers

Chris Munday	Commissioning Director for Children and Young People
Ian Harrison	Education & Skills Director
Val White	Lead Commissioner
David Monger	SEN Consultant
Nick Adams	CSG – Financial Services
Carol Beckman	CSG – School Funding
Catherine Peters	CSG – Head of Finance
Claire Gray	School Funding
Cinzana Khan	(Clerk) CSG – School Funding

Substitute Members

Tom Brighton (for Angela Trigg)
Cllr Brian Salinger (for Elizabeth Pearson)
Marc Lewis (for Michael Whitworth)

Ian Stewart (for Andrew McClusky)
Siobhan O'Connell (for Sarah Vipond)

Observers

EFA

You are requested to attend the above meeting for which an agenda is attached.

Service contact: School Funding Team, 020 8359 7377/7378, schoolfunding@barnet.gov.uk

ORDER OF BUSINESS

Item No	Title of Report	Pages
1.	Welcome to new members	
2.	Apologies	
3.	Declarations of Interest	
4.	Minutes of Previous meeting	1 - 8
5.	Matters arising	
6.	Items for information	
a)	<p>2016/17 Schools Budget</p> <p>The Schools Budget for 2016/17 was presented to the Schools Forum on 11th February 2016 and agreed by the council on 16th February 2016. It was subsequently submitted to the Department for Education on 31st March with the Section 251 Budget return.</p> <p>The budget is subject to change during the year for many reasons, including the following:</p> <ul style="list-style-type: none">• Additional allocation for Menorah High School becoming voluntary aided (already estimated)• Adjusted early years block allocation, using data from the January census of all providers (already estimated)• Academy recoupment – this will not change the gross amount of the Dedicated Schools Grant, but will affect the amount of money going through Barnet's accounts (net budget).• In year school expansion decisions• In year EFA allocations for school 6th forms	

The next round of DSG adjustments is expected in June 2016 so further information should be available at the next meeting of the Schools Forum.

b)

Growth funding for new school places in Barnet

April 2016

This report updates the Schools Forum on:

- a) pupil place planning in Barnet and
- b) the estimated revenue funding required to fund new school places through the growth fund.

a) Pupil place planning:

Over the last five years, in excess of 7,500 new school places have been provided in Barnet through a mix of expansions and new schools.

Primary phase: In September 2015, new permanent primary provision was provided at the Wren Academy, London Academy, Watling Park, St Joseph's and Monkfrith. For September 2016, Ashmole Academy's new free school is opening, offering an additional 60 permanent reception places. At present, it is anticipated that there are sufficient places for September 2016 through offering additional bulge places at Childs Hill (15 places), St Agnes (15 places), Pardes House (20 places), Underhill (30 places) and Tudor (30 places). Feasibility studies have been commissioned to progress potential permanent expansions at St Agnes and Childs Hill to increase provision in this part of the borough over the longer term. The proposed Ark Pioneer at Underhill opening in September 2018 is seeking to provide new primary provision as part of an all through school and will help meet long term demand in the east of the borough. As part of the regeneration scheme in Colindale, there is a new three form entry school being planned at the Peel Centre but the timescale is not yet confirmed. It is anticipated that this programme of activity will meet demand through to the end of the decade although the position is being closely monitored and if necessary, further expansions will be commissioned.

Secondary phase: Although there is some spare capacity at the secondary level (concentrated in a small number of schools), there is projected to be a significant shortfall in secondary school places by the end of the decade and beyond. For September 2016, some secondary pressure has been felt in the west of the borough although all children have been placed.

We have developed a low, medium and high forecast projection of pupil places required up to the end of this decade, based on a

margin applied to allow for parental preference and pupil mobility. The figures below are based on the requirement over and above the current number of places and do not assume any new provision that is being planned (see below).

Table 1: New secondary school places (forms of entry FE) required

Academic Year	Low forecast (+3%) FE	Medium forecast (+5%) FE	High forecast (+8%) FE
2017-18	-4.9	-7.8	-12.0
2018-19	-10.9	-13.9	-18.3
2019-20	-23.0	-26.2	-31.1
2020-21	-21.5	-24.6	-29.4
2021-22	-25.2	-28.5	-33.3
2022-23	-31.3	-34.7	-39.7
2023-24	-32.2	-35.6	-40.7
2024-25	-24.5	-27.7	-32.6

** margin applied to allow for parental preference and pupil mobility. The projections do not assume any new provision being planned, described below*

Meeting the projected secondary demand: Additional places can be provided through either:

- a) Expansion of existing schools.
- b) New local authority commissioned schools, funded by the local authority.
- c) New Free Schools approved and funded by central government.

The intention to meet the need in Barnet is to use a combination of a) and c). We are not proposing to build any new local authority commissioned and funded secondary schools ourselves as we anticipate that the Free School programme approved and funded through central government, will deliver a number of new secondary schools in the Borough.

Expansions: Having already expanded three existing secondary schools (all Academies providing non-denominational places), there are two further secondary expansion projects that are in progress that will provide additional Church of England and Catholic places.

- a) St Mary's and St John's (SMSJ) Church of England: The new SMSJ offer is proving very popular with parents. The school is currently offering 4 forms of secondary entry each year and we are now commissioning 2 additional forms of secondary entry, starting in September 2016. It will then offer 6FE each year.

- b) St James Catholic High: An expansion of St James Catholic High is being commissioned along with the re-location of Blessed Dominic primary school onto the secondary school site. St James will then offer 8FE each year.

Hasmonean has recently consulted the public on plans to re-locate and expand by 2 FE. Several other secondary schools have also approached the council wanting to expand provision (or to sponsor a new free school). One of the drivers for schools looking now to expand is the financial pressures in school revenue budgets. However, due to the high number of free school applications submitted, we are waiting to see the outcome of the free school applications before committing any more of the council's capital monies in expansions.

New Free schools: Free school applications are made directly to the DfE and applications are decided by the Regional Schools Commissioner

The Ark Academy Trust has already been approved to open a new all-through school in Barnet – to be known as Ark Pioneer. The school will provide 6 forms of entry at secondary and 3 forms of entry at primary (as well as nursery and sixth form provision). The Ark Pioneer school will open in September 2018.

The DfE has advised the council that they have received six free school applications for Barnet in the last bidding round. Four relate to secondary school places (including an all-through school), one relates to a new SEN special school and the sixth related to an application by an existing Academy to open a sixth form.

As the approval of free school applications is not in our hands it is difficult to have certainty over the future programme. However, assuming that at least two of the free school proposals are approved, the following could be considered to be a realistic programme of activity (subject to securing land). The expansion of SMSJ is now underway and the Ark Pioneer is preparing to submit its planning application. It is likely that 'bulge' classes at secondary level will be required as the programme is delivered – for example, East Barnet is offering an additional form of entry for September 2016 and September 2017, ahead of the opening of the Ark. Of course, the DfE may approve all four applications for new secondary free schools and then the number of forms of entry provided would rise to 34FE.

