



Monday June 24th 2013
2:00 pm to 5:00 pm

Conference Room 1 & 2, Building One, Saltisford
Office Park, Warwick

Schools Forum

Item

1. Apologies
2. Minutes from the last meeting and matters arising
3. Secondary Alternative Provision Allocations (Steve Pendleton)
4. Review of the Warwickshire Schools Funding Formula and De-Delegation for 2014/15 (Sara Haslam)
5. Review of the Special Schools Pupil Funding Matrix and Nursery Funding for 2014/15 (Sara Haslam)
6. Academy Update (Sara Haslam)
7. Forward Plan (Simon Smith)
8. Chairs Business

Date of Next Meeting:

9. October 11th 2013 2pm Conference Room, Northgate House, Warwick

Schools Forum

May 16th 2013 - Minutes

Forum Members Present:	
Diana Turner – Chair	Academy (Governor)
Peter Reaney	Academy (Governor)
Latika Davis	Governor
Larry Granelly	Governor
Phil Clucas	Governor
Philip Johnson	Governor
Cathy Clarke	Primary Headteacher
Stella Saje	Primary Headteacher
Richard Hawkins	Primary Headteacher
Tony Wilmot	Secondary (Maintained) Headteacher
Patsy Weighill	Academy (Headteacher)
Philip Hamilton	Academy (Headteacher)
Judith Humphry	Special School Headteacher
Steve Dyke	PVI Representative
Andy Summers	Teachers Union Representative
Lisa Capper	16-19 Representative
Jane Burrows	Representing David Kelham
Joy Mitchell	Representing Ranjit Samra
Non Members Present:	
Cllr Rickhards	Elected Member
David Hazeldine	County Secretary ASCL
LA Officers:	
Sarah Callaghan	Head of Service – Learning & Achievement
John Betts	Head of Corporate Finance
Simon Smith	Strategic Finance Manager
Sara Haslam	Schools Funding & Strategy Manager
Clare Morris	Budget Planning Officer, Schools Funding Team
Liz Holt	Service Manager – Access and Organisation
Nigel Exell	Commissioning Development Manager
Sheila Dentith	Senior Learning Improvement Officer

Forum Members Apologies:	
Gill Humphriss	Primary Headteacher
Chris Errington	Primary Headteacher
Ranjit Samra	Secondary (Maintained) Headteacher
Andrew Clay	Academy (Headteacher)
Rachel Gillett	Nursery School Headteacher
David Kelham	Academy (Governor)
Chris Smart	Governor
Ramesh Srivastava	Governor
Cllr Tandy	Governor
Cllr Timms	Elected Member
Sybil Hanson	Diocesan Board of Education

The Chair introduced new members of Schools Forum; Richard Hawkins representing the Primary sector and Andy Summers as the Teaching Union Representative. Sara added that Andrew Clay, Academy Head teacher, is also a new member of Schools Forum but was unable to attend the meeting. Sara also introduced Jane Burrows, Finance Director of Myton School who was representing David Kelham and Joy Mitchell, North Leamington School representing Ranjit Samra. Lisa Capper, the 16-19 Representative introduced herself to the Forum.

The Chair passed on the Forums' best wishes to Wendy Fabbro who was unable to attend the meeting due to her recent accident.

2.0 Minutes from Previous Meeting and Matters Arising

2.1 It was requested that a correction be made to name spelling of Ramesh Srivastava.

2.2 The following matters were arising:

2.3 Page 4 point 5.2 Disadvantaged 2 year old funding. Sara confirmed that Cabinet had now given approval to the recommended rate of funding for disadvantaged 2 year olds (£4.95/hr for a maximum of 15 hrs/week).

2.4 Page 6/7 point 7 Secondary Alternative Provision Allocation. It was agreed at the previous meeting that in 2013/14 the way in which funding is allocated to ABPs will be based on FSM over 6 years and 7.8% of ABP funding will be delegated to pay for the education of pupils with complex and acute needs. The following concerns regarding these decisions were raised on behalf of the central area ABP:

- The paper had not been distributed within the remit of the terms of reference for consultation.
- The paper was noted on the agenda as "for information only" and did not indicate that a decision was required.
- ABPs have proved successful and this change has been made too late and will put ABPs in a difficult position next year.
- No transitional support was discussed and the decision was made without proper consultation and clarification of the impact.
- The revised Terms of Reference details the financial analysis that should be undertaken regarding Schools Forum reports. It was suggested that this matter should be discussed again with further analysis included.

2.5 In addition the following comments were made:

- Primary heads had not discussed the issue at their pre meeting as the paper had been marked as “for information only” on the agenda. The paper also did not make clear the impact of the decision.
- The Northern area discussed the paper after the meeting as they did not have the opportunity to consider the paper before the meeting and therefore support the view to revisit this issue.
- The knock on effect of the changes to the funding need to be clear

2.6 Sarah Callaghan pointed out that there was a meeting of ABPs on Friday 17th May and it may be appropriate to initially revisit the decision at that meeting.

2.7 Simon pointed out that to bring the issue back to Schools Forum at the next meeting in October would be half way through the financial year and there is already a significant agenda in October. Therefore it was suggested that an earlier special meeting of Forum be organised.

2.8 *Agreed: The issue would be discussed at the ABP meeting 17th May. A special Schools Forum has been arranged on Monday 24th June to revisit the ABP decision (along with other reports)*

2.9 It was requested that the new report gives a proper understanding of the overall effect of this decision.

3.0 New Schools Forum Membership and Revised Terms of Reference.

3.1 Sara presented a paper and Schools Forum were asked to agree the revised Terms of Reference provided as Appendix B.

3.2 Julie Lessiter from the EFA attended the last Schools Forum meeting and the feedback was that the papers were comprehensive, the discussion was robust and the decision making was clear.

3.3 Simon re-iterated the roles and responsibilities of the Schools Forum in that whilst the Local Authority, in most instances, has the decision making powers, that the Forum’s views are key in this process and that where voting takes place, this is an important mechanism to judge the overall consensus of the feedback.

