

MEETING OF THE SCHOOLS FORUM

Wednesday 7 Dec 2016 at 8:30am

**BETHNAL GREEN CENTRE, 229 Bethnal GREEN ROAD, E2
6AB**

AGENDA

1.	Apologies for absence	
2.	Minutes of the meeting on 12 Oct 2016 and matters arising	Chair
3.	Contract Services Review	John Bedwell & Vivianne Buller
4.	Schools Budget 2017/18	Sailesh Patel
5.	High Needs Funding Arrangements 2017/18	Sailesh Patel
6.	Schools Budget Monitor 2016/17	Bharat Jashapara
7.	AOB	
8.	<ul style="list-style-type: none">Next meeting 8:30am, 18 Jan 2017 at the PDC, Bethnal Green (TBC)	

MINUTES OF THE TOWER HAMLETS SCHOOLS FORUM
Wednesday, 12 October 2016

School Members

Governors: Jill Cochrane (Chair), Bob Stevenson, Dave Lake*, Veronica Kennard*, Pip Pinhorn*, Shahanur Khan, Salma Mahbub and Bridget Cass*.

Headteachers: Cath Smith*, Gillian Kemp*, Lorraine Flanagan* (Vice-Chair), Sarah Helm*, Sheila Mouna*, Remi Atoyebi*, Ann O'Reilly*, Jemima Reilly*, Matthew Rayner*, John Bradshaw* and Brenda Landers.

Non School Members:

Joan Harte (RC Diocese), Terry Bennett* (CE Diocese), Alison Arnaud* (Tower Hamlets College), Kim Arrowsmith* (PVI EYs Providers), Alex Kenny* (Trade Union Rep) and Mahmudul Choudhury (Council of Mosques)

**indicates attendance*

Officers in attendance

Debbie Jones, Christine McInnes, Bharat Jashapara, Sailesh Patel, Benn Huntley (for item 3), Runa Basit (Clerk).

1. Election of Chair and Vice-Chair	Action
<p>Jill Cochrane was elected as Chair of the Schools Forum. Lorraine Flanagan was Elected as the Vice-Chair of the Schools Forum.</p> <p>In the absence of Jill Cochrane, Lorraine Flanagan chaired the meeting.</p>	
<p>2. Apologies for absence Apologies were received from Jill Cochrane, Bob Stevenson, Brenda Landers and Shahanur Khan.</p>	
<p>3. Minutes of the meeting on 15 June 2016 and matters arising The minutes were agreed as a correct record.</p> <p><u>Matters arising:</u> National Funding Formula – Forum members enquired about whether there was any further information available. Alex Kenny said that there may be further information in the autumn Statement. Members commented that lobbying was still taking place and this may impact on the proposed national funding formula reform. It was agreed that schools should continue to take prudent steps in managing their budget.</p> <p>It was noted that the actions listed on page 7 of the minutes had been carried out.</p> <p>Lorraine Flanagan said that the request to amend the Admissions Form had been raised at the last Primary Consultative and it was confirmed that the form could not be amended to include information that was not required to make an admissions decision, furthermore it may be seen as prejudiced.</p>	

Tower Hamlets Education Partnership

It was reported that 18 schools had signed up to date. Lorraine Flanagan said that THEP needs to look into how it was communicating with Heads.

4. Early Years National Funding Formula Briefing Note

Bharat Jashapara presented the Early Years National Funding Formula.

Tower Hamlets Response to Questions to the Consultation (appendix A) and the briefing note were previously circulated.

The DfE had previously launched the early years' national funding formula consultation in August 2016. The DfE was consulting on proposals to change the way it funds free childcare and early years education. The proposals included:

- Introducing a new early years national funding formula for 3- and 4-year-olds
- Changing the way local authorities fund the early years providers in their area
- Making sure that children with special educational needs or disabilities attract the extra funding they need

It was also noted that one of the pledges in the Conservative government's manifesto for the 2015 election was to provide 30 hours of free childcare to working parents of three and four year-olds. This was aimed to reduce the cost of childcare for families, breaking down the barriers to work so that parents who want to return to work or increase their hours could do so.

As part of the phase two of the National funding Formula and in order to implement the 30 hours of free childcare, the government has decided to change the early years funding system as it deems that the current system was not working fairly or efficiently. The government proposed that funding for both the 15 hour entitlement and the new 30 hour entitlement for working parents will be allocated on a formulaic basis for the first time.

Bharat Jashapara explained that the suggested formula would take account of the number of children eligible for FSM; had English as an additional language (EAL), and the number of 0-5 year olds receiving Disability Living Allowance (DLA).

Bharat Jashapara had discussed the way forward with senior officers in the Council and a Working Group to review the Early Years Funding Formula was suggested. Early Years Working Group suggested representatives were included as Appendix 3b.

The Forum agreed that the Working Group should include the following school representatives:

- Primary representative – Anne O'Reilly / Sheila Mouna
- Nursery Head - Sarah Helm
- PVI – Kim Arrowsmith

Gill Kemp suggested that Alison Gawthrope should be part of this group. Bharat Jashapara will contact Alison Gawthrope.

Bharat

Headteachers expressed their concern and asked if there was any support in place for schools. Sailesh Patel confirmed that there were no contingencies built within the Schools Budget. The amount allocated for Schools Budget had been locked in by the DfE.

Debbie Jones said that there was a plateau in the birth rate in 2014. It has not yet been determined whether this will continue and was too early to state whether this was a blip or a trend.

In addition there has been an increased number of Free Schools in the borough which has meant that children have been distributed amongst higher number of schools.

Debbie Jones said that there was a changing demography and the child yield had not translated in to Reception classes.

Other factors such as the Welfare Reform and the rise in cost of property also had an impact on the families' ability to live in the borough. It was noted that this pressure was increasing and was a concern. This had been factored into the Council's planning.

Headteachers stated that the pressure varied in different parts of the borough. Headteachers commented that this pressure was compounded by Free Schools in places where the demand was not there.

Debbie Jones said that the LA had met with the Regional School Commissioner (RSC) and discussion with regards to Free Schools and the undue pressure placed on existing schools had taken place. The RSC had said that they will give the LA more opportunity to comment with regards to the location and demand in relation to any proposed Free Schools.

Lorraine Flanagan said that there needs to be a strategic lead on this rather than a reactive approach and asked what the Council's strategic plan was.

Debbie Jones said that Pupil Place Planning was difficult and it was not easy to predict the demand.

The LA was taking the variables in to consideration and looking at how to best manage the current position. The Council will then consider the strategic position. All avenues will be explored. It was suggested that previously children were bussed over to schools with high number of vacancies. Debbie Jones said that this will be taken into consideration if there is a requirement to do so. Debbie added that the LA recognised the scale of the pressure and were considering a strategic response.

Members commented that the pupil place planning felt out of alignment. The LA will look at the number of reception applications received by the deadline to establish the trend going forward. Further discussion on this topic will take place outside of the meeting.

Members also commented on the number of places available for 2 year

<p>olds and how the LA was allocating the places. Debbie Jones said that there were issues with place allocation and this was forming part of the review. Places for children with special educational needs were being considered by the SEN review.</p>	
<p>6. Schools Funding Arrangements 2017/18</p> <p>Sailesh Patel presented the Schools Funding Arrangements for 2017/18 report.</p> <p>Members noted that in July 2016 the DfE had announced that the planned implementation of a new national funding formula for schools for 2017-2018 will be delayed by a year.</p> <p>The report presented the key changes set out by the Education Funding Agency (EFA) for school funding arrangements for 2017-2018 as set out in the School revenue funding for 2017-2018 operational guide issued in July 2016.</p> <p>The LA was not required to make a submission in October 2016, however was required to make a submission in January 2017. This gave the LA and the Schools Forums additional time to consider funding allocations following the October census before making the submission.</p> <p>Sailesh Patel suggested that a Finance Sub Group be established to review the changes in the funding arrangements for Tower Hamlets and formulate recommendations for the retention of the DSG for ongoing responsibilities previously covered by the Education Services Grant (ESG) and make recommendations to the Schools Forum at the December meeting.</p> <p>Lorraine Flanagan said the paper presented in December needs to provide a breakdown of the elements of the de-delegation.</p> <p>Debbie Jones said that the government had not yet provided further information about the role of the LA going forward. However, it is anticipated that school improvement will no longer be part of the LA's remit. Debbie Jones said that on-going discussion was taking place and further information was expected in the autumn Statement.</p> <p>Resolved – The Forum agreed for John Bradshaw and Jemima Reilly to join officers from the LA on the Finance sub-group. Sailesh Patel will contact headteachers with regards to joining the sub-group.</p>	
<p>7. AOB</p> <p>The Forum wished to note thanks to Kate Bingham for her support and contribution to the work of the Schools Forum.</p>	
<p>8. Date of next meeting</p> <p>8:30am, 7 Dec 2016 at the PDC, Bethnal Green</p>	

AGENDA ITEM 3

Title of report:

Contract Services Review - Executive Summary

Author of the paper: John Bedwell (APSE consultant); Vivianne Buller (Interim Head of Contract Services)

Details on who has been consulted with on this paper to date:

Bharat Jashapara, Debbie Jones

CONTRACT SERVICES REVIEW - EXECUTIVE SUMMARY

Report Context

The London Borough of Tower Hamlets commissioning brief identified that the primary objective of this review was to ***“resolve an overspend situation in Contract Services with a specific list of options and timeframes”***

The services reviewed were:-

- Education Catering Service
- Welfare Catering Service
- Building Cleaning Service
- Civic and Hospitality Catering Service

The proposed work plan was laid out in two phases, the initial phase being to conduct initial meetings with strategic, finance, operational and ‘customer’ stakeholders and to report and agree on a process and timeframe for detailed analysis of data, (Phase 2) to inform options and recommendations relating to this primary objective.