Table 2: Potential secondary programme to meet projected long term demand

		Number of additional permanent forms of secondary entry	Potential date for first intake of (additional) pupils
Expansion	SMSJ	2FE to become 6FE school	September 2016
Expansion	St James	2FE to become 8FE school	September 2018
New school	Ark	6FE	September 2018
New school*	TBC	6FE	September 2018
New school*	TBC	6FE	September 2020
Total		22 FE	

* Subject to DfE Free School approval process

b) Growth funding for new and expanding mainstream schools (Reception to Year 11)

All mainstream schools receive formula funding for Reception to Year 11 classes based on the number of pupils recorded on the autumn census the year before.

New and expanding schools receive additional funding to cover the costs of extra classes on roll, for the first seven months (or 12 months at an academy), before the higher pupil numbers show on the autumn census.

Only schools expanding with the agreement of the local authority or DfE receive this extra funding from the growth fund. No in-year adjustments are made for increasing or decreasing rolls.

All funding for growth comes from the growth fund within the Dedicated Schools Grant with the exception of new free schools in the first year of opening.

For non-mainstream school provision, the arrangements are different in each case. Schools are funded for nursery children (2, 3 and 4 year olds) on a termly basis based on actual attendance. Special schools and alternative provision are place funded at £10K per place agreed with the local authority, plus top-ups which follow the child. Post 16 students are funded by a national formula with funded numbers each year agreed directly with the EFA.

Types of growth funding: Depending on their circumstances, mainstream schools receive different types of growth funding from the Dedicated Schools Grant:

Table 4: Types of funding available through Barnet's growth fund

Type	Details	Primary	Secondary
Bulge classes	One off additional class to meet demand for places	Maintained schools: £48,000 (for 7 months) plus £10,000 non-capital start-up grant. Academies also receive £34,286 in the following year.	Maintained schools: £61,000 (for 7 months) plus £10,000 non-capital start-up grant. Academies also receive £43,571 in the following year.
Permanent expansions in existing schools	Additional classes in existing year groups (eg expansion from 2 to 3 forms of entry)	Maintained schools: £48,000 (for 7 months). Academies also receive £34,286 in the following year but this is refunded to Barnet by the EFA.	Maintained schools: £61,000 (for 7 months). Academies also receive £43,571 in the following year but this is refunded to Barnet by the EFA.

New year groups		Estimated additional pupils added to census numbers used in funding formula.	
Diseconomies of scale – lump sums (excludes free schools opened by the EFA not meeting basic need)	New schools filling from the bottom or existing schools opening a new phase to become all-through	New primary phase: £5375 per empty year group; new school £10,750 per empty year group.	New secondary phase: £13,500 per empty year group; new school £27,000 per empty year group.
New phases / schools (excludes free schools opened by the EFA not meeting basic need)		£50,000 for new primary phase in year before opening. (£100,000 for a new school)	£90,000 for new primary phase in year before opening. (£180,000 for a new school)

The table below shows the distribution of growth funding in 2015/16 and the planned growth funding for 2016/17

Table 5: Growth funding in the Dedicated Schools Grant 2015/16 and 2016/17

	2015/16 actuals	2016/17 planned		
Funding	Number	Cost	Number	Cost
Primary bulge classes (30 pupils per class)	8	464,000	2	116,000
Primary half class expansions (15 pupils)	-	-	2	76,000
Primary permanent expansions (30 pupils per class)	11	528,000	10	480,000
Secondary permanent expansions (30 pupils per class)	1	61,000	2	122,000
New class protection (for new classes that do not fill enough to be viable)	5	89,526	6	289,340
Diseconomies of scale	4	216,250	4	246,750
Start-up for new primary phase	2	100,000	-	-
Growth fund total cost		1,458,776		1,330,090
New primary year groups	6 schools, 236 places	696,868	7 schools, 326 places	1,006,561
New secondary year groups	3 schools, 370 places	1,165,876	3 schools, 420 places	1,343,965
Total cost of new year groups in funding formula		1,862,744		2,350,526
TOTAL GROWTH, excluding casual admissions		£3,321,520		£3,680,616

For future years, estimates of growth funding will depend on the actual demand for secondary places as well as the dates new schools open. In particular, the opening of new free schools is usually dependent on land acquisition and planning consent.

Given the projections above, the following estimates may be conservative and the profile of spend is likely to change. The figures will be kept under review as the outcome of the DfE's free school programme become known.

Table 6: Estimated projected level of growth funding required in future years

	17/18	18/19	19/20	20/21
Lump Sums from growth fund	783,750	1,031,750	1,650,500	1,116,375
Formula funding	3,018,750	2,023,117	2,039,100	1,977,850
	3,802,500	3,054,867	3,689,600	3,094,225

Action:

To note the growth expenditure for 2015/16, the planned spend in 2016/17 and the estimated projected spend 2017/18 to 2020/21.

7. Items for discussion

a) National Funding Formula consultation

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DfE consultation on a National Funding Formula for schools

The Department for Education (DfE) launched two consultations on 7th March 2016, one on a Schools National Funding Formula and the other on High Needs Funding (SEN). Both consultations will be in two stages, the first stage invited submissions by 17th April and the second at a date to be announced later in 2016.

The department also plans to consult on Early Years Funding later in 2016.

This first stage of the consultation only covers the principles, methodology, and the framework of a national funding formula. Crucially, the detail that will allow us to calculate the impact on the local authority and individual schools in Barnet will not be released until the second stage of the consultation.

A national funding formula for schools

The government proposes to introduce a national funding formula for schools that ensures a consistent and fair approach to funding schools across the country based on needs rather than historic patterns of expenditure. It is consulting on the factors that should

be included in the formula and the approach to introducing it.

The DfE plans to have a 'hard' national funding formula in place for all mainstream primary and secondary schools and academies from April 2019, with the aim of distributing funding fairly and consistently across the country. It uses the term 'hard funding formula' to distinguish between what will happen in 2019 and what will happen in the two previous financial years.

From 2019/20 the national formula will determine the funding for each school and schools will be funded directly by central government. In 2017/18 and 2018/19 the Schools Block paid to local authorities will be determined by aggregating the amounts that individual primary and secondary schools would get under the national formula. However, in order to allow some local management of the phasing in of the new national formula, local authorities, advised by their Schools Forum, will be able to use a local formula to determine how much each school will actually receive. In other words it will be a hybrid model, referred to as a 'soft' national funding formula.

The government plans to base the national formula on various factors that will be common across the country and has been consulting on those factors. The only adjustments for the location of any school will be an area cost adjustment to take account of higher costs in some areas, particularly London, and the sparsity factor which helps isolated rural schools.

Funding blocks

During this period, between April 2017 and March 2019 the Schools Block of the Dedicated Schools Grant (DSG) funding must be passed in its entirety to schools.