3.4 It was requested that more information be provided regarding the levels of decision making, the relationship between schools, Schools Forum and Cabinet and how schools can inform decision making.

3.5 Agreed: Further information is brought to the Schools Forum regarding the levels of decision making within the Local Authority. Also to share with the Forum a report recently presented to WCC Corporate Board detailing The School Improvement Strategy that formalises governance arrangements between schools and the LA in terms of schools role in the strategic decision making process.

3.6 The Finance Director of Myton, who was attending the meeting as a representative, asked whether finance staff of schools should be represented at Schools Forum as funding issues are considered. Simon confirmed that the Academies decide who should represent them.

3.7 It was pointed out that although Schools Forum is a public meeting, it is not included on the WCC meetings calendar. Simon confirmed that Schools Forum meeting dates should be on the website and that the papers are within the Schools Forum area. (A check of this later identified that the meetings up until March 2013 had been included on the corporate meetings calendar but that the meetings after this point were not included. This has now been resolved)

3.8 Since the report was issued with the list of 2013/14 membership, Andrew Clay has been added to the membership as an Academy Head teacher

3.9 The Terms of Reference include a list of checks to be undertaken before reports are issued to Schools Forum to ensure consistent and comprehensive information is provided.

3.10 The re-election of Chair and Vice Chair was discussed and it was agreed that Diana Turner will continue as chair until the October meeting when re-election will take place.

3.11 Agreed: election of Chair and Vice Chair to take place at the October meeting.

3.12 It was confirmed that non-school members (except the PVI representative) cannot vote on school funding decisions.

3.12 Papers should be available 5 days in advance of a Schools Forum meeting. It was confirmed that for a meeting on Thursday, the papers must be distributed by midday on the Thursday before the meeting.

4.0 Dedicated Schools Grant Outturn 2012/13

4.1 Simon presented a report.

4.2 The table in the report at 4.1 shows the Detail of the Centrally Managed Services. Simon confirmed that the underspend shown as 'other' in this table was due to the capital programme not requiring revenue contribution.

4.3 Point 4.2 of the report states that hospital tuition funding will not be available during 2013/14 and Simon clarified that this area has historically underspent but new funding arrangements mean this has been top sliced and is now given out directly. Therefore the Authority has no access to the flexibility this has previously offered.

4.4 Point 4.2 of the report states that the £78,000 underspend in relation to Area Behaviour Partnership budget will be earmarked for use within 2013/14. Simon confirmed that the ABP allocations discussed at the last meeting were new year allocations and therefore did not include the underspend.

4.5 Agreed: The General DSG Reserve is retained in full to assist in offsetting some of the spending pressures in 2013/14.

4.6 The buyback of academy schools to WCC services was mentioned. This matter is not a Schools Forum issue but it was agreed that further details would be provided separately regarding reports presented to other committees regarding WES.

4.7 Agreed: WES update reports to be circulated to the Forum.

5.0 Update of the Review of the High Needs Block for 2013/14.

5.1 Sarah Callaghan presented a report to update Forum members on the work being undertaken by Local Authority officers and the options being considered to ensure that services funded from the HNB budgets are commissioned following a structured approach to ensure value for money. The paper set out the budget pressure for six key funding streams, coming under the umbrella of the high needs block, totalling £3.876m. The paper detailed what actions are being taken to address this significant overspend.

5.2 The following comments were made:

5.2.1 It was suggested it would be helpful to know the make-up of the High Needs Funding Officer Group established to analyse and review the spending pressures within the High needs Block of the DSG.

5.2.2 Agreed: This information will be included in the next update reports.

5.2.3 There is a considerable range of provision across the county for SEN provision in mainstream schools. The actual cost of provision is not always met and this is a significant factor for a number of schools.

5.2.3 In terms of work stream 2 in Appendix A, the top up funding for Post 16 SEN (independent specialist providers and Further Education colleges), decisions regarding places are not being made until June. This is causing difficulties for special schools as they don't know if pupils who have applied for funding will be leaving. Sarah confirmed the authority is working with

Coventry LA to identify and develop local post 16 provision in order to reduce the number of out county specialist residential places. In addition the LA will work with special school head teachers to review provision of 19-25 education within the county and reduce Warwickshire's out county expenditure. It was recognised that this cannot be achieved without capital investment.

5.2.4 It was also noted that a bid has been submitted to the DfE for Targeted Basic Needs capital funding. The bid submitted is to develop special school provision in the county to address the current shortfall. We expect a decision at the end of June.

6.0 Strategy to support the placement of pupils with severe and complex educational needs in local specialist provision.

6.1 Liz Holt presented a paper.

6.2 It was confirmed the Out of Local Authority allocation within the DSG is currently forecast to overspend by £2.946m. This figure was omitted from 1.1 of the report provided.

6.3 The following comments were made regarding the report:

6.3.1 The clarity and detail of the report was welcomed by several members of the forum.

6.3.2 The LA needs to work with Health and Social Care regarding residential care within county. A decision for a residential place is not only made because of distance issues. There are existing charity organisations that could run these.

6.3.3 We should consider the danger of congregating pupils in units as we may experience the same difficulties of the PRU.

6.3.4 Mainstream schools have to respond to individual needs. If parents choose a local mainstream school we need flexibility to fund this. Top up funding needs to be flexible so that schools can respond to individual needs.

6.3.5 Proposals include the reduction of requests for statutory assessment and the number of statements of special educational need. The report states that requests will be evaluated by a multi-professional panel and criteria will be clear and transparent. The panel will need to be fair but its' role should also make reference to ensuring each case is considered on its merits. The makeup and skill set of the panel will be important. In a time of scare resources and climate of financial cuts it is important that financial issues do not drive the decision making for individual cases.

6.3.6 The high level of referrals for statutory assessment reflects the tension that schools feel to meet the needs of pupils.

6.3.7 It was questioned whether the panel for statutory assessments would

enable the time it takes to go through the statement process to be improved. Liz stated that the authority's overall performance in meeting statutory deadlines is currently good although there is ambition to shorten the timescale.