During Phase 1, a number of key issues relating to **financial accounting practices, data collection and performance analysis** were identified and it was agreed that phase 2 would focus on establishing the level of (and systems and procedures needed to maintain) **‘efficiency’ and ‘competitiveness’** within the service and particularly, within Education Catering, **where circa 90% of the growing budget deficit falling on the Council was evident.** It was also agreed that the successful implementation of any solution to close the budget deficit would require:

- a) Clear evidence of ‘efficiency’ in the current (or future) service offers**
- b) Engagement with Schools (and other clients) around pricing, affordability and required service levels.**

Accordingly, phase two work proceeded in September 2016 on data extraction, audit, assessment and measurement of performance outcomes (centering on Education Catering) and the production of a ‘high level draft report’ to

- a) Inform any need for short term meal pricing decisions (to feed into existing budget preparation timelines) and**

- b) Provide a basis for further review or follow-up on any recommendations that have been possible against other elements of the original brief.**

Foreword

As a preface to the reports observations, summarised below, it is worthy of note that as key measures of stability in a service offer, **Contract Services appear to maintain very good *relationships* with their largest market (Schools), achieve very high *standards* of food and service delivery and in relation to current contract *charges* for school meals, are highly competitive with available Local Authority and national benchmarks for this service.** Further, in discussion with School Heads and Business Managers at the seven schools visited, they were clear that this balance of **'relationships, standards and cost' is how they measure, and currently perceive 'value' in these (and other) Council services.**

All of the schools visited were **conscious of the Councils need to reduce deficits/spending and remain supportive of the 'collective/collaborative' approach to internal service delivery and budgeting.** They were however, equally clear that this and their **'relationship' with the Council/Contract services had been significantly challenged earlier this year by the 'unilateral' application of a charge for meals not taken up (against the school role).** Whilst subsequently removed, this remains a key consideration in the sustainability of any solutions to the current budget deficit within Contract services.

Reports Key Observations:

Service Uptakes

Service 'uptakes' are critical to 'cost outcomes' in this service and this respect, Tower Hamlets, with its free meal policy across all primary Schools, should enjoy favourable comparison with national (England only) outcomes. Whilst average uptakes in the Primary sector are high (at circa 87%), analysis at individual schools shows that these range from 59% to 98% and these variations directly relate to total cost per meal outcomes in these schools. Whilst secondary free meal uptakes achieved appear to be high (by any national comparison), paid meals uptakes appear to be poor in this sector. Again, overall meal uptakes range from 41 to 84% which directly reflect in significant variation of the true cost of providing these meals at individual schools.

Meal Costs

The 'Total Cost per meal' calculated from analysis of performance during the run up to the summer break averaged **£2.32 for a Primary meal and £2.96 for a Secondary meal.** However, as noted above, variation in meal uptakes reflected in a true cost calculated on individual school expenditure data ranging from £1.70 to £3.70 in the Primary Sector and from circa £2.50 to over £4.00 in Secondary Schools.

Therefore, understanding which schools contribute to or benefit from significant 'subsidy' under the current 'common pricing policy' is important to:

- a) The realistic targeting of 'performance' at an individual school level (to aid in service wide 'efficiency gains').**
- b) To inform consideration (and consultation with schools) on any future service delivery/pricing models appropriate to the longer term sustainability of the service.**

Further, full year projections on the basis of the reviews analysis, suggest that:

- a) any loss off pupils or trading days (including the effect of Ramadan, particularly within the Secondary sector) does impact upon full year cost outcomes.**
- b) that the secondary sector is likely to account for a significant element (the greatest part) of the budget shortfall in 2015/16.**

Food Only Costs

In an attempt to stem growing budget deficit, the service has considered (and produced cost data on) the effect of its achievement of the 'Food for Life – Gold Standard' and in particular, the use (and cost) of organic products that this standard requires.

The Reviews analysis of food costs (including direct observations at individual schools) found however, that the service in the Primary sector is achieving food costs well below its own 'food cost per meal' target (of 85p) and the England only average (which reflects many Authorities operating at the 'bronze/silver' food for life standard).

Food only costs in the Secondary sector appear however to be significantly higher (ranging from circa £1.06 to £1.28), contributing to an average 'total meal cost' that is well above the current charge to schools of £2.50

Unit Based Labour Costs

By comparison with national (England only) averages, the review found that direct (unit based) labour costs are generally well controlled, given:

- a) the effect of London and national 'minimum wage' and employment conditions**
- b) reported 'plate rates' (meals served per staff hour) against available productivity benchmarks for this service.**

However, the 'productivity' benefits of high uptakes in this sector (supported by the maintenance of 'Mayors meals' in Tower Hamlets) should provide an opportunity to review how this, the largest single cost element in this service can be optimised, including:

- a) the current levels of peripatetic/relief (and use of agency) staff within in the service.**
- b) the drivers on and processes used to measure and control staff absence levels.**

Service Overheads (and use of M&A Account)

Analysis of Service Overheads (as a percentage of total expenditure) suggest that direct and corporate/central charges allocated to Contract Services are competitive with other LA (and external) providers and do not add undue burden onto the catering service.

Education Catering Performance Analysis Summary

The Education Catering performance data that the review has been able to extract from data supplied (and resultant recommendations in this draft report) suggest that **there are a number of 'efficiency measures' which could contribute to closing the gap in the current (and primary source) of trading deficit being reported by Contract Services.**

Analysis of this data further suggests the search for efficiency gains should initially focus heavily on the Secondary School Sector.

Measured against available benchmarks and the 'direction of travel' in this service, we believe however, that the charge (per meal served) made against Primary and particularly Secondary schools cannot be maintained at the current level in the light of:

- a) Full compliance with the maintenance of the Food for Life 'Gold' Standard**
- b) The continued upward pressure on Labour costs (established by local, national and 'fair' employment conditions for Council/public sector staff)**
- c) The current 'Common pricing policy' - in the absence of budgeting for or a variable pricing structure which enables recovery of unavoidable (fixed) costs during any temporary or long term reduction in meal uptakes. (This would be particularly important in the event of any withdrawal of the 'mayors' or 'universal' free meals in the Primary Sector).**

School Meal Funding Arrangements

There are three categories/sources of funding for School meals in Tower Hamlets:

- Devolved Block Funding (FSM6) Government funding for all pupils eligible for Free Meals
- Universal Free School Meals (UFSM) Government funding for all Key Stage 1 Pupils (who would not otherwise be eligible under FSM6)
- The Mayors free school Meals (MFSM) Funded by the Authority (Public Health) for Key Stage 2 Pupils (who would not be eligible under FSM6)

Whilst introduced pre UFSM, the funding of 'Mayors' meals replicates the current meal rate (£2.30) and methodology for UFSM funding, i.e., 190 times the average number of eligible pupils taking a meal on the two census days (day of count) in autumn and spring of each year.

The DSG or block funding is devolved by the Authority – 20% in April and 8% for each of 10 months thereafter. Funding for the Mayors meal and UFSM is devolved during July / August each year.

Accordingly, other than in the event of a significant rise in registered entitlement for statutory free meals during any given year (funded through the FSM6 but based on previous year registration data), schools have to date been fully funded over 190 days, to meet the 'per meal served' charge applied by the internal school meals service. Further, with 'in service', other lost trading days, pupil absences or reduced uptakes (i.e. during Ramadan etc.) most schools may have seen a small surplus over the full year, during which they may however be in credit / debit depending upon the phasing of journal entries or invoicing by the provider.

Impact (or removal) of 'non statutory free school meals

With initially the Mayors meals, Tower Hamlet's schools have enjoyed a sustained period of very high, and more recently with UFSM, rising meal uptakes which has enabled the internal meals provider to contain unit - meal rate charges (at or within the rates used for funding) over a number of years, and against a significant rise in staff costs (job evaluation and living wage increases) and general inflationary pressures over that period.

Accordingly, any withdrawal of the Mayors meals (or UIFSM) resulting in the re-introduction of parental charges is likely to have a marked impact upon meal uptakes, with a resultant and necessary rise in unit rate charges by the / any school meals provider.

It is therefore likely that an element of the current Public Health (or other Council/School) budgets would be required to meet this rise in unit rates, bringing Tower Hamlets in line with the many other Authorities (and schools) who have continued to subsidise and anticipate increased subsidies in the event of any withdrawal of UIFSM funding.