There will also be a new, formula-based Central Schools Block to support central local authority services. This will cover some of the duties previously funded through the Education Services Grant (ESG). The ESG contributes towards the funding of some central functions that are not funded through the DSG (Dedicated Schools Grant) such as school improvement for maintained schools, education welfare statutory work and asset management.

The department proposes to provide specific funding for Pupil Number Growth but the consultation document proposed that this should be funded on historical expenditure, which many local authorities may find difficult, especially at this time when the expansion of secondary schools is about to begin. Our concerns over this have been expressed in our response to the consultation.

The Pupil Premium, Universal Infant Free Meals, Devolved Formula Capital and other grants will continue.

The government also proposes to reform High Needs funding so that it is distributed more fairly through a formula that is based on factors relating to need rather than on historic patterns of expenditure and provision. To that end it proposes, and has consulted on, the factors that should be taken into account in determining the formula.

At the same time it recognises the need to phase in any changes in order to avoid disrupting provision and to give local authorities time to plan, and make the necessary adjustments to, their SEN arrangements and provision. Local authorities will continue to have responsibility for identifying, placing, and providing funding (including top-up funding) for, children with Education, Health and Care Plans.

Key issues in relation to the proposed National Funding Formula

The key issues for Barnet are:

- **School improvement** – The DfE is proposing to remove the LA role in school improvement after 2016/17. Barnet is one of the best performing LAs in the country in relation to the proportion of maintained schools that are good or outstanding (94%) but this involves a mixture of strategies. Increasingly it is a school-led system and the school improvement partnerships established across Barnet put Barnet schools in a strong position to respond to the proposed new agenda. However, the key question that the new approach must address is how to ensure a robust programme of monitoring and challenge, as well as support, for all schools, and appropriate intervention for the small number of Barnet schools that are a school causing concern. This is a particular concern in the five-year period between 2017, when it is proposed to remove the local authority role, and 2022, the date by which all primary and secondary schools must be academies, with the vast majority expected to be in Multi-Academy Trusts, where 'most school improvement will take place'.
- **The area cost adjustment** and whether that will be enough to cover the actual extra cost of living and working in London, taking account of both London weighting and how average school salaries tend to be higher in London, which they have to be due to housing costs etc.
- **The speed of introduction of any changes** – the DfE is sensibly proposing to phase in the new arrangements – with a gradual move to the national formula and a gradual move away from local formulae paid through LAs over 2 years. But whether the changes can be achieved without major disruption will depend on the scale of change for individual schools and LAs over those 2 years and on the actual phasing within those 2 years and the level at which they set the Minimum Funding Guarantee (MFG - currently set at -1.5%, meaning per pupil funding for any school cannot fall by more than 1.5% a year).
- **The creation of a new central block and the requirement to passport the schools block in full.** This may be achievable without detriment to key services if the central services are funded by top-slicing the school block first and the current High Needs block is protected – but otherwise it could mean big cuts to central services or SEN. It is not yet clear how the central block will be determined. However it is, it could mean

significant reductions to budgets for some central services. This must be a significant budget risk for Barnet – especially in relation to some of the historic protected budgets for Family Services (e.g. funding for support to troubled families) and the historic DSG contributions to SEN transport (£400k) and the EP service (£120k).

- **Growth Funds** –The documents say that growth funds will be based on historic spend in 2016/17 and 17/18, which probably helps Barnet because we have a high level of spend but we need to be sure it will cover actual growth costs as the pupil bulge feeds through to secondary.
- **High Needs funding** – There is not yet enough information on what the formula will look like to enable us to comment on the implications for Barnet. The proposed phasing of changes is certainly welcome.

Barnet's response to the consultation

Schools and local authorities were invited to respond to the consultation. Attached as an appendix to this report is the council's response to the DfE's consultation on both the schools' national funding formula and the High Needs national funding formula.

We will advise schools when the next stage of consultation begins on the government's proposals and the impact on Barnet and our proposed response. We will provide an update to chairs and vice-chairs of Governing Bodies at our next meeting on 25 May.

Early Years

The department has said it will consult later in the year on a new national funding formula for Early Years. In the meantime it has recently issued a consultation document, entitled 'Childcare free entitlement: delivery model' which can be seen at:

https://consult.education.gov.uk/early-years-funding/childcare-free-entitlement/supporting_documents/CONDOC.%20final%20version%2031st.pdf

This consults on the arrangements for the provision of 'free entitlement' childcare, including the planned extension of free entitlement for 3 and 4 year olds from 15 to 30 hours a week for working parents. The consultation is not about funding, though the document does highlight an increase in the 'national average funding rate to providers' for 3 and 4 year olds (rising from £4.56 to £4.88 by 2019/20. This rate is the average amount paid to local authorities, not providers, and varies depending on the location of the LA. Barnet's actual rate is higher.

Responses to this consultation have been invited by 6 June. The early years team has circulated it to all Private, Voluntary and Independent providers and we will alert schools to it in the Schools Circular. The early years team has invited providers to share their responses with the team, who will then also develop a local authority response. We will bring a report on Early Years funding to the Schools Forum when the DfE issues its consultation on the proposed Early Years National Funding Formula.

	<p>Ian Harrison, Education and Skills Director, Barnet with Cambridge Education, North London Business Park, Oakleigh Road South, London N11 1NP Tel: 020 8359 7943 Email: ian.j.harrison@barnet.gov.uk</p>	
8.	<p>Draft agenda for next meeting - 7th July 2016</p> <ol style="list-style-type: none"> 1. Welcome to new members 2. Apologies for absences 3. Declarations of interest 4. Minutes of the last meeting 5. Items for information <ul style="list-style-type: none"> • 2015/16 Budget Monitoring – Final Outturn • 2016/17 Budget 6. Items for decision/ discussion <ul style="list-style-type: none"> • National Funding Formula consultation 7. Draft agenda for next meeting – 29th September 2016 8. Any other business 	
9.	Any other business	

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**Minutes of the Schools Forum Meeting
11th February 2016
(4.00 pm, Training Room 3, BEST hub, Colindale)**

Attended	Type of Member	Name	Representing	Member until end
Members	Primary Community Gov	Elizabeth Pearson	Holly Park/Livingstone	Sep 2016
	Special School Governor	Gilbert Knight	Oakleigh	Sep 2016
	Primary Community HT	Jeanette Adak	Monkfrith Primary	Sep 2016
	Pupil Referral Unit	Joanne Kelly	Pavilion PRU	Sep 2016
	Primary Community HT	Jude Stone	Tudor / Cromer Road	Mar 2018
	Unions	Keith Nason	National Union of Teachers	Sep 2016
	Primary Community Gov	Lesley Ludlow	Moss Hall Infants	Apr 2017
	Academy School Principal	Marc Lewis (substitute for Michael Whitworth)	Wren Academy	Nov 2016
	Primary Foundation/VA HT	Matthew Glenn	St Mary's & St John's	Apr 2018
	Nursery School Headteacher	Perina Holness	Moss Hall Nursery	May 2017
	Secondary HT	Simon Horne	Friern Barnet	Oct 2017
	Academy Representative	Tom Brighton (substitute for Angela Trigg)	London Academy	Sep 2016
LA Officers	LBB Officer	Chris Munday	Commissioning Director for Children and Young People	
	LBB Officer	Ian Harrison	Education & Skills Director	
	LBB Officer	Val White	Lead Commissioner	
	LBB Officer	Farhana Begum	CSG – Children & Adults Finance	
	LBB Officer	Carol Beckman	CSG – School Funding	
	LBB Officer (Clerk)	Claire Gray	CSG – School Funding	
	LBB Officer	David Monger	LBB - Children's Service Consultant	
	Other	Finbar McGaughey	Cambridge Education	