6.3.8 Liz provided further details of the Witherslack Group, an independent provider referred to in the report who have purchased a vacant site in Rugby and aim to open a new school in November 2013. The school will be called Avon Park School and is on the former Paddox site. A head teacher has been appointed. Witherslack Group has indicated they are keen to work with ABPs. The intention is that the LA will negotiate competitive rates for places and, where possible, aim to move current pupils from out of local authority places to this in-county provision.

7.0 Primary Inclusion Support

7.1 Sheila Dentith presented a report. Sheila gave apologies for Ross Caws the co-author of the report who was unable to attend the meeting.

7.2 The following comments were made:

7.2.1 To encourage pupil access to ISG, the Early Intervention Service monitor the ISG link with CAFF and have a close relationship and liaison with priority families.

7.2.2 The tables in Appendix 1 of the report show that the Rugby area has a higher number of pupils supported in ISG than other areas. It was asked whether there was any reason for this. Sheila explained that more sophisticated tables would be produced at the end of the academic year and more detailed evaluation would be provided. The tables provided in the report were 'broad brush'. There may have been some confusion between different areas over the whether tables included all pupils supported or just those at risk of permanent exclusion.

7.2.3 More "qualitative" analysis behind the raw data figures is required

7.2.3 The impact of ISG on attendance has been great. However, the impact this may have on other pupils in the classroom should not be ignored.

7.2.4 In terms of agreeing to the continuation of funding, it was agreed that more detailed evaluation was required.

7.3 Schools Forum have already agreed to an extension of existing funding to 31 March 2014 to enable provision to continue this year. A further report has been included on the forward plan which will include a full evaluation of the pilot and presentation of options for future provision.

8.0 General Dedicated Schools Grant Update

8.1 Sara presented a report to update schools forum on DSG funding issues for 2014/15.

8.2 2014/15 DSG will be reduced to reflect that Carbon Reduction Commitment levy to schools has been removed. The methodology to be used is still out to consultation with Local Authorities. The amount of reduction in DSG for the current options is in excess of Warwickshire's current budget and actual costs. If any further information is available it will be brought to the special schools forum meeting to be arranged in the summer.

8.3 Feedback from the DFE regarding the funding reforms consultation is that changes will be made to the regulations regarding prior attainment data used for secondary schools and the introduction of a sparsity factor. Once firmer details are announced, analysis will be undertaken and reported to the Schools Forum.

9.0 The Revised Section 48 Scheme for Financing Schools

9.1 A copy of the revised Scheme for Financing Schools and a paper detailing the changes was provided. Schools Forum approved the revisions to the scheme and no comments were raised.

10.0 Academy Update

10.1 A current Position Statement on Status of Warwickshire Schools was provided.

11.0 Schools Forum - Forward Plan

11.1 A Forward Plan containing a provisional programme of possible issues for Schools Forum to consider over the next year was provided.

12.0 Chairs Business

12.1 None.

13.0 Next Meeting

13.1 The next main meeting will be held on 11th October 2013, Conference Room, Northgate House, Warwick at 2pm.

An additional meeting to re visit the Secondary Alternative Provision Allocations has been arranged for Monday June 24th 2013 at Saltisford, Building One, Conference Room 1&2.

Schools Forum

24th June 2013

Secondary Alternative Provision Allocations

Recommendation

The Schools Forum is recommended to:

- Agree to the proposed revised allocation of funding to ABPs for 2013/14 described below.

Introduction

1. Members of the Forum will recall that in March 2013 there was agreement that the budget which had been previously allocated to the PRU should be allocated to Area Behaviour Partnerships (ABPs) according to FSM ever 6, with 7.8% being de-delegated to the Lead Improvement Manager for Vulnerable Pupils for the education of pupils with “complex and acute needs” who are of secondary age but who have not been allocated a school place.
2. The purpose of this report is to describe the implications of this agreement on ABPs and arrangements to provide high quality education to pupils who have been permanently excluded, or are at risk of exclusion.

Pupils with complex and acute needs

3. In March 2013, members of the forum heard how a number of pupils with significant social, emotional or behaviour difficulties but without a statement of special needs have come to Warwickshire in need of a school place. These pupils have been referred to as having “complex and acute needs”.
4. Normally these pupils would be subject to the Authority’s In Year Fair Access Protocol. However, the needs of these pupils are so great that a placement in a mainstream school is highly likely to be unsuccessful. It was agreed that for 2013/14 the education of these pupils would be the responsibility of the Lead Improvement Manager for Vulnerable Children
5. In February 2013, the cost of educating these pupils was estimated as £187,687 based on the period from September 2012 to January 2013. At the end of May 2013 this estimate has been revised to around £125,000 based on the cost of provision during the full academic year 2012/13.
6. The Lead Improvement Manager for Vulnerable Children has agreed that should the actual cost of educating “complex and acute needs” pupils be lower than the de-delegated element, underspent funds would be transferred to ABPs, in

proportion with their allocations, to be used to support early intervention with pupils at risk of exclusion. Similarly, it is recommended that the forum agrees that where the cost of educating “complex and acute needs” pupils exceeds the delegated allocation, appropriate additional funds are transferred from ABPs to the Lead Improvement Manager for Vulnerable Children in proportion with their allocations.

7. Given that the number of “complex and acute needs” pupils coming to Warwickshire and the cost of their provision cannot be accurately forecast, on the basis of the latest estimate it is recommended that the de-delegated portion of the ABP budget be reduced to £125,000 (5.17%)
8. It is recommended that arrangements for educating pupils with “complex and acute needs” should be reviewed when this forum decides 2014/15 allocations.

