

MEETING OF THE SCHOOLS FORUM

Wednesday 11 October 2017 at 8:30am

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

AGENDA

1.	Election of Chair and Vice-Chair	Clerk
2.	Apologies for absence Membership of the Schools Forum	Chair
3.	Minutes of the meeting on 14 June 2017 and matters arising	Chair
4.	School Meals Update	Rudy Imhoof
5.	Schools Budget 2017-18	Sailesh Patel
6.	Schools Budget 2018-19	Sailesh Patel
7.	Any other business	
8.	<ul style="list-style-type: none">• Next meeting 8:30am, 6 Dec 2017 at the PDC, Bethnal Green	

Dates for the Schools Forum meetings 2017-18:

- Wednesday 11 October 2017
- Wednesday 6 Dec 2017
- Wednesday 17 January 2018
- Wednesday 7 March 2018
- Wednesday 18 April 2018
- Wednesday 13 June 2018

School Members

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

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

Non School Members:

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

Observers: Cath Smith*

**indicates attendance*

Officers in attendance

Debbie Jones (Director of Children's Services), Christine McInnes (Divisional Director for Education and Partnership), Sailesh Patel (Schools Finance Manager), Neville Murton (Divisional Director for Resources), Runa Basit (Clerk to the Schools Forum) and Vivienne Buller (Interim Contracts Manager – for item 3).

	Action:
<p>1. Apologies for absence Apologies were received from Bob Stevenson and Shahanur Khan.</p>	
<p>2. Minutes of the meeting on 26th April 2017 and matters arising</p> <p>The minutes were agreed as a correct record.</p> <p><u>Matters arising</u> Actions:</p> <p>[Page 1] Sailesh advised that the workshop/training on funding will take place in September.</p> <p>[Page 2] The information on the Apprenticeship Levy including the bandwidth was circulated to Forum Members.</p> <p>[Page 2] Lorraine Flanagan (LF) said that no rep was forthcoming for the Apprenticeship Levy Steering Group.</p> <p>[Page 5] Christine McInnes (CM) said that the LA's cost for the Academy Conversion ranged from £30-55K and was dependent on the type of school and individual circumstances – i.e. if external legal counsel or property/asset management was required.</p>	

<p>Alex Kenny (AK) said that schools needs to be made aware of their responsibility around pensions and HR when they convert. CM to circulate the paper ahead of next meeting.</p> <p>The paper on Education Psychologist is deferred to the next meeting.</p> <p>LF reported that the 'Big Assembly' had been held and was very well attended by staff, parents, children and members of the community.</p> <p>Another meeting to be held on 16th July.</p> <p>The 'Big poster' to be sent to the Secretary of State.</p>	<p>Action: Christine McInnes</p> <p>Action: Lorraine Flanagan</p>
<p>3. School Catering Service review – Vivienne Buller</p> <p>The report on School Catering was circulated in advance.</p> <p>The report intended to clarify the financial position of the School Catering Service in 2016 -2017, and look at whether if it was possible to eliminate the budget deficit for the School Catering Service. The Report outlined:</p> <ul style="list-style-type: none"> - A reasonable and rational time scale in order to achieve a break even position. - the write off position for 2016/ 17 and 2017/18 - The contract price increase that will be required to ensure the School Catering Service is able to cover all costs and break even. <p>The Forum was invited to discuss and comment on the issues raised in the report.</p> <p><u>Primary</u></p> <p>Table 1.9 provided a breakdown of the costs for Primary schools and Appendix B outlined the Primary School Catering Trading Account 2016-17.</p> <p>In reply to a question Vivienne Buller (VB) said that the cost may need to be tweaked in some cases and this can be done on an individual basis.</p> <p>VB clarified that the staff cost added an additional 9p per meal. Sailesh Patel (SP) clarified that the Mayor's FSM and Universal Free School Meal (UFSM) would cover £2.30 per meal, which would mean that schools will need to find the additional 5p.</p> <p>Members noted that the level of sickness absence cover was based on 7% as the level of sickness in the borough was high. VB said that staff management needs to improve.</p> <p>Debbie Jones (DJ) said that the Council was reviewing the management of staff.</p> <p>Neville Murton (NM) advised that positive steps to take the sickness level down will impact on the outturn and agreed that the process</p>	