Did not attend				
Members	Academy School Principal	Andrew McClusky	Hasmonean High School	Oct 2018
	Primary Foundation/ VA Gov	Anthony Vourou	St Johns CE N11	Sep 2016
	Primary Community HT	Clare Rees	Sunnyfields Primary	Feb 2017
	Primary Community Gov	Cllr Brian Salinger (substitute for Elizabeth Pearson)	Holly Park/Livingstone	Sep 2016
	14-19 Provider Representative	David Byrne	Barnet & Southgate Col	
	Academy School Principal	Jack Newton	Grasvenor Infants	Nov 2015
	Academy School Principal	Jane Beaumont	Copthall	Jan 2016
	Academy School Principal	Jo Djora	The Hyde Academy	Jul 2017
	Special School Headteacher	Lesley Burgess	Northway	Sep 2016
	Primary Foundation/VA HT	Maureen Kelly	St Theresa's Catholic	Jul 2017
	Academy School Principal	Rachel Fink (substitute for Andrew McClusky)	Hasmonean High School	Oct 2018
	Primary Community HT (4)	Sally Lajalati	Colindale Primary	Sep 2014
	Private Early Years Provider	Sarah Vipond	Middlesex Uni. Nursery	Sep 2016
	Secondary HT	Seamus McKenna	Finchley Catholic	Nov 2016
	Primary Foundation/VA Gov	VACANT		
	Primary Foundation/VA HT	VACANT		
	Secondary Community/VA Governor	VACANT		
Non Members	EFA Observer			
	LBB Officer	Catherine Peters	CSG – Head of Finance	
	Elected Member	Cllr R Thompstone	Lead member for Children's Services	
	LBB Officer	Nick Adams	CSG – Financial Services	
	Primary Community Gov	Nigel Taylor	Wessex Gardens	May 2018

1 WELCOME TO NEW MEMBERS

There were no new members at this meeting, but Gilbert Knight welcomed Finbar McGaughey representing Cambridge Education, the Education Service Alternative Delivery Model (ADM) partners.

2 APOLOGIES FOR ABSENCE

Apologies were received from Michael Whitworth, Anthony Vourou, Nigel Taylor and Catherine Peters. Post-meeting apologies were received from Sarah Vipond.

CB apologised for the late release of the Schools Forum papers, but this was because the content on budget monitoring could not be released until after the P&R committee papers had been published.

3 DECLARATION OF INTEREST

None.

4 MINUTES OF LAST MEETING

Agreed as a true and accurate record of the last meeting.

5 MATTERS ARISING

VW advised that the application by Menorah High School for Girls has been approved by CELS, and the school would be joining the maintained sector on 1st April 2016.

CB is liaising with the EFA to ensure the DSG income is received for the additional pupils.

6 ITEMS FOR INFORMATION

6a 2015/16 Budget monitoring

FB presented the quarter 3 budget monitoring report, which shows no overall change to the schools budget. There has been a £1.4m movement as a result of revised High Needs top-up funding, revised 2, 3 & 4 year olds uptake figures and reduced Early Years Vulnerable Children (EYVC) expenditure. Appendix 1 of the papers shows the current projection of £1.7m underspend.

PH queried the fact that EYVC is now underspending when schools are bearing the cost and have been advised there should be no new referrals. She asked if the application process for EYVC funding would now be reopened. FB advised that she should contact the Family Services (Social Care) team for up-to-date guidance.

6b National Funding Formula consultation

IH advised that there has been no detail from the DfE regarding the National Funding Formula consultation. It is not known whether any proposals will be a formula at school level or Local Authority level, but it is highly likely to be a move away from historic spend/ funding levels and there is an expectation that it will mean lower funding for London authorities (especially Inner London) but higher funding for northern authorities.

A number of organisations have undertaken some modelling, but as detail is not known these are not reliable. However, the London Councils group modelling suggests a change to LB Barnet of approximately -2%. London Councils have proposed to the DfE that other LA funding levels should be brought up rather than London being reduced. The consultation is expected in the next couple of months, although the government is aware that the timing is affected by the GLA election period. Any protection during the transition period is not known, nor is the timescale for this transitional protection. The proposals are expected to cover the High Needs and Schools Block first, with Early Years possibly following at a later stage. The proposals are also likely to include cuts to the Education Support Grant (ESG) for both maintained and academies/ free schools.

ML commented that the F40 (40 lowest funded authorities) website is accessible, and shows new proposals that indicate LB Barnet would lose ~£167 per pupil. CM advised that current indications are that the government are not planning to accept the F40 proposals. Indications are that the higher area costs for London have been accepted and not questioned.

VW suggested that members of the Schools Forum should respond robustly to the consultation once released, either as individuals or as a group. The Schools Funding Team will offer assistance on this and will provide a briefing to support the Schools Forum response.

SH asked if the DfE per pupil figure is likely to recognise deprivation. CM stated that this is not known.

6c Alternative Delivery Model

VW recapped the reasoning for the council decision to establish an Alternative Delivery Model (ADM) in order to maintain support services to schools. At the end of a complex process (where Headteachers and Governors have worked closely with the LA), Barnet is about to sign a contract with Cambridge Education that will manage these services. VW then introduced Finbar McGaughey, Barnet's lead contact at Cambridge Education.

The organisation works solely in the Education sector, both in the UK and overseas and will deliver catering through its sub-contractor, ISS. The changeover will take effect from 1st April 2016, and plans are in place to ensure a smooth transition so as not to distract staff from service delivery. There is likely to be a review of services in the early months to identify where efficiencies may be needed, or in order to expand the traded services offer. All stakeholders will be included in these discussions. Cambridge Education also has access to non-Barnet funding and the Barnet contract confirms that any surplus achieved above an agreed level will be reinvested for the benefit of Barnet and Barnet Schools.

SH asked if the discussions with ISS regarding catering requirements will take place before or after the April changeover. FMcG said this would happen shortly after the contract commencement.

IH requested that, as this potentially affects posts within the authority that would transfer to Cambridge Education, schools should indicate as soon as possible their traded service buyback requirements.