Allocations to ABPs

9. One implication of the agreement to allocate funding to ABPs on the basis on FSM ever 6 with a de-delegated 7.8% was that this would lead to the Central ABP experiencing a reduction of 14.4% compared with 2012/13. Members of the Forum will recall a letter from the chair of the Central ABP stating that head teachers of the secondary schools in the area feel strongly that this is a substantial change which undermines attempts to develop sustainable arrangements to meet the needs of excluded pupils and those at risk of exclusion. These arrangements include the use of early intervention in school via strategies such as the establishment of learning support units. Central area head teachers feel that these approaches have made a considerable contribution to the significant reduction in permanent exclusions which have declined from 11 in 2010/11, 5 in 2011/12 to only 3 in 2012/13.
10. At the Steering Group meeting, chairs of the other three ABPs agreed that allocations should be revised so that no individual area would have to experience such a large decrease between one year’s allocation and the next. It was felt that fluctuations of this size compromise the long-term effectiveness and viability of ABPs.
11. As a result, chairs of ABPs were presented options for consideration and there is broad agreement that any year-on-year change in allocation should be limited to a maximum reduction of 7.5%. In order to fund this, the preferred option would be to introduce a cap to the consequent increases to other ABPs. In 2013/14 the cap required to limit the central area reduction to 7.5% is 3.63%.
12. It is recognised across the chairs of the ABPs that achieving a solution that benefits all groups within a fixed funding envelope is very difficult. However, despite this, the Steering Group, based on the conditions recommended above, agreed funding allocation as follows:

Area	2012/13 allocation £	2013/14 allocation £	Movement £	% movement
Central	586,986	542,962	-44,024	-7.5%
East	386,012	378,793	-7,218	-1.87%
North	1,116,424	1,050,424	-66,000	-5.91%
South	327,578	319,821	-7,757	-2.37%
Centrally Retained	0	125,000	125,000	
Total	2,417,000	2,417,000	0	0

Conclusion

13. It is recommended that £125,000 (5.17%) of the ABP budget be allocated to the Lead Improvement Manager for Vulnerable Children to pay for the education of pupils with “complex and acute needs”.
14. It is recommended that should the cost of the education of “complex and acute needs” pupils exceed £125,000, any additional cost should be paid for by ABPs in proportion to their allocations.
15. It is recommended that allocations to ABPs for the academic year 2013/14 should be determined on the basis of Free School Meals Ever 6 but with an adjustment to ensure that no ABP should receive less than 92.5% than was received in 2012/13
16. It is recommended that to ensure that no ABP receives less than 92.5% of the 2012/13 allocation, a cap of 3.63% is applied to ABPs receiving a larger allocation than they received in 2012/13.

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Schools Forum

24th June 2013

Review of the Warwickshire Schools Funding Formula and De-Delegation for 2014/15

This report relates to both maintained and academy schools

Recommendation

The Schools Forum is recommended to:

- Note the process suggested to manage the review of the main Schools Funding Formula for 2014/15
- Note the process suggested to gather schools feedback regarding de-delegation for 2014/15
- Offer any comments regarding these two processes
- Agree to only considering the newly revised options for the main Schools Funding Formula
- Seek volunteers to be part of the Schools Funding Working Party

1.0 Introduction

1.1 The Department for Education (DfE) have recently released details of the changes that can be made to the way that schools are funded from April 2014.

1.2 A Briefing Paper is attached at Appendix A that details the main changes.

1.3 This report updates the Schools Forum on the suggested approach to managing the review of these options in Warwickshire.

2.0 Management of the Review

2.1 The changes being proposed by the Department for Education(DfE) are not fundamental to the way schools are funded in Warwickshire; the main permissible headings have not changed. Table 1 shows the allowable headings and those that we have used in the 2013/14 funding formula

Table 1

Funding Element	Included in 2013/14 Warwickshire Schools Funding Formula?	Comments
Basic per pupil entitlement	✓	Mandatory factor
Deprivation	✓	Mandatory factor
Prior Attainment	✓	Data changing for 2014/15
Looked After Children	X	
English as an Additional Language	X	
Pupil Mobility	X	Data changing for 2014/15
Sparsity	X	New factor
Lump sum	✓	Regulations changing in 2014/15
Split sites	✓	
Rates	✓	
Private Finance Initiative	X	Not relevant
London Fringe	X	Not relevant
Post 16	X	

2.2 Where Warwickshire have not included some of the allowable headings in the current funding formula, this was as a result of specific decisions made last year. If the new criteria had not been introduced, then it is unlikely that there would be a review of the formula this year. Therefore, it is suggested that there is no reason to re-visit these decisions.

2.3 This means that there are the following options to be considered for implementation in April 2014:

- Do we want to have a sparsity factor?
- Do we want to change the lump sum values?
- Do we want to introduce a new pupil mobility factor taking into account the new threshold level of 10% mobility?

2.4 As the options for change are limited, and in fact none are mandatory, then it is proposed that the project management structure is kept to a group of head teachers, working with the Schools Funding and Strategy Manager, form a Schools Funding Working Party. This will then report to the Schools Forum in the form of monthly briefing reports and more a comprehensive report for final recommendation in October. During the assessment of options, consultation will be undertaken with all

schools and academies and the feedback received included in the Schools Forum updates/report.

2.5 Alongside the review of potential changes to the schools funding formula, the decision regarding de-delegation needs to be taken again. Schools will be contacted to understand their views on the Local Authority retaining funding for certain services centrally and the council too will consider the viability of retaining the funding to provide services.

2.6 Volunteers to be part of the Schools Funding Working Party are requested from the Schools Forum. It is suggested that this is kept at a maximum of 6 members, includes both the primary and secondary sector and at least one governor. The meetings will be held in the day, once a month, in Warwick.

2.7 The changes are the same for both maintained and academy schools so there is no real need to include members from both sectors but this may be preferable.