<p>needs to be managed better. DJ said that an updated report will be presented in the future.</p> <p><u>Secondary</u> Appendix D outlined the Secondary Catering Trading Account 2016-17. Members noted that there was a budget deficit of £989,484. VB explained that the costing on Appendix D was prepared based on projected increase in revenue £295,246 and a reduction in food costs of £146,702. It was acknowledged that a huge amount of work was required in secondary school catering.</p> <p>Members asked the LA what was being done as part of the forward planning with regards to Schools Catering. DJ said that VB was commissioned to carry out a financial modelling exercise and undertake a review of the Service overall. Now that the exercise and review had come to a close the LA will consider the implications.</p> <p><i>[VB left the meeting at this point]</i></p>	<p>Action: Updated report</p>
<p>4. Schools Budget Outturn 2016-17 (circulated) Sailesh Patel presented the report. The report explained the key points on the outturn position for the Schools Budget for 2016/17. The previous report to Schools Forum in January 2017 had indicated that there would be a break-even position in the schools Budget for 2016-17. The outturn position confirmed that there is £1.655m underspend and the DSG is to be carried forward as at 31st March 2016 is £1.655m.</p> <p>Schools Forum was asked to note and comment on the information in this report.</p> <p>The Chair thanked SP for the report. The Forum noted the current position.</p>	
<p>5. The use of DSG funding for birth to five (circulated) Christine McInnes presented the paper. The purpose of the report was to update schools on the areas supported by the DSG birth to five.</p> <p>The financial breakdown of the DSG was listed on Page 3 of the report.</p> <p>Members discussed the Day Nurseries. CM said that the LA was looking to changing the management of the nursery and that DMT was considering an option paper to take this forward. Members commented that the amount of money per child did not provide value for money and was not good use of public money. The Forum members agreed that this was unequitable and urged the</p>	

<p>LA to review this situation.</p> <p>A discussion ensued on the vacancies in primary schools. An update on the vacancy issues and the LA's plan going forward was requested at the next meeting.</p> <p>Bridget Cass (BC) thanked CM for the paper. BC said that she was disappointed that it did not mention the maintained nursery schools. CM said that the area was complex and financial sustainability was an issue.</p> <p>Sarah Helm said that she was surprised that the Nursery schools were not part of the integrated Early Years Service.</p> <p>CM encouraged dialogue with Nursery schools.</p> <p>Headteacher representatives supported Nursery Schools to be more integrated.</p> <p>Further discussion to take place outside of the meeting.</p>	
<p>6. Accessing the additional 15 hours childcare for 3 year olds children in school nursery classes (circulated)</p> <p>Christine McInnes said that she, along with Pauline Hoare and Terry Bryan, had met with the Headteacher from Arnhem Wharf to discuss Free Childcare 3 year olds.</p> <p>CM said that information was sent out via the Headteachers' Bulletin. Members commented that HMRC was struggling to manage the administrative burden and it was anticipated that the pilot would feed in to the process.</p> <p>SH said that she was informed that TH schools were not part of the pilot. This was not correct.</p> <p>SH commented that the funding was much more complicated and included five strands.</p> <p>Members shared their concerns regarding the plan to centralise nursery admissions, in particular the administrative process.</p>	
<p>7. School Balance Analysis</p> <p>The purpose of the report was to inform Schools Forum of the final cumulative school balances as at 31st March 2017 including an update on the progress to date on the schools' surplus balances. Surplus balances need to be in line with the School Balances Control Mechanism. Schools need to provide commitment information and supporting evidence on the schools' excess surplus balances and how these funds are planned to be used by schools.</p> <p>Schools Forum sub group to be established at the meeting to support, scrutinise and challenge the schools spending plans.</p> <p>Schools Forum is invited to discuss and comment on any of the issues raised in the report.</p> <p>Agree to the establishment of a forum sub group for School Balances</p>	

Members noted that 12 schools were in deficit. The national statistics indicated that more than 15% of schools were in deficit budgets during the last five years.