Pupil Premium

Tower Hamlets has recently been conducting a pilot process in an attempt to address concern by some schools over the speed of response to changes in and update of free school meal eligibility listings. Their concerns also relate to the impact that the Mayors and universal free school meals may have had on 'Statutory entitled' parents 'registering' for free school meals and any impact that may have on Pupil Premium payments.

Government support for schools both pre and post the introduction of UIFSM, recognised this concern and sought to capture and introduce 'checking systems' to maintain statutory entitlement registration.

The reviews research on this found no material evidence to support a direct link between UIFSM and any fall in Pupil Premium payments and that the communication and systems in place at Tower Hamlets, would similarly limit any additional impact from the 'Mayor's' meals.

We are however conscious that both demographics and other factors affecting Free meal registration/entitlement over recent years have been masked by the 'ever6' funding system (intentionally delaying the impact of a genuine fall in entitlement levels) and that this deserves understanding and clarification with schools who may otherwise relate their annual funding levels to these and other 'real time' events.

RECOMMENDATIONS

School Meals

Establish a capacity for individual school budgeting to:

- a) Drive accurate annual budget forecasting for the service**
- b) Reflect differing performance and operating conditions in the service (and to inform any future change in the current collective/common pricing policy).**
- c) Enable effective targeting and performance measurement at an individual school level (to optimise 'efficiency gains' across the whole service).**

Revisit the decision (made earlier this year) to withdraw from APSES Education Catering 'Performance Networks' programme and in any event, review and select from the range of 'Performance indicators' it contains, those which are most relevant to the ongoing measurement and performance of the service going forward.

Review capacity within the existing 'CYPAD' software / agreement relating to:

- a) The collation of meal uptake, food cost and labour productivity and 'activate' any features that support the generation of these or other key performance indicators (referred to above).**

- b) The software's current (or developable) capacity to create / drive required inputs into the Agresso (ledger) system.**

Revisit the potential for cost saving associated with the use of organic products (maintenance of the FFL Gold Standard) in relation to:

- a) The perceived 'value' of this standard (and particularly, the demand for organic products in the menu offer) to Schools, pupil and parents**
- b) In the event of their removal, the need / benefits associated with the replacement of the FFL standard with a local or London based 'standard' that maintains the 'food quality profile' for the service, its schools, pupils and parents.**

Under any increase in current School Meal charges (and or pricing model), and in the light of reaction to the charges proposed and subsequently withdrawn in April of this year, we believe it important and would recommend that schools are:

- a) Informed and 'engaged in' the process of seeking and applying viable 'efficiency measures' (that involve any change in menus, staffing arrangements or delivery processes).**
- b) Given the opportunity to confirm their collective support for the maintenance of a 'common pricing policy' – i.e., that they are clear that this policy has and will continue to secure a common and high standard of service for all schools, but requires cross subsidy between those who's service generates surpluses or deficits within the wider school meals trading account.**
- c) In this respect, there may be a specific need to address this issue by sector, not least to ensure that any future meal charges applied to each, avoid any ongoing or material cross subsidy between Primary and Secondary Schools.**

The first priority is to seek to find efficiency savings in the existing service and engage with schools to minimise the need for a price increase but we believe their will need to be a review of the pricing policy particularly in the secondary sector to achieve a more realistic price.

AGENDA ITEM 4

Title of report:

Schools Budget outline 2017/18

Author of the paper: Sailesh Patel

Officer to present the paper to School Forum:

Sailesh Patel

Details on who has been consulted with on this paper to date:

Bharat Jashapara

Exec Summary:

This report provides Schools Forum members with an outline of the Local Authority's assumptions and methodologies which are to be applied in constructing the 2017/18 Schools Budget, financed by the DSG.

The report also provides an analysis of the recent small changes that are introduced for 2017-18 and in the draft proposal in "Schools and Early Years Finance Regulations" it was proposed that the ESG Element transferred to the DSG is retained, as those responsibilities that go with this are still with the LA.

Details of recommendations and timescales for decisions:

Schools Forum is invited to:

1. Note and comment on the contents of this report;
2. Give a view in relation to the planned continuation of capping and scaling on any schools gaining through the application of the local schools funding formula as per section 6 of this report;
3. Discuss the **De-Delegation** service areas with the respective wider stakeholder groups (primary and secondary only) and report back decisions.
4. Note the indicative budget levels outlined for the **LA statutory services** at section 8 and offer any comments;
5. Offer any comments in relation to the **centrally retained** provision relating to planned basic need requirements for the growth fund (**Appendix 2**);

6. Note that the January 2017 meeting of the Schools Forum will be seeking decisions about de-delegation and the growth contingency specifically, plus a consideration of the Schools budget overall.

7. **ESG retained** amount transferred to the DSG in 2017-18.

1. Purpose of the Report

- 1.1. To provide Schools Forum members with details of the 2017/18 budget setting process and the principles which are adhered to
- 1.2. To outline the construction of the 2017/18 Schools Budget.
- 1.3. To discuss and determine with Schools Forum members the options available relating to the capping of gains within the local funding formula.
- 1.4. To request that Schools Forum members (primary and secondary only) discuss with their wider sector stakeholders the issue of de-delegation in 2017/18.
- 1.5. To provide Schools Forum members with detail of the Central Statutory services provided by the LA.
- 1.6. To re-confirm the current arrangements with Schools Forum members relating to centrally retained funds for any planned basic need growth in mainstream and academies.
- 1.7. To confirm the changes to ESG retained amount into the DSG.

2. Background

- 2.1. The DSG funding allocation to all local authorities will be released in December 2016. In the main this will be based on the October 2016 pupil/school census data and it will continue to be allocated in three notional blocks (i.e. Schools, Early Years and High Needs)
- 2.2. The DSG is made up of the following funding blocks:
 - Schools Block – Pupil numbers (October 2016) multiplied by the Schools Block (SB) basic unit of funding (£6,965.12 for Tower Hamlets). The LA's SB allocation is adjusted when a maintained school converts to academy status.
 - High Needs Block – based on 2012-13 budgets but clarified by submissions to the EFA and adjusted for payments made directly by the EFA.
 - Early Years Block – estimated census pupil numbers multiplied by the EYB basic unit of funding (£7803.99 for Tower hamlets) and adjusted when actual numbers are known.
- 2.3. The funding relating to the two year old offer will also be provided within the DSG funding framework on an estimated basis. The actual allocation is now established on 5/12ths January 2017 data and 7/12ths January 2018 pupil count data.
- 2.4. All DSG Funding (including the two year old offer) must be deployed on schools and/or pupils in accordance with the Schools Finance Regulations, 2015.

3. 2017/18 BUDGET

- 3.1. The DSG funding allocated by central government will continue to be provided on a 0% cash settlement basis, therefore requiring all local authorities to meet any local cost pressures (i.e. inflationary costs, incremental salary drift, increase in pension's costs and local growth needs pressures etc.) by identifying equal cashable savings or efficiency within local systems/processes.
- 3.2. All school budgets will continue to be allocated via the agreed local funding formula, the LA is required by statute to ensure no school receives a reduction greater than -1.5% per pupil as governed by the minimum funding guarantee (MFG) system. To ensure the overall cost of applying the MFG is affordable within the final DSG settlement, the LA is permitted to apply a "capping" to any school gaining through the local funding model (see section 5 below for further details).
- 3.3. The LA will set and determine the final 2017/18 Schools Budget financed by the DSG provided by central government (supported by any appropriate post-16 EFA funding) in accordance with the LA's corporate timeframe and budget setting principles, including:
 - Staffing establishment updated as per current listing/known future movement and based on current pay grade with allowance for known incremental salary drift and any national pay award;
 - Non-staffing costs based on current 2015/16 baseline position (i.e. 0% inflation);
 - Identified and approved cost pressures to be prioritised accordingly and financed by equal identifiable cost savings and/or service efficiencies where possible.
- 3.4. The LA reserves the right to transfer any funding between the three notional blocks where identified, for example where approved cost pressures cannot be met by savings and/or efficiencies or transfer of funds from reserves / unallocated amounts.

4. BUDGET CONSTRUCTION

- 4.1. The DSG funding as outlined above at section 2.2 will be allocated to the LA in three notional blocks, the basis of the final 2017/18 Schools Budget will also be constructed based upon these same three blocks.
- 4.2. The three blocks can be broken down into further detail / analysis as below:
 - Schools Block
 - o The local funding formula (5-16 year olds)
 - o De-Delegated Funds
 - o LA Statutory Services (including specific centrally retained funds)

- Early Years Block
 - o Early Years Single Funding Formula (EYSFF) for two, three and four year olds
 - High Needs Block
 - o High Needs top-up funding (including free schools and academies)
 - o Central SEN and Inclusion services; and
 - o High Needs support
- 4.3. An outline of the process, principles and/or the initial plans to construct the three blocks is detailed below for information and to provide some context:

A) Schools block:

i) The local funding formula as previously agreed and in accordance with central government regulations determines the delegated budget share allocated to all maintained schools and academies. The final return is required by 20 January 2017 and is currently subject to consultation on proposed amendments.

ii) Primary and Secondary schools have the option to de-delegate the financial resources allocated for specified services back to the LA, please refer to section 6 of this report.

iii) Statutory services (including specific centrally retained funds) will be reviewed and updated accordingly for 2017/18 and must be agreed by Schools Forum members (see sections 7 & 8 below).

iv) For 2017/18 it is anticipated that the **Education Services grant**, (ESG), that was previously given to Local Authorities to carry out a range of statutory functions will be significantly reduced and that £15 per pupil for retained services will be included in the DSG allocation. Hence the LA intends to top-slice the DSG for this element which on current pupil number assumptions would amount to £641k. Further details regarding the ESG are provided in **Section 9**.