2.8 The suggested programme of works for both work streams is as shown in Table 2:

Table 2

	Schools Funding Reforms	De-delegation decision
June	Send a briefing paper to all schools and ask for feedback relating to the desire for further changes, the change in the lump sum, the introduction of a sparsity factor and the use of pupil mobility.	Feedback from schools at Head Teacher Business Meetings
	Department for Education to release pupil data so that financial modelling of options can take place by the Schools Funding and Strategy Team.	
July	Receive feedback from schools regarding the desire for change and the principles of the proposed options	
	Financial modelling undertaken to assess the impact of the changes	
	Discussion of initial findings with the Schools Funding Working Party	
	Communication to the Schools Forum of progress and findings	

August	Further financial modelling undertaken to assess the impact of the changes	Local Authority decides which services to continue to offer to provide centrally
	Communication to the Schools Forum of progress and findings	
September	Consultation with schools regarding the options being considered and the implications of these on each school	
	Discussion of findings with the Schools Funding Working Party	
	Communication to the Schools Forum of progress and findings	
October	Schools Forum Meeting – report with final recommendation	Schools Forum votes on de-delegation taking into account feedback from schools and the views of the LA regarding service provision
	Initial Schools Funding Pro forma submitted to the DfE	
December	Cabinet approval	
January	Final Schools Funding Pro Forma submitted to the DfE	
February	2014/15 budgets issued to schools by the LA	
March	2014/15 budgets issued to academies by the EFA	

3.0 Conclusion

3.1 The changes being introduced by the DfE are not mandatory but warrant analysis of the impact that they may have on school funding in Warwickshire. The management of the process can be carried out by a small working party arrangement alongside full consultation with schools and regular updates to the Schools Forum.

3.2 If changes are made, this will be the third consecutive year that this has happened. There may well be reluctance from schools for further change and part of the intention of the initial communication with schools in June is to understand this position.

3.3 There is no increase in the DSG funding to Warwickshire, so any changes will be a re-distribution exercise.

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Briefing Paper**Appendix A****June 2013****Changes to the Schools Funding regulations for 2014/15****Background**

Following on from the schools funding reforms implemented in April 2013, the DfE have recently consulted with stakeholders to understand the implications of these changes and to determine whether further adjustments might be needed in order to improve the arrangements for 2014/15.

The consultation exercise took place in March 2013 and WCC submitted a response, after consultation with its Schools Forum.

On June 3rd, the DfE published a document that detailed the adjustments that are being made to the regulations regarding schools funding for 2014/15. The impact of this announcement is that the LA will need to consider whether it wants to make such changes to its schools funding formula. This will entail financial modelling of options, consultation with schools regarding the options, a recommendation from the Schools Forum regarding any changes and final approval from Cabinet.

Briefly, the timescales of the work required are as follows:

- June – begin financial analysis and inform schools of the changes via the termly Finance Newsletter
- July – communication with schools about the options/implications and obtain initial feedback
- August – carry out further analysis of the options, taking into account school feedback
- September – communication and consultation with schools on final proposed options
- October - recommendation to the Schools Forum of an agreed option and submission of indicative schools funding pro forma to the DfE
- November or December – Cabinet approval of recommended changes (if any have been recommended)
- December - LA receives updated data from DfE re pupil numbers, prior attainment, FSM etc to allow for final modelling of the schools budgets
- January – final schools funding pro forma submitted to the DfE
- February – 2014/15 budgets issued to schools

The time scales are tight for the process but the options for change are minimal when compared to last year. However we need to be mindful that schools may be less reluctant to see further changes or to take part in the consultation. This will be the 3rd year in a row that we have made changes to the way schools are funded in

Warwickshire and there was some criticism last year regarding the role that the consultation responses played within the decision making process

There are also limitations to any changes; there is also no additional DSG funding coming in to the LA so any additional allocation to a new formula factor will inevitably mean that another factor will need to be reduced.

DSG funding

In terms of the DSG that the LA will receive, the amount per pupil for the Schools Block and the Early Years Block will remain the same as in 2013/14. This means that funding for these 2 areas will only change as pupil numbers change. The paper notes that the High Needs Block will be retained within the “formal boundary” and the meaning of this is being clarified with the DfE.

Changes to the Schools Funding Methodology

The formula headings introduced last year all remain the same, none are being taken away, and MFG remains at minus 1.5% with capping to minimise gains still being allowed

The main changes are as follows;

1.0 There is now a new lower limit to the AWPU and a new minimum pupil based funding percentage expected. These are as follows:

	New minimum	WCC 2013/14 rate
Primary AWPU	£2,000	£2,663.40
KS3 and KS4 AWPU	£3,000	£3,567.60 and £4,747.60
Pupil Based Funding (AWPU, Deprivation, SEN)	80%	91%

Whilst WCC currently exceeds the minimum levels, should further changes be made in 2014/15, remaining above these minimal levels will need to be considered.

2.0 The prior attainment data used within the funding formula for 21045/15 will be slightly different. The low attainment pupils in the primary sector will now be identified as those in the new EYFSS who “did not achieve the expected level of development” for the new cohort next year but will continue to identify those who did

not attain a score of 73 in the old EYFSS for older cohorts. As the years progress, the use of the new EYFSS will all be based on “did not achieve the expected level of development”.

For the secondary sector, the KS2 data will show all of those pupils who did not achieve level 4 in EITHER maths or English rather than BOTH maths and English.

WCC uses this data to indicate low incidence SEN and the impact of these changes will not be known until the final data is supplied in December 2013. However, this would not constitute a change in formula, this is just a technical change in the pupil data that is being supplied by the dfE.

3.0 The lump sum does no longer need to be the same for all schools. There is the option now to have a different level for primary and secondary schools but if there is a lump sum in one sector, there need to be one in all sectors. The maximum level of the lump sum has been reduced too; last year it was £250,000 but in 2014/15, this has been reduced to £175,000.

4.0 The LA has the option of having a sparsity factor within its formula. Most of the lobbying to the DfE further to the introduction of the changes this year has been in relation to small a rural school which has resulted in this new, optional factor being introduced.

The idea is to protect small, “necessary” schools”. These are defined as schools whereby, if they were to close, the pupils attending them would need to travel a significant distance to another school. The data supplied will link the postcode of the pupils in a school to the postcode of their 2 nearest schools.

The suggestion is that a primary school whereby the pupils would need to travel on average more than 2 miles to attend their 2nd nearest school, would qualify for sparsity funding and for a secondary school, where the average distance is 3 miles. The guidance suggests this might relate to primary schools with less than 150 pupils and secondary with less than 600 pupils but these thresholds can be reduced locally if required.