It was suggested that a Sub-group look at the school surplus and balance analysis.

[DJ – left the meeting at this point]

Brenda Landers said that the Forum should not interfere with schools surplus budgets as the schools circumstances were not known. BL said that the Academies/Free schools would not be subjected to this level of intrusion.

BL asked whether schools that had a deficit were also held to account. SP replied that the schools with deficit budgets were also monitored.

SP clarified that the Academies/Free Schools were not part of this budget report as they were funded directly from the EFA.

A discussion ensued on the surplus budget and possible claw-back. It was agreed the budgets will be monitored closely this year.

Forum members commented that there were schools in the borough that were under financial pressure due to falling pupil roll and not as a result of a lack of prudent financial management.

SP clarified that it was a requirement of the LA to publish this information.

Forum members commented that the surplus funds were committed and schools had action plans. The information in the report did not provide a true picture.

It was suggested that the information in Appendix 1 of the report be re-issued with information on committed funds.

SP will look at the spending plans and will present this in September.

The Chair said that based on the year end positions there were 12 schools in deficit and the Schools Forum needs to support these schools.

[VK and BC left the meeting at this point]

Action:
Sailesh Patel

8. Any Other Business

Looked-After Children (paper circulated)

Christine McInnes presented the paper.

At the end of the financial year 2014-15 the Virtual School had an underspend of £183,439 against its DSG cost centre. This was set aside to be drawn down over a 5-year period, to deliver a broad and

exciting programme of enrichment activities. The focus group for this intervention would be students in transition to secondary school: Years 6-7.

Over the 5 years the aim was to create an embedded programme with links to the community, with elements subsidised to become self-financing

The Forum was invited to consider the Virtual School's progress with this project and its positive impact on children.

The Forum noted the report; however a schedule of draw-down by year was not agreed at the meeting.

Schools HR

Terry Bennett said that it appeared that the Schools HR team were under pressure as they were short of staff. CM will take this back to the LA.

Forum members thanked the Chair, Vice-Chair and the Clerk for their contribution throughout this year.

The Chair thanked all for the participation and wished them a good summer.

9. Date of next meeting

8:30am, Wednesday 11th October 2017 at the PDC, Bethnal Green

AGENDA ITEM 03

Title of report: School Meals Service Update to Schools Forum

Author of the paper: Ronke Martins-Taylor, Interim Divisional Director Youth and Commissioning

Officer to present the paper to Schools Forum: Rudy Imhoof, Interim Head of Contract Services

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

Sandra Smith Finance

Debbie Jones, DCS

Executive Summary

This report provides Schools Forum with an update on work being undertaken in Contract Services which is responsible for the delivery of school meals to both Primary and Secondary schools.

Actions required:

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

Introduction

1. This report provides Schools Forum with an update on work being undertaken in Contract Services which is responsible for the delivery of school meals to both Primary and Secondary schools.
2. The School Meals Service continues to provide healthy and nutritious meals to pupils on a daily basis. The menus change each April and November and are designed to meet or exceed the Government's tough nutritional and food based guidelines. However, Contract Services is currently operating at a loss with the actual cost of producing a meal estimated to be £3.30 per meal. A review has been undertaken which has identified a clear strategy to reduce costs which includes:
 - A review of agency relief staff costs;
 - A review of school meal pricing;
 - Improved use of Cypad technology to enable kitchens to better understand meal take-up and income;
 - A review of Food for Life Gold Standard; and
 - Developing better communication between Contract Services and schools, governing bodies, public health and the healthy schools team.
3. Further information is contained within this report on recent developments in the School Meals Service.