B) Early Years block:

i) The EYSFF model will be updated based on the latest dataset of pupil/setting information collected and collated by the LA from the respective pupil census count data. All providers in both the maintained and the private, voluntary and independent (PVI) sector will be allocated an indicative 2017/18 budget based on the final model.

The model consists of a base rate (differential by sector/size) and a supplement linked to deprivation.

C) High Needs block:

i) Top-up funding levels will reduce no more than -1.5% per pupil as permitted by regulations. The total resource level deployed will be based on current 2016/17 baseline data and updated where appropriate for any known increases relating to demographic growth/pressure.

ii) All central high needs support service budgets will be constructed in accordance with the detail outlined at section 3.3 above.

5. SCHOOL BUDGETS – CAPPING

- 5.1. The DSG budget as outlined above (section 3.1) will continue to be allocated on a 0% cash settlement basis. Given all LA's are required to ensure no mainstream schools/academies delegated budget share reduces by more than 1.5% per pupil (as per the MFG control mechanism), this potentially creates a cost pressure on the overall Schools Budget.
- 5.2. To support the LA in setting a robust and balanced budget, the regulations permit the LA to apply a level of capping or scaling back to schools on the total level of gain that they may receive in their final delegated budget allocation.
- 5.3. The cumulative total level "clawed-back" via the application of capping and/or scaling must not exceed the total cost of the MFG protection provided to the appropriate schools.
- 5.4. The LA has two options available when determining if gaining schools should have their total level of gain reduced:
 - Capping – set a prescribed level (e.g. 3% level) at which all gains over and above such a threshold level will be clawed-back; or
 - Scaling – simply scale back all gaining schools at a fixed percentage level in order to claw-back the total desired level which is needed in order for the MFG protection to be applied to other schools.
- 5.5. In the last 4 years the LA has applied a cap of +3% and a scaling mechanism which claws back 100% of all gains.
- 5.6. Schools Forum members are invited to provide views in relation to the LA proposal outlined within this section of the report.

6. DE-DELEGATION

- 6.1. The national schools funding reforms implemented in April 2013 prescribed that as many services as possible (and all the associated funding) must be delegated to schools in the first instance via the agreed local schools funding formula, so that all local decision making was made by schools directly.
- 6.2. The system did however recognise that a number of service areas and contingency type budgets that are now delegated to schools (primary and secondary only), would provide for greater economies of scale and mitigate risk to schools if they were to be managed and deployed by the LA on behalf of schools (i.e. de-delegated).
- 6.3. The decision making responsibility in such matters falls upon the Schools Forum members representing each sector on the Schools

Forum. The decision making is required to be made annually and is for each service separately and for each sector. (I.e. primary schools can still de-delegate for a service area, even if the secondary sector do not and vice versa).

- 6.4. The table below provides a summary of the service areas captured under the de-delegation option, the current 2016/17 and adjusted 2017-18 after academy conversions, the total resource level deployed and the respective de-delegation per pupil rates:

Overall funding for the 6 candidate services for de-delegation 2017-18					
De-delegation services		Primary	Secondary	Total	16-17
Pupil Numbers (excluding academies)*		20,397	10,087	30,484	33,370
Values	Unit value	£'000	£'000	£'000	£'000
Contingencies (other than pupil number growth)	£14.93	305	151	455	498
Free School Meals Eligibility	£3.86	79	39	118	129
Licences/ subscriptions	£0.80	16	8	24	27
Staff costs supply cover	£9.70	198	98	296	324
Support to underperforming ethnic minority grou	£15.82	323	160	482	528
Behaviour support services	£8.70	177	88	265	290
	£53.81	1,098	543	1,640	1,796

NB: The budget amounts reflected above will be subject to a refresh as part of the 2017/18 budget setting process and may affect the final per pupil de-delegation levels.

- 6.5. Schools Forum members are requested to ensure the service areas reflected in the table above and the de-delegation option are discussed with their wider sector stakeholders; **Appendix 1** provides more detail on the individual services which are covered by de-delegation.
- 6.6. The LA will be bringing a report to the next meeting of the Schools Forum for approval (for maintained schools only by phase). As part of that the LA will be seeking an increase in the de-delegation for Behaviour Support “The increase requested is £25.5K so that we can reflect the true staffing costs and associated with this service.
- 6.7. The de-delegation option is not available to academies; the LA will write to all academies prior to 1 April 2017 outlining the services available to maintained schools via the de-delegation option, the services are offered to academies at the same cost plus 10% which reflects the cost of administration and a portion of overheads.

7. CENTRAL STATUTORY SERVICES

- 7.1. The LA continues to have a number of statutory functions (i.e. Admissions, Schools Forum, IS fees etc.) that they must administer/fulfil on behalf of all schools/academies and pupils.
- 7.2. The schools funding arrangements and regulations allow the LA to agree with Schools Forum the central funding level to be assigned to each permissible area, funded from within the Schools block and prior to allocating any funding to the local formula.

- 7.3. A number of the service areas within this framework are subject to a limitation of no new commitments and/or no increase in expenditure from the 2013/14 level.
- 7.4. The table below provides illustration of the service areas captured in this section:

	CENTRAL PROVISION WITHIN SCHOOLS BUDGET -Draft 2017-18	2017-18	2016-17
1.4.1	Contribution to combined budgets	1,089	1,639
1.4.2	School admissions	699	729
1.4.3	Servicing of schools forums	30	30
1.4.4	Termination of employment costs -PRC	460	1,117
1.4.8	Fees to independent schools without SEN	510	510
1.4.10	Pupil growth/ Infant class sizes	2,450	2,887
1.4.13	Other items agreed by DfE (Licences)	189	189
		5,426	7,100

- 7.5. Schools Forum members are requested to note the above “Indicative” budget levels for 2017/18 and offer any comments.

NB: formal voting/approval will be sought at the January 2017 meeting when the final 2017/18 budget figures can be finalised.

8. CENTRAL FUNDS

- 8.1. The LA, as previously agreed with Schools Forum, makes provision for a central fund (currently £2.887m) to support pupil growth relating to LA planned basic need growth in any mainstream school, academy and free schools.
- 8.2. Funding is allocated from the central reserve fund in line with the criteria as agreed with Schools Forum in previous years – See **Appendix 2** attached.
- 8.3. The LA has deployed funding in line with the prescribed criteria in 2016/17 and an estimate for 2017/18 is provided in the table below for information:

Primary Total	365	1,040,260
Secondary Total	155	754,558
Academy/ Free Schools	297	645,555
Growth Fund est-17-18		2,440,374

9. Transfer of retained Duties Education Services Grant into the Schools Block

- 9.1 As well as delegated and central schools block expenditure, schools block funding in 2017- 18 will now include **£641k** previously paid to the Council as the retained duties element of “Schools block funding formulae 2016 to 2017 - Analysis of local authorities’ schools block funding formulae” July 2016 the education services grant (ESG). This grant currently supports statutory services provided centrally on behalf of all schools which include:

- Education welfare services (prosecution of parents for non-attendance; tracking children missing from education; and issues relating to child employment).

- Asset management (capital programme planning and functions relating to academy leases)
 - Statutory and regulatory duties – (including finance, HR and legal functions and the strategic planning of children’s services).
- 9.2 The transfer of this funding into the schools block means that at least this amount will need to be retained centrally in 2017-18 to pay for the services that were previously funded by the retained duties ESG. This is not new funding for schools. It is a transfer of funding that reflects the transfer of responsibilities from the LA Budget to the Schools Budget. Had the EFA not postponed their proposal to establish a central schools block for 2017-18, it is likely that the former retained duties ESG would have been allocated to the central schools block, rather than to the delegated funding schools block. However, at the current time, the LA requires Schools Forum approval for these items.
- 9.3 Schools Forum approval, for the services previously funded by the retained rate of the ESG is now required for 2017-18 so that the 2017-18 budget can be planned with certainty. Schools Forum is asked to approve the retention of **£641k in 2017-18**.