The actual funding could be on a sliding scale. The maximum amount of sparsity funding that is allowable is £100,000 per school and it may be that the fewer pupils the school has, the more of the lump sum protection they receive to offset the lower amount of pupil led funding that the smaller schools will inevitably receive.

Grammar and selective schools have been excluded from the data so if there is another school nearby but it is selective, the next nearest schools will be taken into account.

5.0 Data was provided last year to show the number of pupils who entered a school at a time other than the normal autumn intake. The intention was to show schools with a high mobile population. WCC did not use this factor as it identified

over 3,000 children and its inclusion would have watered down the number of pupils too much. However the regulations have changed now so that only schools with mobile pupils of 10% or more are eligible for additional funding.

6.0 The LA has the option to fund schools that are amalgamating with up to 85% of both schools lump sums in the financial year following amalgamation.

7.0 There is still no prescribed primary: secondary pupil ratio still but this will be monitored and perhaps a recommended level introduced in 2015/16.

Centrally Provided Services

The central DSG budget areas that can be retained and those which need to be subject to a decision by the Schools Forum to de-delegate remain the same in 2014/15 as in 2013/14.

The document notes that there is a presumption that where funding for specific services has been de-delegated to the LA, that these services are being offered to academies on a traded basis.

The only change to the centrally retained funding is that the Schools Forum may decide to retain funding to provide financial support to schools where they are either a good or outstanding OFSTED category but are seeing a reduction in pupil numbers but with the expectation that there will be a bulge in the future. The funding may be used in the short term to allow the schools to continue to provide a minimum curriculum where pupil related funding would not cover core costs.

Special Educational Needs

As the SEN funding changes were significant in April 2013, the DfE are little change this year.

SEN funding in mainstream schools

However, the use of the £6,000 threshold for high needs SEN is now mandatory. WCC adopted this level in 2013/14 as it was "strongly recommended" by the DfE.

The document states that the LA should help schools to understand:

- How SEN funds are being targeted to them through funding formulae (pre and post 16) for the provision of low cost, high incidence SEN and as a contribution to higher needs pupils
- Their responsibility for deciding how best to provide the additional support for their high needs pupils using all the funds and resources at their disposal in accordance with any statement of SEN

- Any changes to SEN processed that will accompany the changes in funding
- How they contribute to the development of a local offer

It is recognised that in some cases, the funding reforms have meant that some schools will not receive sufficient funding to meet the needs of their high needs pupils. This has been the case in some schools in Warwickshire. The DfE have noted that this may be the case and have given the LA the flexibility to use the high needs block funding in whatever best meets local needs.

Where schools are offered additional SEN funding where the main schools budget is not reflective of pupil needs, the LA will need a set of criteria in which to allocate this additional funding, although it is expected only to be in exceptional circumstances. A new requirement is that these criteria will need to be communicated to all schools and included in the schools funding pro forma returned to the DfE on October 31st.

SEN funding in special schools

There are also proposed changes to the funding of post 16 pupils in special schools. Currently they are funded, on average, £11,164 but the proposal is that this is changed to £10,000, the same as the pre 16 place funding. The intention is that the reduction in the place funding will be transferred to the top up budget so that the schools will not lose out financially by the simplification.

It has also been announced that top up rates in special schools should be protected with a minus 1.5% MFG. However, it notes that if there is to be a significantly different funding banding arrangement in special schools and it would be difficult to compare 2014/15 with those of 213/14, then exemptions to this protection can be made to the Secretary of State for Education. This may be the case in Warwickshire following the planned review of special schools top up funding matrices.

SEN funding in other institutions

Independent special schools are not currently part of the £10,000 place funding plus top up arrangements and are not to be included in 2014/15 either. However, they will probably be part of the arrangements in 2015/16

The hospital tuition top slice of DSG funding will remain the same in 2014/15 as in 2013/14.

Finally, there is currently an inconsistency of place funding arrangements between pre and post 16. The former have been funded on a financial year and the latter on an academic year in 2013/14. The proposal is that all place funding will be based on academic year and the details of how this process will be undertaken is expected in July.

Conclusion

The changes being proposed by the DfE for schools funding in 2014/15 are optional but the LA will need to assess the impact of these changes on the way that our schools are funded.

The following work will need to be completed before the schools funding pro forma is submitted to the EFA on October 31st 2013:

- Assess the option to change the current lump sum values
- Assess the option to introduce a sparsity factor and to consider how this would be funded
- Assess the option to have a pupil mobility factor in the formula and again, to consider how this would be funded
- Consult with schools, obtain a recommendation from the Schools Forum and an agreement from Cabinet regarding the 3 options noted above
- Consult with schools and obtain a Schools Forum decision regarding the de-delegation of certain centrally held budgets for 2014/15
- Consider the retention of central funding to assist schools seeing a short term dip in pupil numbers
- Continue to communicate with schools about their obligations for SEN provision with their schools funding and to gain their feedback on a local offer
- To develop criteria for allocating additional high needs funding to schools in exceptional cases

In addition to these areas of work, a project is underway to review the top up funding matrix used within the special schools in Warwickshire. This will also need to be completed by October in order to gain approval ready for implementation in April 2014. This is likely to cause significant funding shifts in special schools budgets and so careful consideration of the use of the allowable MFG protection will be required.

Sara Haslam (Schools Funding and Strategy Manager)

Schools Forum

24th June 2013

Review of the Special Schools Pupil Funding Matrix and Nursery Funding for 2014/15

This report relates to both maintained and academy schools

Recommendation

The Schools Forum is recommended to:

- Note the process suggested to undertake the review of the Special Schools Pupil Funding Matrix and Nursery provision
- Offer any comments regarding these processes

1.0 Introduction

1.1 The Forum will recall at the May meeting that a schedule of work was presented detailing analysis that was underway within the Local Authority to review key sub headings within the High Needs Block. One of these areas was the Special Schools Funding.

1.2 The way in which Special Schools are funded in 2013/14 has changed significantly from previous years; there is a “place” funding of £10,000 per agreed place and then the specific needs of each pupil is assessed against a funding matrix and further “pupil” funding is allocated to the school.