7 ITEMS FOR DECISION

7a 2016/17 Draft Budget

CB provided a copy of the draft budget that will be considered by the P&R committee on 16th February 2016, and which forms the majority of the information submitted to the DfE in Section 251 (s251) at the end of March. Members should note that underspends from previous years have been crucial in covering the cost of growth in Barnet, both in pupil numbers and new schools; this is costing approximately £3.5m - £4m per annum. £1.3m will be used to support the growth fund in 2016/17, but further underspends will be needed to support growth going forward. Other LAs are either setting deficit budgets or are cutting funding to schools to cover this pressure.

All proposals in the 2016/17 draft budget are based on the status quo, as any future national funding formula requirements are not known at this stage and should not affect 2016/17.

In a change to the budget presented to Schools Forum in October, the 2016/17 draft budget proposals include an increase in the AWPU of £10 for all Reception – Year 11 pupils. An additional £500k has also been factored into the HN budgets in order to lift the top-up rates by 2% to schools. Central services costs have been retained at flat cash levels, although this is a smaller percentage of expenditure as pupil numbers and the DSG grows. The table shows the gross budget figures that are needed for s251, and the net budgets after Academy/ Free School recoupment. (Budget monitoring is reported against net budget figures).

Members were asked to vote on the 2016/17 draft budget proposals.

Vote: Carried, unanimous.

7b 2016/17 APT submission

The final 2016/17 Authority Proforma Tool (APT) was submitted to the government on 21st January 2016. This detailed Barnet's final 2016/17 funding formula for both maintained schools and academies.

The APT released in December giving the October school census data showed a significant drop in IDACI scores affecting all London authorities. In previous years, Barnet funded the top 3 IDACI bands (4, 5 and 6) in the funding formula. However, Barnet schools no longer have any pupils at IDACI level 6. This change would have significantly reduced the overall amount allocated through deprivation funding, and also put the majority of schools on the minimum funding guarantee (MFG).

In order to rectify this demographic change and to lift schools off the MFG, officers agreed that Barnet should continue to fund the top 3 IDACI bands - now bands 3, 4 and 5 - and that the same overall amount should be distributed through deprivation factors. Additionally, modelling indicated that it was advantageous to secondary schools to distribute a greater amount through IDACI and less through FSM6, although the overall ratio between primary and secondary funding remains consistent at 1:1.29

As a result of these rate adjustments, the cap on gains that had been proposed to the Schools Forum in October at 15% can now be raised to 20% without increasing the overall cost of the Individual Schools Budget (ISB). The final APT submission can be viewed on page 21 of the Schools Forum papers.

Members were asked to vote on the 2016/17 APT submission.

Vote: Carried, unanimous.

7c 2016/17 High Needs Places

DM summarised the key points in the High Needs paper, which showed that current trends indicate a need for increased places in Barnet specialist provision and reduced reliance on out-of-borough placements, although there has been a small increase in placement in other LA Special schools. Capacity has recently been expanded at Barnet's primary Special Schools, and a building programme is due to start shortly to increase places at Oak Lodge. It is expected that Kisharon will convert to a Special free school, which will further increase local provision. Although specialist provision demand is increasing, there has been a small overall decrease in statemented pupils in mainstream settings – higher numbers in primary, lower in secondaries.

There has also been a reduction in Post-16 placement costs as a result of demographic changes and the development of provision at Barnet & Southgate College.

IH commented that the work involved in this analysis, the tracking of HN children and more accurate budget projections had been significant and he thanked Penny Richardson, David Monger and Jane Marriott for their efforts.

GK asked if the authority received a greater number of complaints from dissatisfied parents. DM stated that parents are happier that greater provision is available locally and there are fewer tribunals or complaints.

Schools Forum is asked to note

1. the current projections for High Needs Funding
2. the proposed number of places in Barnet specialist provision for 2016/17

Duly noted.

8 **DRAFT AGENDA FOR NEXT MEETING – 12TH MAY 2016**

1. Welcome to new members
2. Apologies for absence
3. Declarations of interest
4. Minutes of previous meeting
5. Matters arising
6. Items for information
 - 2015/16 Budget Monitoring – Final Outturn
 - 2016/17 Budget
7. Items for decision/ discussion
 - National Funding Formula consultation
8. Draft agenda for next meeting – 7th July 2016
9. Any other business

9 **AOB**

KN wanted to draw members' attention to the teacher retention and recruitment working party, as there is currently insufficient secondary representation on this group. He asked Headteachers to canvas members for this sector where possible.

Meeting closed at 5.30pm

Dates of future meetings:

12 May 2016, 4pm.

7 July 2016, 4pm.

Training Room 3, BEST hub, Colindale

Training Room 3, BEST hub, Colindale

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1. NFF – Questions from the Schools National Funding Formula Consultation **AGENDA ITEM 7a**

Question 1: Do you agree with our proposed principles for the funding system?

The principles of fairness, simplicity, efficiency, predictability and transparency cannot really be challenged, nor the idea that money should go directly to schools, and support opportunity, since local authorities have always applied these principles in their own formula. Whether these proposals do this any better than local authorities have been doing so far is debateable.

One of our main concerns is the short-term impact on school improvement of removing the LA role and funding for school improvement in maintained schools before a full system of MATs is established. Barnet has worked with schools to ensure all schools are part of a school improvement partnership and we believe that the development of these partnerships or groups of partnerships into MATs may be a good way of establishing a good school improvement system in the future. However, this will take patience and time and our concern is that a key LA role will disappear in the meantime and with it the safety net that LA statutory duties offer to maintained schools.

Barnet LA prides itself in knowing its schools well and having an excellent partnership relationship with them. Barnet primary schools are extremely supportive of the current arrangement of a small team of Learning Network Inspectors (3 recently serving heads for 89 primary schools) who co-ordinate primary school networks and school improvement partnerships and, through their monitoring of schools, are able to spot weaknesses early, challenge schools to improve and intervene informally to prevent failure by brokering extra support for schools and/or by working with the school leadership to address problems of weak leadership or weak teaching directly. If the funding for this activity and the associated powers are removed before an effective system of MATs is fully up and running, a significant number of schools could lose their safety net and see falls in standards in the absence of the sort of effective monitoring, challenge and intervention that the LA currently provides.

Question 2: Do you agree with our proposal to move to a school-level national funding formula in 2019-20, removing the requirement for local authorities to set a local formula?

There are strong arguments for having a rational approach to funding schools that is consistently applied across the country.

The government introduction of 'Spend Plus' years ago froze the level of local authority spending on schools, and so LA income was no longer responsive to the impact of geographical and socio economic changes. Other changes such as the mainstreaming of Standards Funds, and then simplification of local formulae in 2013 have created further inequalities, all of which have been stultified by the minimum funding guarantee.

We know the minimum funding guarantee will continue and note that a minimum level will be set by the DfE. We also note that local authorities will be given the flexibility to set a less generous minimum funding guarantee in order to make the formula affordable within the funding envelope. Our concern is that this will place local authorities in the invidious position of being the ones who propose to reduce the level of protection to schools beyond what the DfE has proposed. ***It would be much more appropriate for the DfE to set the MFG at a higher level, (say -3% instead of -1.5%) and to allow LAs to set it at a higher level if they can afford to and think it appropriate.***

Question 3: Do you agree that the basic amount of funding for each pupil should be different at primary, key stage 3 and key stage 4?