10. 2017/18 SUMMARY

- 10.1. The 2017/18 DSG will continue to be allocated on a 0% cash settlement basis as per section 3.1 above, the MFG protection system will still continue to operate at -1.5% per pupil and provide stability to individual school funding levels. The LA will construct the 2017/18 Schools budget based on the principles outlined at section 3.3.
- 10.2. The components/elements to be included in the final 2017/18 Schools Budget are detailed at section 4.
- 10.3. The LA is proposing to continue to apply a standard 3% cap and 100% scaling system to all schools gaining through the application of the local funding formula model in 2017/18, as detailed at sections 5.5
- 10.4. The service areas included in the de-delegation option for primary and secondary schools only are detailed at Section 6.
- 10.5. The LA central statutory services required are detailed at Section 7.
- 10.6. Details of the current central reserve fund provided to meet costs relating to any LA planned basic need places in maintained schools or academies is outlined at Section 8.
- 10.7. The ESG was provided to enable local authorities to carry out a range of statutory functions. The grant is not ring fenced and the LA portion is added to the General Fund to support LA maintained and special schools whilst academies receive their share directly from the EFA.

Background Papers;

<https://www.gov.uk/government/publications/schools-funding-arrangements-2017-to-2018>

De-delegation- business cases for schools forum

At budget setting time each year, Schools Forum will be asked to approve the de-delegation of funding for centrally provided support in the following areas.

1. School Specific Contingency
2. Free School Meal Eligibility Assessment
3. Licences and Subscriptions
4. Staff Supply Costs
5. Ethnic Minority Attainment
6. Behaviour Support

De-delegation will be based on a per pupil formula which is considered to be a fair way of accounting for the size of the school and its budget. On this basis, for each item we have provided figures on the overall expenditure and the per pupil rate.

These figures are **PROVISIONAL**, based on the number of maintained schools currently and the prevailing rates for 2016/17. **Final figures will be presented to Schools Forum in January 2017 for a final decision** on each of the six services by primary school representatives and secondary school representatives on whether de-delegation should apply for 2017/18.

1. Schools Specific Contingency

£3.347m in total of which:

- Amount requested: £455k expected to be sought as de-delegation and
- £2.450m provisionally expected to be automatically retained by the Local Authority for in-year pupil Expansions, but officers are reassessing this for Schools Forum in January 2017.
- These figures need to be assessed nearer the start of 2017/18 financial year to take account of the particular circumstances envisaged for that year.

Per pupil amount: **£14.93**

The table below shows what is funded by this money

Item	Amount (£k)
Schools Block Contingencies' Include: i. Exceptional unforeseen costs which it would be unreasonable to expect governing bodies to meet; ii. Schools in financial difficulty; and, iii. Additional costs relating to new, reorganised or closing schools.	455

What is provided?

The contingency fund provides for unforeseen expenses in schools during the year. This can include, for example, significant unforeseen and urgent maintenance expenditure (e.g. asbestos removal; roof repair) and litigation including compensation claims. The contingency also allows funding for significant pupil growth with in the year, but that element will be automatically retained, without de-delegation.

Why de-delegate

There are a range of possible scenarios that can give rise to unforeseen costs in schools. Without a central fund, individual schools facing an unforeseen significant cost may find themselves unable to operate within their delegated budgets. Individual schools may not by themselves be able to build up sufficient contingency to cover this.

2. Free school meals eligibility assessment

Amount requested: £118k

Per pupil rate: **£3.86**

The table below shows what is funded by this money:

Item	Amount (£k)
SLA with the Council's Housing Benefit Service	£118

What does the service provide?

The service assesses pupils' eligibility for free school meals, either as part of the Housing and Council Tax Benefit claim process or on referral from schools/ other agencies. The service notifies individual schools on a regular basis of their pupils' eligibility. The service also conducts take up campaigns on behalf of schools.

Why de-delegate?

Providing this service centrally, as part of a service that specialises in assessing benefit entitlement, means that efficiencies can be gained by direct access to DWP information about claimants' entitlement. In addition, the process is integrated with housing and council tax benefit claims, reducing the burden for claimants. Administration at individual school level would be burdensome as entitlement checking would have to be done manually (by paper copies of claimants' entitlement.) Resources can also be used to run effective campaigns resulting in increased take up.

3. Licences and Subscriptions

Amount requested: £24k
Per pupil rate: **£0.80**

The table below shows how this funding is used:

Item	Amount (£k)
ALPS (data analysis tool for secondary attainment) CLEAPS – To cover schools from nursery to sixth form – Health & Safety and curriculum support. British Pathé – provides schools with access to archive material which the British Pathé owns including footage of major 20th century events.	24

What does the service provide?

A number of licenses/ subscriptions are purchased centrally on behalf of schools as set out in the table above.

The DfE have negotiated a national agreement for the following Licences:

- Christian Copyright Licensing International (CCLI) (**new for 15-16**);
- Copyright Licensing Agency (CLA);
- Education Recording Agency (ERA);
- Filmbank Distributions Ltd (for the PVSL);
- Mechanical Copyright Protection Society (MCPS) (**new for 15-16**);
- Motion Picture Licensing Company (MPLC);
- Newspaper Licensing Authority (NLA);
- Performing Rights Society (PRS) (**new for 15-16**);
- Phonographic Performance Limited (PPL) (**new for 15-16**); and
- Schools Printed Music Licence (SPML).

This means that the authority will be able to hold funding for all maintained schools and academies and pay the DfE for that service. So, schools will no longer be required to maintain individual licenses and, £185k has been deducted from the overall total to arrive at the figures above.

Why de-delegate

Purchasing and managing licenses and subscriptions centrally offers significant efficiency benefits from the Council administering the licenses centrally and discounts if buying on behalf of all schools. This also ensures that schools meet all legal requirements, particularly in relation to the use of recorded media as part of their curriculum.

4. Staff Supply cover

Amount requested: £296k

Per pupil rate: **£9.70**

The table below shows what is funded by this money:

Item	Amount (£k)
Backfill cover for Trade Union (TU) facilities time	175
Cost of non-teaching trades union facilities time	76
Salary protections	7
Supply cover for staff suspended due to police investigations	38
Total	296

What does the service provide?

The TU Facilities Agreement ensures that representatives are available to enable Schools to participate in collective bargaining and consultation processes. TU Reps also accompany staff to formal meetings in accordance with an employee's statutory right which enables Schools to progress formal actions under HR Procedures.

The salary protections budget is a small budget to cover the costs of historic agreements to protect the salaries of some staff.

The rest of the budget is to cover schools for the cost of supply cover in the event that a member of staff is suspended pending police investigations.

Why de-delegate?

Holding these budgets centrally enables schools to share the costs of supply cover to support the TU facilities time agreement, and ensures that individual schools that employ shop stewards are not disadvantaged. Maintaining budgets for supply cover and salary protections for other circumstances ensures that individual schools are protected against the risk of unforeseen costs in these areas that may arise during the year.

5. Ethnic Minority Attainment

Amount requested: £482k

Per pupil rate: **£15.82**

The table below shows how this funding is used.

Item	Amount (£k)
Staffing (school improvement team) 1.2 staffing specialist support yr. 7-11 ; transition work yr. 5-7 ; 3 staff post 16 1 administrator , NQTs and Home education	222
Provision of specific interventions (e.g. one to one tuition, WUK projects, post 16 interventions , international links- see below)	141
Overheads (office premises, support services etc.)	119
Total	482

What does the service provide?

The school improvement team provides support for schools across phases in providing effective learning for pupils from ethnic minorities and/ or with English as an additional language. This includes specialist expertise in relation to meeting the needs of specific ethnic groups (e.g. traveller communities, White British, Bangladeshi, and Somali.) The support provided includes diagnosing the individual learning needs of pupils from under achieving groups and working with teachers in schools to put in place effective intervention strategies. The service also provides a specialist advice service to schools for working with particular ethnic minorities. Direct interventions are also supported for some pupils with particularly high need, for example, one to one literacy tuition, Academic English. Support for literacy in the context of the examinations reforms 2015-19.

Why de-delegate?

De-delegation of funding to support a central service gives all schools access to this support and helps them to manage fluctuations and demands of cohorts from year to year. It would be challenging for individual schools to themselves provide this specialist expertise given the changing cohorts of pupils, and without central support schools would need to commission more expensive external consultancy. Such support also brings together expertise from across the schools to share expertise and experience in the field. This support has proven effective as there has been considerable uplift in English and mathematics outcomes, particularly in the last three years (now above national averages). Without the focus on raising attainment particularly in English and mathematics there is detrimental effect to other subjects. The subsequent rise in English and mathematics results has also increased the gold standard 5A*-C with English and mathematics measure which is also above the national average. Tower Hamlets has the highest proportion of ethnic minority students in the country combined with the highest demand for FSM. It is a volatile, ever changing community where literacy and numeracy requires constant attention. There is always fragility in inner city schools with staff change-over and changing cohorts. Sustained, evolving support can only benefit the whole education community.

6. Behaviour Support

Amount requested: £265k

Per pupil rate: **£8.70**

The table below shows what is funded by this money:

Item	Amount (£k)
*Staffing (Behaviour Support Team) 2fte for specialist teaching staff	115K
*0.5 Bilingual Community Development Officer for specialist parenting support	22.5K
*0.4fte Teenage Pregnancy Support + resources	24K + 2K resources
*0.5fte Anti-Bullying Officer (including overheads)+ Stonewall fee and resources	30K +£1.5 Stonewall fee
*SIP commissioned Intensive High Risk Family Interventions to promote engagement in education and prevent escalation to Tier 3 - SLA with Family Intervention Programme	54K
Budget Holding Lead Professional resources allocated by SIP	16K
Total	265K

What does the service provide?