School meal price increases

In 2016/17 school meal prices were as set out in table 1 below:

Table 1		
2016/2017 prices	Secondary school meal price	Primary school meal price
Contract price (the price per meal that the school is invoiced at)	£2.50	£2.30
Selling price (the price the school charges its pupils)	£2.00	£1.90

On 22nd September 2017 all schools were advised in writing that the 2017/18 school meal price increases, as set out in table 2 below, would be implemented from January 2018; and that the 2016/17 meal price would continue to apply from September to December 2017. All schools have now been issued with 3 month service level agreements that reflect the 2016/17 school meal price.

Table 2		
2017/18 prices	Secondary school meal price	Primary school meal price
Contract price (the price per meal that the school is invoiced at)	£2.75	£2.35
Selling price (the price the school charges its pupils)	£2.35	£1.95

In December 2017 a Fees and Charges report will be presented to the Council's Cabinet. It is intended that the school meal price will be increased by the value of the retail price index (CPI), currently 2.9%, rounded up to the nearest 5p as set out in table below:

Table 3		
Proposed 2018/19 prices	Secondary school meal price	Primary school meal price
Contract price (the price per meal that the school is invoiced at)	£2.85	£2.45
Selling price (the price the school charges its pupils)	£2.45	£2.00

4. Tuck Shop prices

Within some schools Contract Services operate a Tuck Shop. It is proposed to increase the 2016/17 price of each Tuck Shop food item from 50p per item to 60p.

In December 2017 a Fees and Charges report will be presented to the Council's Cabinet. It is intended that the Tuck Shop food price per item be increased by the value of CPI.

Contract Services have identified that Value Added Tax (VAT) has not been included in the price of food items sold to adults who purchase food through Tuck Shops. Action is being taken to rectify this situation and it is intended that in future purchases to adult users of Tuck Shops will be inclusive of the necessary VAT. All schools impacted by this will be written to directly to advise them of the price changes once these are implemented.

5. Cycle of School Meal Price increase

School meal price increases are usually implemented in April at the start of the financial year. To support schools in budgeting for future price increases it is proposed to change the cycle of implementing changes to school meal prices so that these coincide with the start of the school year in September.

Contract Services would welcome the feedback from Schools Forum on this proposal.

6. The new School Meals Working Group

A new School Meals Working Group (SMWG) is being set up to deliver improved outcomes in terms of nutrition, quality and value for money in relation to school meals. The intended outcomes and purpose of the SMWG are to:

- improve school meals;
- deliver improved outcomes in terms of nutrition, quality and value for money;

- ensure that key stakeholders are consulted about the development of a number of school meal initiatives; and
- assist in the promotion of good strategic communication as an integral part of better future service delivery and development.

As a result of the SMWG it is intended that schools will be kept informed of developments and initiatives which are intended to keep both menus and service delivery fit for purpose. The proposed membership of the working group is proposed to be as follows:

Proposed member list the School Meals Working Group		
Ronke	Martins-Taylor	Chair: Interim Divisional Director Youth and Commissioning
Kate	Smith	Head of Healthy Schools
Abi	Knight	Associate Director Public Health
Rudy	Imhoof	Interim Head of Contract Services
Vanda	Smith	Catering Operations Manager (secondary schools)
Chris	Regan	Catering Operations Manager (Primary schools)
Caroline	Chalmers	Dietician
Sasha	Sullivan	Deputy Head Teacher Stephen Hawking Special School
Deferred	Deferred	Secondary School representative
Dr. Amjad	Rahi	Governing body representative (Chair of Governors, Blue Gate Fields School)
Jill	Cochrane	Chair of Governors Wellington Community Primary school / also chair of Schools Forum
Paul	Nottage	Chair of Governors Guardian Angels Catholic Primary school
Michael	Killington	Chair of Governor St Mary & St Michael Catholic primary school
Jake	Kemp	Governing Body - Hermitage Community Primary school
To be confirmed	tbc	Primary representative
Heather	Robinson	Provisional School Nurse representative

Conclusion

Contract Services is keen to work with schools to ensure a viable future for the School Meals Service.