As Barnet does not have middle and upper schools, it does not make a lot of difference to schools in this LA whether the AWPU rate is different for the two key stages. In the past Barnet used to differentiate on the basis that KS4 could be more expensive because of exam costs and perhaps smaller class sizes and more expensive equipment, but this has been replaced by a single rate for all secondary pupils. Moreover a new secondary school growing from the bottom would receive lower funding for the first three years if the KS4 rate were higher. If there were to be different rates, the methodology behind the difference would need to be clear. Unless schools are expected to have notional KS3 and KS4 budgets, the total funding for Y7-11 is the most important issue.

Question 4:

a) Do you agree that we should include a deprivation factor?

Deprivation factors have long been used as a proxy indicator for additional educational need, as well as identifying pupils eligible for free school meals. However finding a reliable, objective, consistent and nationally available measure is difficult. Other measures such as the number of children in a school identified as needing support, or even low prior attainment, can create perverse incentives. As with the previous question, ***the important issue is that whatever measure is used, enough money will be provided for schools to pay the cost of free meals for eligible pupils, to provide in-class support for pupils with high incidence low cost additional needs and to provide the first £6,000 of support for pupils with statements / EHCPs.***

4 b) Which measures for the deprivation factor do you support?

• Pupil-level only (current FSM and Ever6 FSM)?

FSM6 is less volatile than FSM, and recognises that the effect of low income lasts well past the time when the family is back in work. FSM is more easily understood by schools, as they do not always have the history to know why a child shows up as FSM6. FSM6 funding is duplicated by pupil premium funding – a fact which schools also find confusing. However FSM registration has fallen in primaries since the introduction of universal infant free meals as parents do not see the point of applying. At secondary level, uptake is low because many pupils do not want to eat school meals. The consultation proposes using both FSM and FSM6 so that schools are certain of having enough funding to pay for free meals for those currently eligible, i.e. in effect weighting those currently eligible more heavily. This seems to introduce more complexity than necessary. FSM eligibility could fall if the threshold within universal credits is set too low, or if unemployment falls dramatically, so FSM6 would soften the impact.

• Area-level only (IDACI)?

IDACI has been popular as an objective indication of likely deprivation based on postcode, however the new index released in the autumn of 2015 was so different from the previous version that it created a great deal of turbulence not linked to real changes in the local authority area. The prospect of this happening every 5 years is worrying, but it should not preclude using the measure, so long as there is assurance that either the IDACI bands or the funding rates for them are adjusted when there is a change, so that the same amount of money is spent overall. Barnet supports IDACI as it identifies deprivation in some faith schools where parents are reluctant to claim free school meals.

• Pupil- and area-level?

As yet, there is no perfect measure of deprivation which works in all schools, so it is useful to use more than one factor to identify as much deprivation as possible, although this can lead to double counting.

For instance, in an LA which funds both free school meals and IDACI, if there are two schools which take children from the same geographical area, their area deprivation will be the same, but if one is a school where parents are reluctant to register for free meals, they will receive less funding than their neighbour.

Question 5: Do you agree we should include a low prior attainment factor?

Barnet does not use low prior attainment. It was rejected in 2013 firstly because there was a query over its accuracy and secondly because it did not identify schools in need any better than FSM6 and IDACI. The DfE intends to use KS2 and the Early Years Profile (or another baseline measure for the start of primary). Thus a primary school with a nursery will benefit from low attainment in its own early years department, and an all-through or middle school would benefit from low attainment of its pupils in Year 6. In a world of shrinking budgets will schools want to top the league tables one year knowing they will receive less funding the following year? ***Nationally it may be a good indicator of where to direct the most funding, but at school level it is not.***

Question 6:

a) Do you agree that we should include a factor for English as an additional language?

Pupils registered as non-English speaking identify a different set of schools in need from the indicators above, however the measure is reported by the schools themselves and seems to be interpreted in different ways. Many parts of the country, including London, have areas where many children are bilingual and their parents' first language is not English. These are not necessarily the children the funding should be targeting – rather, those who have just come to the UK and are starting from a zero base in learning English which compromises their ability to learn. EAL also tends to benefit infant schools and departments most, as any EAL child admitted will count as in their first or second year of learning English. Is this a good thing, in that it gives a good start to the youngest, or does it take money away from schools with older children who will struggle more to convey complex ideas to new English speakers? ***If the EAL data on the census can be better audited, this is a useful measure, but at present there is a perverse incentive to understate a child's level of English to gain more funding.***

b) Do you agree that we should use the EAL3 indicator (pupils registered at any point during the previous 3 years as having English as an additional language)?

Barnet uses EAL2, as EAL3 tends to spread the funding to more schools but more thinly. It is better that those schools in greatest need receive a more usable sum of money than nearly all getting a small amount. Given the reservations in the response to 6a, ***EAL2 would be a better measure. However a better question might be how funding should be weighted in primary and secondary. A new Year 7 pupil without a good knowledge of English would need greater resources put in than a 4 year old just joining Reception.***

Question 7: Do you agree that we should include a lump sum factor?

Barnet's lump sum is £122,000 per school. Before 2013, there was a larger lump sum for secondaries than primaries. This was based on the higher overheads in a secondary of headteacher, caretaker, SENCO and school administration. More recently, thinking has been around the needs of small schools which have low income generated by the AWPU but have to support fixed management overheads.

Larger primary and secondary schools do not need a lump sum – the money can easily be generated by a small increase in the AWPU, but the viability of one form entry infant and primary schools is likely to be dependent on the lump sum continuing. This would make the lump sum more of a small school supplement.

Question 8: Do you agree that we should include a sparsity factor?

There are some very small schools in remote areas that have to remain open in order to serve the local population but will become increasingly unviable if they do not receive additional support. For these schools a factor that recognises true sparsity is a good idea.

Question 9: Do you agree that we should include a business rates factor?

Business rates are difficult to manage because of discounts for different type of schools and because the actual business rate bill is not known until after the beginning of a financial year. In Barnet, community schools pay the full rate, VA schools nothing and most academies pay 25%, so it is difficult to see an easy solution. Perhaps community schools should just receive a slightly higher AWPU to allow for the payment of rates. Nursery schools and early years providers are not funded for NNDR - there should be a consistent approach.

Question 10: Do you agree that we should include a split sites factor?