Although this comes under the broad heading of de-delegated “Behaviour Support”, in Tower Hamlets this relates to work with a wide range of vulnerable pupils overseen by the Social Inclusion Panel (SIP) and/or supported through the Behaviour Support Team.

The SIP supports schools with multi-agency interventions, advice and resources for the most vulnerable children and families at top of Tier 2 to prevent the need for statutory interventions at Tier 3. It tackles a range of multi-agency concerns: cases at risk of chronic non-attendance, bullying, crime, exclusion, DV, drugs, intergenerational unemployment, poor parenting, teenage pregnancy, and health (including mental health) problems. More recently it has overseen and allocated resources for case work with Prevent cases (preventing violent extremism and the risk of radicalisation).

What does the De-delegated funding cover?

(Further details of each of these activities and current outcomes can be found at the end of this paper.)

A) 2fte behaviour support teacher posts (£125K)

Interventions are focussed on:

Individual case work with high risk cases

Targeted work with schools where behaviour or exclusions or Prevent issues have been identified as a concern either locally or by Ofsted.

Work with non-statemented BESD pupils includes:

- Targeted advice / PSPs for children at immediate risk of permanent exclusion and work with complex cases to prevent escalation to Tier 3 interventions.
- Behaviour Assessments in Primary schools.
- Casework with complex admissions cases under the FAP
- Support for Tier 2 Prevent case work as there is no other funding for this work (*Curriculum development work is being funded separately by the Home Office*)

NB – without this resource the only behaviour support work with pupils on offer would be for those with a statutory EHCP (statement of SEN).

Work with schools on behaviour, exclusions and Prevent includes:

- Systemic work with schools where local data or national inspections have identified behaviour may be a cause for concern including:
Policy work, auditing and review (data and operational practice)
School based professional development through training and coaching support in schools where there are concerns,
Targeted class/ year group/ department work to improve Behaviour for Learning
- Preparation and support for Ofsted for schools with behaviour / exclusion / Prevent as an identified concern.
- Annual exclusion reports and analysis for schools.

B) A Range of Work with Other Vulnerable Groups:

- 0.5fte Bilingual Community Development Worker / Parenting Advisor to provide specialist parenting groups for those whose needs cannot be met within normal parenting classes and to provide outreach work with those most hard to engage or struggling to put lessons into practice with challenging children (£23.5K)
- 0.4fte post and resources to work with Teenage Parents. This includes case work / tuition up to the age of 16 and transition support at 16+; training and policy development advice. (£25K + £2K resources). *Note: In 2014/15 this was supplemented by an additional £25K from Early Years so we were able to employ a teacher 0.8fte but this will cease in 2015/16. In view of this 50% reduction we are reviewing the remaining resources during the spring 2015 to ensure the most cost effective means of providing this support into the future.*
- 0.5fte Anti Bullying Advisor and resources to promote anti-bullying, including cyber bullying. This includes individual case work in situations where pupils are refusing to attend school or independent facilitation is required; training and policy development advice and a fee paid on behalf of schools for Stonewall membership which provides materials and resources to tackle homophobic bullying. (£33K + £1.5K annual Stonewall fee)
- The cost of an SLA with the Family Intervention Programme (FIP) for 1fte post to work intensively with high risk families to break intergenerational cycles of poor behaviour and disaffection, promote engagement in education and prevent escalation to Tier 3. This FIP intervention is available at Tier 2 and is accessed through SIP in respect of the most vulnerable families. (£60K). *Note: A second post is funded through the High Needs Budget.*
- Budget Holding Lead Professional resources to enable SIP to fund innovative solutions to intractable problems where no other budget exists. This includes emergency transport or guiding support for those otherwise unable to get to school and equipment costs where no other budget exists. (£14K)

A share of the management, administrative and overhead costs incurred in service delivery is subsumed in all the staffing / SLA costs.

Why de-delegate?

Most funds for behaviour support work have already been delegated to schools so they can buy in behaviour expertise externally, as and when required. However, the funds above are targeted at the most critical cases referred to SIP, on the cusp of permanent exclusion or other Tier 3 interventions such as YOT or Social Care. SIP also oversees support for other vulnerable groups such as children with parents with health and mental health problems, drug and alcohol abuse issues, teenage parents, intergenerational unemployment, children subject to bullying or at risk from radicalisation or extremism (the Prevent agenda). Such cases can be unpredictable and very costly: providing this support centrally means that the most critical behaviour issues can be managed swiftly as they arise and without the additional costs falling on individual schools.

It also enables prompt deployment of support where Ofsted and/or schools themselves identify a cause for concern regarding behaviour or safeguarding (including Prevent) which requires systemic advice and in-depth training and guidance. Consolidating this support in a central resource means that expertise is developed and retained in an expert team and can provide strategic support to schools and the Behaviour and Attendance Partnership, the Fair Access Protocol, the Social Inclusion Panel and Channel (the Prevent casework element of SIP) as well as to the Local Authority.

Note re: Academies and Free Schools

Academies cannot participate in the de-delegation of Behaviour Support as outlined above because their funds do not come via the LA. However, a specific SLA has been established to enable them to continue to access these services and participate in these arrangements. In 2014/15 all the Academies chose to buy back into this provision, seeing it both as an “insurance scheme” and part of their wish to maintain collegiate relationships with other schools in the LA.

Further information on the Behaviour Support Team -2 fte Early Intervention posts Jan – Dec 14

These 2 posts funded by the de-delegated budget are focused on providing early intervention, advice and support to schools and families to ensure emerging needs are met, risk of exclusion is reduced and capacity to meet needs within schools is increased.

Interventions are focussed on:

- a) individual case work allocated through SIP, FAP, Primary Behaviour Assessments, and PSPs for those at risk of exclusion in Secondary schools.
Note: this now includes Tier 2 casework under the Prevent agenda as there is no other funding for this individual casework.

- b) Targeted work with schools where behaviour or exclusions or Prevent issues have been identified as a concern either locally or by Ofsted.

Outcomes include the falling level of exclusions in the borough. These were at their lowest ever recorded in primary schools in 2013/14. Secondary schools also have a rate of exclusion well below national levels.

Behaviour is rated good or better in nearly all schools in the borough.

The following activities fall under this category of work:

<p>Short term consultation/advice to school on individuals <i>Telephone/email/single visit</i></p>	<p>Provided to 60+ practitioners</p>	<p>Advice and strategies given on supporting individual need</p>
<p>Advice/training on whole school strategy and policy</p> <ul style="list-style-type: none"> • Policy review • Whole school/group training • Whole school Behaviour/Inclusion reviews • Department reviews 	<p>Provided to 10 individual schools:</p> <ul style="list-style-type: none"> • 2 nurseries, • 5 primary, • 3 secondary schools 	<p>Schools supported to improve consistency of practice re promoting positive behaviour for learning practices within a school setting</p>

<p>Training: Bespoke training sessions on a range of topics from social skills to improving positive behaviour and promoting inclusion, as well as Prevent (WRAP) INSET</p>	<p>Delivered in 15 schools:</p> <ul style="list-style-type: none"> • 6 secondaries • 8 primaries • 1 nursery <p>School based and central training on Prevent (WRAP) is also being delivered.</p>	<p>Schools provided with training to suit identified development needs of staff Schools more aware of the Prevent agenda and referral processes and their links to safeguarding.</p>
<p>Behaviour Assessments: Specialist assessment of individual children to identify needs and provide strategies to meet these</p>	<ul style="list-style-type: none"> • 30 assessments completed (averages 10 contacts per case) 	<p>Schools/families provided with in-depth assessment and strategies to improve behaviour and reduce risk of exclusion</p>
<p>Class /Group intervention</p>	<ul style="list-style-type: none"> • 17 referrals received • (averages 5-8 contacts per intervention) 	<p>Referral made by individual schools to provide support for individual teachers/classes/small groups of pupils to improve capacity to manage needs, improve social skills or address particular issues</p>
<p>Pastoral Support Plans: Advice and guidance provided in implementing PSPs to reduce risk of exclusion</p>	<p>Pupils identified through exclusion data analysis and school referral</p> <ul style="list-style-type: none"> • 8 cases (averages 5-8 contacts per case) 	<p>Training and support for process and guidance for individual cases received by schools</p>
<p>Ongoing co-ordination of FAP/SIP cases: Complex cases with multi-agency support plans that needs co-ordinating during change of placements /integration/re-integration</p>	<p>May require:</p> <ul style="list-style-type: none"> ➤ Home visits ➤ CAF completion or review ➤ TAC co-ordination/Lead Practitioner ➤ Support/advice to families ➤ Liaison with out-of-borough agencies/schools • 15 cases (involvement averages 10-15 contacts per 	<p>Individual pupils and families supported through TAC process until identified actions completed or new placement secure</p>

	case)	
Early intervention support for complex cases identified at point of entry to LBTH or transfer of school	<ul style="list-style-type: none"> ➤ Home visits ➤ CAF completion or review ➤ TAC co-ordination/Lead Practitioner ➤ Support/advice to families ➤ Liaison with out-of-borough agencies/schools • 40 cases (involvement averages 8-10 contacts per case) 	Support for transition to reduce risks of failed place/exclusion. Identification of potential safeguarding risks Parental support needs identified Schools provided with advice/guidance and planning support.
Total Individual early intervention Jan-Dec 14	110 across range of individual work	
Total consultation, training and support Jan – Dec 14	42 referrals for targeted support to schools plus central training on Prevent (WRAP)	
<u>Additional work for 2015 - Case work on Prevent referrals</u>	This is a new area of work to which the BST posts will be contributing (there is no additional funding for this casework).	TAC plans in place to reduce risk and address concerns about radicalisation.