1.3 Due to the complex work required to re-define funding matrices and the uncertainty regarding the national regulatory framework regarding the Special Needs and Disability (SEND) agenda, the existing matrix was adapted for use within the special schools funding regime for 2013/14. The historical funding patterns of each school was taken into account when developing this revised matrix and the impact of this is that each special school is funded at a different rate, even where pupils needs may be the same or similar. It is agreed with special school heads that this position required review.

1.4 Work is underway therefore to revise the Special Schools Pupil Funding Matrix for implementation in April 2014.

1.5 In addition to this issue, it is also timely to assess the way that nursery provision within special schools is funded. The current funding is part of the Early Years Single Funding Formula and, whilst there is no intention to change this significantly, special schools have been funded on places rather than participation.

1.6 Again, the schools funding agenda is changing at a pace to move towards funding following the pupil. Therefore, the current arrangement requires review.

2.0 Management of the Review

2.1 This review will be looking to allocate funding in the region of £8.5m to around 1,000 pupils that are in the 9 Warwickshire Special Schools.

2.2 In simplistic terms, the review of the funding matrix will essentially be a 6 stage process:

1. Critique of the current funding matrix (including the size and the descriptors against each point on the matrix)

2. Assessment of other regional funding matrices

3. Design of new matrix for Warwickshire (possibly a simpler version than current and in line with other regional approaches)

4. Assessment of funding allocations to each of the points on the new matrix taking into account "typical" pupil needs

5. Positioning of current pupils to the new matrix and calculation of the overall costs

6. Adjustment of the funding allocations if the overall costs exceed the 2013/14 funding allocation

2.3 The first 3 stages will essentially involve SEN colleagues and special school head teachers. The latter stages will also involve finance staff, both at the Local Authority and within the special schools.

2.4 It is proposed that there is a Project Team to carry out the detailed analysis and a Project Board that will review the options. The Schools Forum will make the final recommendation in October with the final agreement made at the Cabinet meeting in December.

2.5 The 2 teams will be made up as follows:

Project Board

- Sarah Callaghan (Head of Service)
- Simon Smith (Strategic Finance Manager)
- Cllr Heather Timms
- Judith Humphry (Special School Head)
- Jayne Mumford (SEN Manager)
- Sara Haslam (Schools Funding and Strategy Manager)

Project Team

- Iain Paterson (Head Teacher Woodlands School)
- Chris Marshall (Head teacher Exhall Grange)
- Nick Williams (Manager Assessment Statement and Review Service)
- Elaine Bond (Assessment Statement and Review Service)
- Tara Midgen (Senior Educational Psychologist)
- Zoe Hardwood (Strategic Manager, Integrated Disability Service 0 to 5 yr olds)
- Sara Haslam (Schools Funding and Strategy Manager)

2.6 The basic timetable of the project will be as follows:

June 2013	Meeting of Project Team Meeting of Project Board Review of financial analysis – funding options – pupil funding and nursery funding Begin work on review of the current and regional SS matrices Begin discussions with SS Business Managers re costs
July 2013	Meeting of Project Team Further analysis of financial options – pupil funding and nursery funding Further development of the SS Funding Matrix Comparison and work on a regional basis Communication with SS head teachers, governors, LA Officers and Schools Forum
August 2013	Meeting of Project Team Meeting of Project Board Further financial analysis– pupil funding and nursery funding Further development of SS Top Up Matrix Update elected members Communication with SS head teachers, governors, LA Officers and Schools Forum
September 2013	Meeting of Project Team Meeting of Project Board Further consultation with special school heads– pupil funding and nursery funding Development of final matrix option(s) and option for nursery provision funding Communication with SS head teachers, governors, LA Officers and Schools Forum
October 2013	Present recommended matrix to the Schools Forum
December 2013	Re-present matrix to Schools Forum if required Present matrix to the Cabinet for final approval
January 2014	2014/15 budgets issued to special schools using the new matrix
April 2014	Go live with new matrix

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Current Position Statement on Status of Warwickshire Schools - 21 June 2013

1. Secondary Schools

	School	Type	Sponsor / Partner	Consulting	Application submitted to DfE	Academy Order Issued	Proposed Date of Conversion (if known)	Actual Date of Conversion
1.	The Nuneaton Academy	Academy	Part of Midland Academies Trust	✓	✓	✓		Opened 1 st September 2010
2.	Polesworth School	Academy		✓	✓	✓		Opened 1 st February 2011
3.	Alcester Grammar School	Academy		✓	✓	✓		Opened 1 st April 2011
4.	Ashlawn School	Academy		✓	✓	✓		Opened 1 st April 2011
5.	Rugby High School	Academy		✓	✓	✓		Opened 1 st April 2011
6.	Studley High School	Academy		✓	✓	✓		Opened 1 st June 2011
7.	Myton School	Academy		✓	✓	✓		Opened 1 st July 2011
8.	Alcester High School	Academy	Caludon Castle School, Coventry	✓	✓	✓		Opened 1 st August 2011
9.	Henley High School	Academy	Alcester Grammar School	✓	✓	✓		Opened 1 st August 2011
10.	Stratford Girls' Grammar School	Academy		✓	✓	✓		Opened 1 st August 2011

	School	Type	Sponsor / Partner	Consulting	Application submitted to DfE	Academy Order Issued	Proposed Date of Conversion (if known)	Actual Date of Conversion
11.	Stratford High School	Academy		✓	✓	✓		Opened 1 st August 2011
12.	The Coleshill School	Academy		✓	✓	✓		Opened 1 st August 2011
13.	King Edward VI School	Academy		✓	✓	✓		Opened 17 th August 2011
14.	George Eliot School	Academy	Part of Midland Academies Trust	✓	✓	✓		Opened 1 st September 2011
15.	Bilton School	Academy		✓	✓	✓		Opened 1 st December 2011
16.	Campion School	Academy		✓	✓	✓		Opened 1 st January 2012
17.	Aylesford School	Academy		✓	✓	✓		Opened 1 st January 2012
18.	Etone College	Academy		✓	✓	✓		Opened 1 st January 2012
19.	Ash Green School	Academy	Creative Education Trust	✓	✓	✓		Opened 1 st January 2012
20.	Higham Lane School	Academy		✓	✓	✓		Opened 1 st January 2012
21.	Hartshill School	Academy	Part of Midland Academies Trust	✓	✓	✓		Opened 1 st September 2012