Barnet has/had several split sites: Hasmorean High (girls and boys a mile apart); Danegrove (infants and juniors separate); St Mary's and St John's – soon to be on 3 sites with two very close together; Rosh Pinah (nursery and Reception in separate buildings but not far away – now combined); Mill Hill High (separate SEN unit, Oakhill, on the other side of the borough). We do not fund for off-site playing fields. The additional cost to the school of such arrangements varies. In some cases teachers and even pupils may spend time moving between sites, at others the movement is minimal with just the Head visiting the different sites. The recent expansion of schools has resulted in many more schools being split over more than one site in some authorities, and the eligibility threshold in terms of distance or type of school needs to be considered carefully. ***There should be a split site factor but only for schools meeting national criteria of (say) schools with classroom sites which are separated by a major road and/or more than half a mile (say) apart***

Question 11: Do you agree that we should include a private finance initiative factor?

PFI is a millstone round the necks of some authorities, luckily not Barnet's, but the cost across the country eats into the national DSG. So long as schools are not double funded through a PFI factor, the AWPU and DFC grant for building maintenance, it is difficult to see how schools and LAs can manage without being funded for this. However non-PFI schools should not suffer because of the additional funding needed for PFI.

Question 12: Do you agree that we should include an exceptional premises circumstances factor?

We understand that some other LAs pay for buildings rent or sports facilities (although swimming pools were not allowed). ***Barnet has never had an exceptional premises circumstances factor, so we are not clear why one is really needed and suggest it should be phased out.***

Question 13: Do you agree that we should allocate funding to local authorities in 2017-18 and 2018-19 based on historic spend for these factors?

- Business rates
- Split sites
- Private finance initiatives
- Other exceptional circumstances

No, using historic spend breaks the principles set out at the beginning of transparency and fairness, and a better way should be found than this:

- ***Business rates:*** see above. In areas of high growth, historic business rates will not keep pace. ***Better to fund actuals*** or to remove the factor and put it in the AWPU.
- ***Split sites:*** this ***should be formula-led*** based on a standard system for all schools across the country.
- ***PFI*** – this should also be ***on actuals*** – the repayments are contractual and known well in advance.
- ***Other exceptional circumstances*** – ***if they are exceptional, they should not be based on historical spend but on current need.***

Question 14: Do you agree that we should include a growth factor?

Barnet needs over £3m per year to fund growth for the foreseeable future. There is no question that funding should be adequately provided for growth as schools cannot be expected to accommodate additional pupils without money to pay for additional teaching, resources and support before the funding feeds through from the census. Funding should be based on the projected growth in pupil numbers (with subsequent claw-back if actual numbers fall short).

Question 15: Do you agree that we should allocate funding for growth to local authorities in 2017-18 and 2018-19 based on historic spend?

Growth funding varies from year to year depending on the decisions of the DfE, academies, planning authorities and the local authority to open extra school places. Moreover, the larger primary cohorts will shortly move into ***secondary where the extra places are 28% more expensive. Growth funding should represent much more closely the planned need of each school / authority, not on the historic spend*** which may be completely unrepresentative. ***Local authorities should be able to submit their requirements for additional places in the same way as they already do for high needs places.***

Question 16:

a) Do you agree that we should include an area cost adjustment?

There is no doubt that some areas of the country have higher costs of all sorts but especially ***salaries in inner and outer London. This must be taken into account in any national funding formula, as it already is in the Post 16 formula.***

b) Which methodology for the area cost adjustment do you support?

- general labour market methodology
- hybrid methodology

We support returning to the general labour market measure for area cost adjustment. In an increasingly challenging environment for recruiting and retaining teachers, it is essential that a funding formula fully captures London's significantly higher staff costs.

The teacher salary component of the hybrid area cost adjustment methodology treats the market for teachers as if it operated in isolation from wider labour market pressures. Yet when recruiting and retaining teachers, schools must compete with both the independent school sector and alternative career paths. This is reinforced by the move to full academisation, which will reduce the power of national pay scales and mean that the wider labour market will increasingly determine teacher pay levels.

True staff costs are therefore best captured by the more straightforward, transparent general labour market measure, rather than the hybrid area cost measure.

The area cost adjustment should be updated regularly to reflect relative regional changes in the labour market over time.

Question 17: Do you agree that we should target support for looked-after children and those who have left care via adoption, special guardianship or a care arrangements order through the pupil premium plus, rather than include a looked-after children factor in the national funding formula?

Barnet does not use a formula factor for looked after children, but a minority of LAs do. ***Increasing the pupil premium plus and distributing all funding as needed for our looked after children via the Virtual School is likely to more effective and efficient. This is especially so because the funding formula is based on the previous October's information and the child may have left the school by the time the funding arrives.***

Question 18: Do you agree that we should not include a factor for mobility?

Some years ago Barnet commissioned a major piece of work on mobility. Barnet has a mobility factor, which mainly benefits the former Excellence in Clusters schools, although the amount distributed is quite small and many of these schools are on the MFG anyway so see no benefit. These are mostly schools with high levels of deprivation funding as well. Mobility also particularly affects schools with service children for whom there is now the pupil premium. ***The mobility factor also currently benefits schools which are growing or merging, as they appear to have lots of children admitted after the normal date of entry; this does not make sense and should not continue.***

Question 19: Do you agree that we should remove the post-16 factor from 2017-18?

This factor was originally allowed as a transitional addition to recognise extra money historically put into 6th forms by the LA. Barnet has not funded 6th forms from the DSG since the national Post 16 formula was brought in and the money top sliced from us. ***We agree with the DfE that it is time to end this support from the budget for Pre 16 pupils.***

Question 20: Do you agree with our proposal to require local authorities to distribute all of their schools block allocation to schools from 2017-18?

No. Where an LA is losing funding, they will need flexibility to use all the blocks in a way that is fairest for all needs. The DSG is already ringfenced for education with strict rules applied, so it seems unnecessary to ringfence the Schools Block within the DSG as well.

Question 21: Do you believe that it would be helpful for local areas to have flexibility to set a local minimum funding guarantee?

The likelihood is that many LAs will only be able to balance the budget if they set a lower minimum funding guarantee than -1.5% (so greater than a 1.5% loss per pupil). However it ***is unfair to put the onus on the LAs to set an unpopular low MFG. A better way would be for the DfE to set a minimum MFG (e.g. -3%) and allow those authorities which are better off to set a higher rate.***

Question 22: Do you agree that we should fund local authorities' on-going responsibilities as set out in the consultation according to a per-pupil formula?

In principle yes, but the cost of these responsibilities varies a great deal across the country, so it is important that enough is allocated and an MFG applied to ensure continuation of service within LAs.

Question 23: Do you agree that we should fund local authorities' on-going historic commitments based on case-specific information to be collected from local authorities?

It is fair to review these historic commitments, but with core budgets under pressure it has to be recognised that services to vulnerable children could be affected if funding is cut as there would be no other source of funding for them.

Question 24: Are there other duties funded from the education services grant that could be removed from the system?

None that we would propose.

Question 25: Do you agree with our proposal to allow local authorities to retain some of their maintained schools' DSG centrally – in agreement with the maintained schools in the schools forum – to fund the duties they carry out for maintained schools?