Further information on the Bilingual Community Development Officer - Parenting Advisor

(Note: Half of this post is funded through “de-delegated behaviour support” and half through the high needs budget)

Summary of activities and work to support vulnerable children since Jan 2014

The Bilingual Community Development Officer / Parenting Advisor provides a range of specialist parenting support for high risk groups, working with parents and families through the Parental Engagement central referral pathway (for Social Care, Health, Youth Offending Team, schools - including the Pupil Referral Unit, solicitors, CAHMS, Attendance and Welfare and self-referrals etc.), also specialist teachers within the Behaviour Support Team, the Social Inclusion Panel, Family Intervention Project and the Norman Grove Outreach Team.

The Parenting Advisor has provided outreach and home based support/intervention for families that are hard to engage / have complex needs and those where there are Prevent concerns. He provides parenting information and advice, supports the CAF process, contributes to TAC and TAF meeting and CIN and CP processes.

The work has included:

- A case load of 35 families, approximately 40 home visits (providing advice, support and signposting)
- Delivery of 7 Bengali speaking SFSC programmes in partnership with the Parental Engagement Team, Community and Faith Organisations (programmes lasting 13 weeks each)
- 88 parents / carers, from 64 families completing the SFSC programme benefiting a total of 250 children
- Introduction of Prevent elements to the SFSC curriculum
- Specialist one to one intervention with families where there were Prevent concerns

Positive outcomes include 52 parents / carers moving from in-the-home support to regularly attend and complete a parenting programme, improved behaviour of children and young people, improved school attendance, increased parent confidence in their parenting skills, increased access to children, reduced family isolation and positive outcomes within the legal process (e.g. Court Orders and Penalties)

Further information on the Teenage Parent Advisor Post 2013/14

This teacher post was initially for 2 days a week (funded through "De-delegated Behaviour Support) but from March 2014-March 2015 the post has been funded for 0.8 FTE, as a job share, using additional funding from Early Years: this enabled the provision of extra individual tuition for these pupils.

Note: the additional Early Years funding will cease in April 2015 and we are reviewing the deployment of the remaining de-delegated resources (£27K) to ensure best value in their use in 2015/16 as some of the activities described below will no longer be possible.

Education provision

There were seven year 11 pupils (pre 16) and two year 12 pupils (post 16). Young Parent Advisors have been lead professionals for six of these pupils and have completed or contributed to CAFs, TAC meetings and CAF reviews or to statutory plans (e.g. for Looked After Children.). They have supported schools and families in making plans for all the pupils to support their attendance and to ensure there is an education plan during the pregnancy, maternity leave and return to education. The plans are reviewed through CAF reviews, or PEPs or LAC reviews. Young Parent Advisors also attend and advise at CP case conferences and pre-birth planning meetings. During the maternity period individual tuition of 3 sessions of 2.5 hours a week has been provided. Most of the pupils take up to one term off school after the birth. 50% of the pupils have historically had a poor attendance record even before birth and need careful support and monitoring for when they return to school. Partnership between all agencies ensures good practice is followed, which ensures positive outcomes.

A 12 week support group was planned for Young Teenage Parents in partnership with staff at Chrisp St Children's Centre. This was to offer extra support around their social, emotional and parenting needs and to be offered as part of their curriculum in the school day. Six of the nine cases are now in college and so there were insufficient numbers to make the group viable. The time is now being used to offer one to one tuition to those re-taking GCSE Maths and English. Borough Guidance for schools is also being developed which will offer advice and best practice examples of work. This will be ready by March 15.

Educational outcomes

Of the pupils supported, one of the year 11 pupils achieved 5 x A-Cs in her GCSE results and one other achieved 3 x A-Cs and one D.

However, many school age mothers underachieve. Five girls did not get a grade for Maths and three did not get a grade for English. Four of the girls had a history of poor attendance and two had been taken out of school for prolonged periods by their parents. Attendance continued to be poor after the pregnancy. Two of the girls failed to attend for their GCSE exams. One of the girls was a victim of domestic violence and unable at the time to do her GCSEs. Another had made herself homeless and was placed in a hostel out of the borough.

Experience has shown that school age mothers may take some time to re-engage in education as it can be a time of disruption in family dynamics and in relationships with the babies' fathers, difficulties with housing or changes in carer's placements as well as coping with going to school. It is important that the Young Parent Advisor can be one of the professionals who can be available for advice and information for them post 16 as this is when they are often able to re-engage with their studies or other training.

Post 16 pathways

Pupils have had intensive support to enable them to enrol at college, to locate childcare provision, to apply for Care to Learn, and other benefits such as Income support and student bursaries. In some cases this has been provided by the Young Parent Advisor and in others has been provided by the Targeted Youth Support Worker.

Of the nine pupils 5 are in college and 1 is in training. One pupil has been offered the opportunity of re-taking year 11 at the PRU. Two pupils are NEET and one of them has been transferred to local services in her own borough. The other pupil will remain on the caseload until allocated to the Targeted Youth Support Team.

Two girls were year 12. Both of them had been placed in hostels but within the academic year were moved back into borough into supported accommodation. One of them was in college and the other was NEET. Intensive support was given to this pupil to enable her to return to education and she is now enrolled on a college course.

Appendix 2

Criteria for Schools Accessing Pupil Growth Contingency

The criteria that will be used and applied to allocate funding to schools under Tower Hamlets Council, Education, Social Care & Wellbeing Growth Policy.

In particular funding will be allocated on four criteria.

a) Where there are planned permanent expansions (i.e. the school's admission and the building capacity has been permanently increased specifically to meet additional pupil number growth) the contingency fund will meet the cost of any additional pupils on the October or January census date, compared to the previous admission number for that year group. For instance, a school that already started to move from 2 forms of entry (60 places) to 3 forms of entry (90 places), may have actual pupil numbers in Year 2 of 85, in the first year that the expansion affects Year 2. If there were 85 pupils on the October census, the school would get $((85-60) \times \text{AWPU} \times 7/12)$ or $3/12$ for a January start. A minimum 20 pupils per class (or 10 for $\frac{1}{2}$ a form entry) is calculated to ensure both staffing and teaching resources are covered for this provision i.e. a class of 30 pupils that has only 19 pupils at the October or January census date would be entitled to $20 \times 7/12$ ths \times AWPU rate. These arrangements apply for only the first year that any new admission places for a year-group are offered.

b) Where there is only a temporary one-off expansion in a single year group (bulge class), the maintained school or Academy will receive an extra £200 per pupil towards the cost of additional resources over and above the AWPU. These arrangements apply for only the year of opening of the class.

c) Where planned expansion of the maintained school or Academy is by at least 2 forms of entry, the Local Authority will provide additional Leadership and Management funding worth £40,000 per year over the first three financial years in recognition of the increase in management costs associated with significant expansion. (Year 1 of this funding is the school year before opening if that is agreed by the school and LA – i.e. to reflect the planning ahead requirement for the change).

d) Permanent expansions are generally implemented over time by admitting the additional pupils at Reception or Year 7 only until the additional capacity fills. Where a school has specific facilities management or ICT contract arrangements which provide services as though an expanding school were full, the contingency fund will provide proportionate support for individual schools on the basis of the year groups which are operating below full capacity. For instance, a four form of entry school offering 5 year groups is expanding to a five form of entry school. Before the expansion, there were 600 places available in total and, after the expansion there will be 750 places in total. In the first year after the expansion, however, there will be $(150 \times 4 + 30) = 630$ places with 120 unfilled places. The contingency fund would pay for $120/750$ ths of the annual cost of those contracts.

AGENDA ITEM 5

Title of report:

High Needs Funding Arrangements 2017/18

Author of the paper: Sailesh Patel

Officer to present the paper to School Forum:

Sailesh Patel

Details on who has been consulted with on this paper to date:

Bharat Jashapara, Christine McInnes

Exec Summary:

The Department for Education (DfE) has published a number of documents relating to High Needs funding arrangements for 2017/18; these funding arrangements have the impact of limiting the opportunities for Local authorities to apply for growth in the number of places to be funded.

Action required:

Schools Forum is asked to note the DfE High Needs funding arrangements for 2017/18.

11. PURPOSE OF THE REPORT

- 11.1 The Local Authority (LA) is required to inform Schools Forum annually of the number of places it intends to commission for pupils with special educational needs. The LA must submit place change requests for pre and Post-16 places in academies/free schools and further education colleges by 25th November 2016.
- 11.2 The Government is not in a position to commit to funding growth in high needs places. LAs have therefore been advised to assume that there will be no additional high needs funding in 2017/2018; that the 2017/18 high needs block will be based on 2016/18 academic year place numbers and that there will be no change to the remainder of the high needs block.