	School	Type	Sponsor / Partner	Consulting	Application submitted to DfE	Academy Order Issued	Proposed Date of Conversion (if known)	Actual Date of Conversion
22.	Shipston High School	Academy		✓	✓	✓		Opened 1 st September 2012
23.	Nicholas Chamberlaine Technology College	Community	The Griffin Trust		✓	✓	1 st September 2013	
24.	Queen Elizabeth School	Foundation	The Griffin Trust		✓	✓	1 st September 2013	
25.	Harris School	Voluntary Aided	Coventry CE Diocese		✓	✓	1 st December 2013	
26.	Southam College	Community		✓	✓	✓	Tbc	

2. Primary Schools

	School	Type	Sponsor / Partner	Consulting	Application submitted to DfE	Academy Order Issued	Proposed Date of Conversion (if known)	Actual Date of Conversion
1.	Henry Hinde Infant School	Academy		✓	✓	✓		Opened 1 st April 2012
2.	Race Leys Junior School	Academy	The Griffin Trust		✓	✓		Opened 1 st September 2012
3.	Birchwood Primary School	Academy	The Polesworth Academy /	✓	✓	✓		Opened 1 st November 2012

	School	Type	Sponsor / Partner	Consulting	Application submitted to DfE	Academy Order Issued	Proposed Date of Conversion (if known)	Actual Date of Conversion
			Dordon Primary School					
4.	Dordon Primary School	Academy	The Polesworth Academy / Birchwood Primary School	✓	✓	✓		Opened 1 st November 2012
5.	Newbold Riverside Primary School	Academy	REAch2		✓	✓		Opened 1 st November 2012
6.	Oakfield Primary School	Academy	REAch2		✓	✓		Opened 1 st November 2012
7.	Tanworth-in-Arden C of E Primary School	Academy		✓	✓	✓		Opened 1 st November 2012
8.	St. Nicholas C of E Primary School, Alcester	Academy		✓	✓	✓		Opened 1 st April 2013
9.	The Nethersole C of E Primary School	Academy	Birmingham CE Diocese	✓	✓	✓		Opened 1 st April 2013
10.	Cawston Grange Primary School	Community		✓	✓		1 st August 2013	
11.	Henley-in-Arden C of E Primary School	Voluntary Aided			✓	✓	1 st September 2013	
12.	Austrey C of E Primary School	Voluntary Controlled	Birmingham CE Diocese		✓	✓	1 st September 2013	
13.	Newton Regis C of E Primary School	Voluntary Controlled	Birmingham CE Diocese		✓	✓	1 st September 2013	

	School	Type	Sponsor / Partner	Consulting	Application submitted to DfE	Academy Order Issued	Proposed Date of Conversion (if known)	Actual Date of Conversion
14.	Warton Nethersole C of E Primary School	Voluntary Controlled	Birmingham CE Diocese		✓	✓	1 st September 2013	
15.	Woodside C of E Primary School	Voluntary Controlled	Birmingham CE Diocese		✓	✓	1 st September 2013	
16.	Racemeadow Primary School	Community	REAch2		✓	✓	1 st October 2013	
17.	Acorns Primary School	Community	(Part of Stour Federation)	✓	✓	✓	1 st September 2014	
18.	Shipston Primary School	Foundation	(Part of Stour Federation)	✓	✓	✓	1 st September 2014	
19.	Park Lane Primary School	Community	Tbc	✓			Tbc	
20.	St. Nicolas C of E Primary School, Nuneaton	Voluntary Aided			✓	✓	Tbc	
21.	St. Andrew's Benn C of E Primary School	Voluntary Aided			✓		Tbc	
22.	Wood End Primary School	Community	Tbc	✓			Tbc	

3. Special Schools

	School	Type	Sponsor / Partner	Consulting	Application submitted to DfE	Academy Order Issued	Proposed Date of Conversion (if known)	Actual Date of Conversion
1.	Oak Wood Primary School	Academy		✓	✓	✓		Opened 1 st April 2013
2.	Oak Wood Secondary School	Academy		✓	✓	✓		Opened 1 st April 2013

4. Free Schools

	School	Type	Sponsor / Partner	Consulting	Application submitted to DfE	Academy Order Issued	Proposed Date of Conversion (if known)	Actual Date of Conversion
1.	The Priors School	Free School		✓	✓	✓		Opened September 2011

Schools Forum – Forward Plan 2013/14

Forward Plan

The table below contains provisional items for the Schools Forum for the next year. This table will be updated and reported to each meeting of the Forum.

For Decision	For Information / Comment
11th October 2013 (change of date)	
<ul style="list-style-type: none"> • Update on Pupil Growth Fund allocation • Options regarding a change in the WCC Schools Funding Formula 2014/15 • Further analysis of High Needs Block and update on progress against reviews • De-delegation of centrally retained funding • Special Schools Funding Matrix development • Election of Chair and Vice Chair 	<ul style="list-style-type: none"> • Update on academy conversions • Monitoring report on the DSG forecast for 2013/14 • Consideration of schools capital programme
5th December 2013	
<ul style="list-style-type: none"> • Update on Pupil Growth Fund allocation • Options regarding a change in the WCC Schools Funding Formula 2014/15 • De-delegation of centrally retained funding • Special Schools Funding Matrix development 	<ul style="list-style-type: none"> • Update on academy conversions • Update on National Funding Formula and Local Funding Formula • Consideration of schools capital programme
Dates and venue of future meetings	
<ul style="list-style-type: none"> • October 11th 2013 2pm Conference Room, Northgate House, Warwick • December 5th 2013 2pm Conference Room, Northgate House, Warwick 	