This seems a rather muddled idea. De-delegation is to be removed from one set of services only to be replaced with de-delegation for statutory services. This question does not ask about funding the duties of the local authority to monitor all schools and provide intervention where necessary in the interest of the pupils. Barnet is particularly good at this and has a large number of good and outstanding schools as a result (94% of maintained schools compared with 80% of Academies). The money should be in the Central Block, not a matter for the Schools Forum.

2. HNF – Questions from the High Needs Funding Formula Consultation

Question 1 Do you agree with our proposed principles for the funding system?

Yes. We would add that it also needs to be introduced in a manageable way.

Question 2 Do you agree that the majority of high needs funding should be distributed to local authorities rather than directly to schools and other institutions?

Yes. Funding for lower level needs should continue to be delegated, but funding for individual pupils with high needs should follow named children. Similarly the services for SEN which are most efficiently provided by the LA (therapies, transport, specialist teaching etc.) should be made available to the LA.

Question 3 Do you agree that the high needs formula should be based on proxy measures of need, not the assessed needs of children and young people?

We agree that there should be no perverse incentive to identify high needs. However historic expenditure is based on the assessed needs of currently funded children, and this must also be taken into account to ensure they are not disadvantaged.

Question 4 Do you agree with the basic factors proposed for a new high needs formula to distribute funding to local authorities?

(Funding per pupil, population, DLA, children in poor health, KS2 & 4 low attainment, FSM6, IDACI, spending level factor).

In general, **yes**, but it is not clear whether this adequately meets the needs of **under 5s**. A continuing problem is that pre and post 16 have different funding methods for high needs. **The number of places funded in the Post 16 funding formula is unresponsive to change and high needs recoupmnt is confusing. In addition, LAs have not received additional funding for their 19-25 responsibilities.** With the raising of the participation age, Post 16 high needs support is becoming a greater pressure on budgets. **The per pupil funding should include all students with high needs, including those in independent provision, otherwise the latter will not be adequately funded.**

Two of the factors proposed are unfamiliar in the school context, i.e. DLA and children in poor health. LAs would need to be content that these are reliable, objective measures which are not subject to fluctuations (as seen with IDACI this year). Are these measures already used within the IDACI index and therefore being double counted?

Using KS2 and KS4 attainment penalises those LAs with high performing schools which effectively support pupils with High Needs to perform as well or nearly as their peers. A better measure might be the number of students working below the expected national curriculum level for their age or at P levels.

It has been noticed that some cultural / ethnic groups are overrepresented in the population of high needs pupils. Is this an indicator which should also be used?

Question 5 We are not proposing to make any changes to the distribution of funding for hospital education, but welcome views as we continue working with representatives of this sector on the way forward.

Hospital place funding was calculated in 2013 based on historical expenditure and since then has not changed. **Increases in demand or level of need have not been taken into account, and the closure of a hospital paediatric department can push demand on to a neighbouring borough without any means of recoupmnt.**

Furthermore, pressure on hospital budgets has begun to prompt hospitals to charge hospital provision more for premises and services previously provided free. There should be greater clarity generally and a more responsive funding system.

Question 6 Which methodology for the area cost adjustment do you support?

We support returning to the general labour market measure for area cost adjustment. In an increasingly challenging environment for recruiting and retaining teachers, it is essential that a funding formula fully captures London's significantly higher staff costs.

The teacher salary component of the hybrid area cost adjustment methodology treats the market for teachers as if it operated in isolation from wider labour market pressures. Yet when recruiting and retaining teachers, schools must compete with both the independent school sector and alternative career paths. This is reinforced by the move to full academisation, which will reduce the power of national pay scales and mean that the wider labour market will increasingly determine teacher pay levels.

True staff costs are therefore best captured by the more straightforward, transparent general labour market measure, rather than the hybrid area cost measure.

The area cost adjustment should be updated regularly to reflect relative regional changes in the labour market over time.

Question 7 Do you agree that we should include a proportion of 2016-17 spending in the formula allocations of funding for high needs?

Possibly but it may not be necessary if there is an effective minimum funding guarantee in place.

Question 8 Do you agree with our proposal to protect local authorities' high needs funding through an overall minimum funding guarantee?

There should be an MFG which should be set at at least 0% per pupil (using the all age local authority school census including children placed out of borough). This will ensure that no LA loses unless their school population falls, and those with increasing populations will rise to meet need.

Question 9 Given the importance of schools' decisions about what kind of support is most appropriate for their pupils with SEN, working in partnership with parents, we welcome views on what should be covered in any national guidelines on what schools offer for their pupils with SEN and disabilities.

National guidance on 'ordinarily available' support would be welcome provided it reflects the best inclusive practice existing currently in mainstream schools.

Question 10 We are proposing that mainstream schools with special units receive per pupil amounts based on a pupil count that includes pupils in the units, plus funding of £6,000 for each of the places in the unit; rather than £10,000 per place. Do you agree with the proposed change to the funding of special units in mainstream schools?

Yes, schools with specialist provision find it confusing that they are funded for fewer pupils than those on roll. This change makes sense and the alignment with Post 16 is welcome. However as a new provision grows, the school would only receive £6k for the extra places opening each September, instead of the full £10K they currently get. ***LAs and schools will want assurance that this will be taken into account rather than depend on lagged funding.***

Question 11 We therefore welcome, in response to this consultation, examples of local authorities that are using centrally retained funding in a strategic way to overcome barriers to integration and inclusion. We would be particularly interested in examples of where this funding has been allocated on an “invest-to-save” basis, achieving reductions in high needs spending over the longer term. We would like to publish any good examples received.

n/a

Question 12 We welcome examples of where centrally retained funding is used to support schools that are particularly inclusive and have a high proportion of pupils with particular types of SEN, or a disproportionate number of pupils with high needs.

Barnet has a system for supporting inclusive schools with low notional SEN, by not requiring such schools to use more than 60% of their notional SEN on pupils with EHCPs.

Question 13 Do you agree that independent special schools should be given the opportunity to receive place funding directly from the EFA with the balance in the form of top-up funding from local authorities?

On the assumption that most independent special schools exist principally to educate children placed there by local authorities, it is logical that they should receive place funding like all other special schools. Safeguards would be needed to ensure that it is clear what the £10k covers, the number of places available in the school for local authorities and that top-ups are reasonable.

Question 14 We welcome views on the outline and principles of the proposed changes to post-16 place funding (noting that the intended approach for post-16 mainstream institutions which have smaller proportions or numbers of students with high needs, differs from the approach for those with larger proportions or numbers), and on how specialist provision in FE colleges might be identified and designated.

As noted in Question 4, a standardised method of funding high needs in both pre and post 16 is to be welcomed. The post 16 funding formula should provide the equivalent of a notional SEN budget for the age group so that high needs pupils in mainstream would simply receive a top-up like younger children. £10K for specialist post 16 colleges and £6K for special units in mainstream colleges would also bring Post 16 in line with Pre-16, and help the conversation between the commissioner and provider when the student is placed. There may need to be further thought about students attending part time which is not generally an issue at pre-16.