12. BACKGROUND

- 12.1 LAs are advised to assume that there will be no additional high needs funding in 2017/18. Changes to place numbers will therefore need to be managed within the existing budget.
- 12.2 LAs have the flexibility to make changes to the numbers of pre and post-16 places funded in maintained schools. This does not require a place change request to the Education Funding Agency (EFA).
- 12.3 LAs are also able to make changes to pre and post-16 place numbers for academies/free schools and place numbers at colleges in their area. These latter changes have to be agreed by the institutions and notified to the EFA in the required pro-forma. These changes will be reflected in those institutions by EFA allocation for the academic year offset by a funding adjustment to the LA's Dedicated Schools Grant (DSG).
- 12.4 The Department published the 2017/18 high needs place change request process on 25 September 2016 and the return had to be signed off by the Director for Children's Services and submitted to the EFA by 25 November 2016.
- 12.5 At the time of writing, all SEN Place provisions were contacted; the proposed place changes have been agreed with all the institutions concerned and the return was made to the DfE.
- 12.6 **Appendix A** summarises the 2016/17 place numbers and proposed 2017/18 numbers with notes to support the rationale for change. In some instances the LA is providing place funding over and above the published 2016/17 planned place number. This is as a result of EFA restrictions on place number increases last year (in relation to Phoenix School).
- 12.7 Place number changes for 2017/18 are based on current known pupils and their anticipated placement for the next academic year. It is expected that there will be pressure on special school places but all schools will be at their current physical capacity based on the proposed numbers.

12.8 Tower Hamlets college has merged with Hackney college so an additional transfer of 132 places are added to the LA's allocation from September 2017 , only the place funding is to follow, the Top-up funding is still required to be paid by Hackney Council.

12.9 The overall increases in places in the borough have grown by 17% from last year.

Background Papers;

<https://www.gov.uk/government/publications/high-needs-funding-arrangements-2017-to-2018/high-needs-funding-operational-guide-2017-to-2018>

Appendix A

Specialist and Non-Specialist SEN Top-Up Rates 2017/18			Appendix 4			
Non-Specialist SEN School	Top Up Rate 2016-	Top Up Rate 2017-18				
All schools Band A	£7,414	£7,303				
All schools Band B	£8,897	£8,763				
All schools Band C	£11,566	£11,392				
All schools Band D	£13,345	£13,145				
All schools Band E	£17,052	£16,796				
Institution	Top Up Rate 2016-	Top Up Rate 2017-18	Places April 2016	Places Sept 2016	Places April 2017	Places Sept 2017
Beatrice Tate	£21,170	£20,853	84	84	84	84
Bowden House	£55,356	£54,526	38	38	38	38
Cherry Trees	£18,915	£18,631	26	26	26	26
Ian Mikardo	£26,958	£26,553	40	40	40	40
Phoenix	£21,170	£20,853	200	220	220	250
Stephen Hawking	£19,429	£19,137	98	98	98	110
Total Special Schools			486	506	506	548
Bangabandhu Primary School	£7,351	£7,240	15	15	15	15
Culloden Primary Acadmey	£10,110	£9,958	26	30	30	30
Cyril Jackson Primary School	£3,905	£3,847	20	20	20	20
Globe Primary School	£3,905	£3,846	30	30	30	30
Hague Primary School	£5,642	£5,558	16	16	16	16
Total Primary SRP			107	111	111	111
George Greens Secondary School	£8,654	£8,524	15	15	15	15
St Paul's Way Trust	£6,158	£6,066	20	20	20	24
Total Secondary SRP			35	35	35	39
Pupil Referral Unit	4 rates	4 rates	200	200	200	200
City Gateway Acadmey	2 Rates	2 Rates	90	90	90	90
Canary Whary College	top ups	top ups	2	2	2	6
School	top ups	top ups	1	1	1	1
London Enterprise Academy	top ups	top ups	5	5	4	4
Solebay Primary - Academy	top ups	top ups	5	5	5	7
Wapping High School	top ups	top ups	6	6	6	16
Tower Hamelts College	top ups	top ups	132	132	132	255
Total Other Establishments			151	151	168	289
Total Tower Hamlets schools and academies			1069	1093	1110	1277
					Increase	17%

AGENDA ITEM 6

Title of report: Schools Budget 2016/17

Author of the paper: Bharat Jashapara

Officer to present the paper to Schools Forum: Bharat Jashapara

Details on who has been consulted with on this paper to date:

Sailesh Patel

Executive Summary

At the previous meeting, Schools Forum agreed the revised Schools Budget for 2016/17 of **£348.175m** which left £1.814m unallocated. However, this has now changed to **£340.441m**.

The key points about the Schools Budget are:

- The budget monitoring position for 2016/17 suggests that the in-year position will be balanced on retained activities. However, there are pressures indicated by the High Needs Block.
- There is another paper on the agenda which will discuss the de-delegated budgets for the 2017/18 schools budget

Actions required:

Schools Forum is invited to **discuss and comment on** any of the issues raised in the report.

13. INTRODUCTION / SUMMARY

13.1. Schools Forum agreed the updated Schools Budget in June 2016. There have been changes since then to reflect the fact that two schools have become academy schools within this year.

14. SCHOOLS BUDGET 2016/17

14.1. The overall Schools Budget, including available funding for 2016/17 is as set out in **Table 1**, after taking account of monies recouped for the academy conversions.

Table 1: Summary of Schools Budget 2016/17

Schools Forum Summary		2016-17
1.0 ISB		265,584
1.1 De-delegated items		1,795
1.2 High Needs		38,703
1.3 Early Years		25,730
1.4 Central Provision		6,815
Total Schools Budget	Expenditure 2016-17	338,627
1.7.1 DSG		-294,587
1.7.2 DSG B/F 2015-16		-6,074
1.7.3 EFA Grants		-17,170
1.7.5 Academy Recoupment		-22,610
Total funding	Income 2016-17	-340,441
1.7.6 unallocated Reserves		-1,814

14.2. **Table 2** includes the latest budget monitoring position for 2016/17, this identifies that there is expected to be an underspend of £1.814m which is the unallocated reserve from 2016/17. Any emerging pressures will have to be covered from the unallocated reserve in the first instance.

Table 2: 2016/17 Budget monitoring position

Component	Updated Schools Budget 2016/17 £'000	Forecast spend 2016/17 £'000	Forecast variance £'000
Individual Schools Budgets	265,584	265,584	
De-delegated items	1,795	1,795	
High Needs Budget	38,703	40,063	1,360
Early Years Budget	25,730	25,730	
Central Provision	6,815	6,815	
Total	338,627	339,987	1,360
Funded from			
DSG	-294,587	-294,587	
DSG b/f	-4,260	-4,260	
EFA Post 16 Grant	-17,170	-17,170	
EFA Recoupment (for Academies)	-22,610	-22,610	
Total funding	-338,627	-338,627	
Net Forecast Position			1,360
Unallocated DSG 2016/17	1,814		
Potential c/f	1,814		

15. INDIVIDUAL SCHOOLS BUDGETS

15.1. There are currently no variances forecast for the ISB budget.

16. HIGH NEEDS

16.1. High Needs are reporting an adverse variance of £1.36m with pressures experienced in special schools/ units of £1.2m, mainstream schools of £0.5m and out of borough maintained schools of £0.2m. This is partly offset by an underspend of £0.5m in academies/ free schools and £0.1m in placements with independent providers.

16.2. There is a steady rise in the number of pupils with SEN needs and with statements or plans specifically. Currently there are 2,236 statements in place, compared to 2,065 statements in Jan 2016 and the trend is upwards. The number of pupils with more complex needs is also increasing in parallel.

17. EARLY YEARS

17.1. The DSG block for Early Years will fluctuate during 2016/17, based on actual numbers of pupils on roll at termly censuses. Allocations for 2, 3 and 4 year olds will be made to individual settings (nursery schools, primary

schools and private, voluntary and independent settings) on the basis of the numbers on roll in each termly census, too.

17.2. Early Years is currently reporting a balanced budget.

18. CENTRAL PROVISION

18.1. Central Provision includes those services that have been agreed by Schools Forum should be funded through DSG as Combined Services, as well as Admissions and Premature Retirement among others. It also includes the Pupil Growth fund which applies to all academies and maintained schools where planned / emergency expansions of admission numbers have been necessary. Most of this is usually committed after the October 2016 pupil census. The present forecast is that financial performance is on budget.

18.2. Schools Forum should note that HR termination cost (1.4.4) have advised that the budget of £1,117k for termination costs will be exceeded by £250k. However, there is adequate provision within combined budgets to meet this overspend.

19. DE-DELEGATED ITEMS

19.1. A break even position is predicted for the contingencies budget within de-delegated items. This may change during the course of the year as more demands are placed on the budget. Some money has already been committed against the schools specific contingency and it is anticipated that there will be further calls on this provision.