Report written by:

Ronke Martins-Taylor

Interim Divisional Director Youth & Commissioning

Date: 28th September 2017

AGENDA ITEM 4

Title of report: Schools Budget 2017/18

Author of the paper: Sailesh Patel

Officer to present the paper to Schools Forum: Sailesh Patel

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

Executive Summary

Schools Forum agreed the Schools Budget for 2017-18 of **£349.887m**.

The revised Schools Budget position is **£345.968m**; the change mainly reflects the Post-16 School transfers to Academy schools

The budget monitoring position for 2017/18 suggests that the in-year position will be balanced on retained activities. However, there are early pressures indicated on both the High Needs Block and the Early Years Block. Work is being carried out to examine this thoroughly.

Actions required:

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

1. INTRODUCTION / SUMMARY

1.1. Schools Forum agreed the Schools Budget in March 2017. Table 1 shows the schools budget, and the changes are shown in table 2 below.

2. SCHOOLS BUDGET 2016/17

2.1. The overall Schools Budget, including available funding for 2017/18 is as set out in **Table 1** (as was reported in the March meeting).

Table 1: Summary of Schools Budget 2017/18

Schools Forum Summary	2017-18
1.0 ISB	273,635,133
1.1 De-delegated items	2,285,000
1.2 High Needs	39,391,667
1.3 Early Years	29,129,200
1.4 Central Provision	5,446,000
Expenditure 2017-18	349,887,000
1.7.1 DSG	295,075,000
1.7.2 DSG C/F 2016-17	1,814,000
1.7.3 EFA Grants	17,393,000
1.7.4 Local Authority	
1.7.5 Academy Recoupment	35,605,000
Income 2017-18	349,887,000

2.2. **Table 2** includes the latest budget position for 2017/18, this identifies the changes in the Academy recoupment, EFA post 16 changes, Early years adjustment and the final brought forward balance from 2016-17.

Table 2: Revised Schools Budget 2017/18

Schools Forum Summary	2017-18	Changes	Revised 17-18	Notes
1.0 ISB	273,635,133	3,116,000	270,519,133	Acadmey tfr / Adjusted final c/f
1.1 De-delegated items	2,285,000		2,285,000	
1.2 High Needs	39,391,667		39,391,667	
1.3 Early Years	29,129,200	803,000	28,326,200	decrease in 3 and 4 years old
1.4 Central Provision	5,446,000		5,446,000	
Expenditure 2017-18	349,887,000	3,919,000	345,968,000	
1.7.1 DSG	295,075,000	11,762,000	283,313,000	
1.7.2 DSG C/F 2016-17	1,814,000	159,000	1,655,000	the final c/f reported in June 17
1.7.3 EFA Grants	17,393,000	2,957,000	14,436,000	reflects academy recoupment
1.7.4 Local Authority				
1.7.5 Academy Recoupment	35,605,000	- 10,959,000	46,564,000	Mulberry/Stebon /Bygrove tfrs
Income 2017-18	349,887,000	3,919,000	345,968,000	
Net Change		0	0	

2.3. **Dedicated Schools Grant**

The DSG for 2017/18 now stands at **£283.313m**. This is a **reduction of £11.762m**, which is made up of two elements:

- i. **£0.803m** is a result of an adjustment to replace the estimate made in January 2017 of the **early year numbers with actual numbers**. There was also a retrospective adjustment for the 2016/17 the Dedicated Schools Grant, which was reduced by £0.3m. The 2017/18 adjustment is cost neutral as the funding needed for early years providers will move in line with the revised numbers.
- ii. The second amount of **£10.959m** was for the **academy recoupment** in respect of Mulberry, Stebon and Bygrove.

2.4. **School Budget Changes 2017-18**

The changes in Table 2 also reflect the changes to the post-16 EFA amounts. These were based on last year's allocation, in the original budget for 2017-18; the EFA provided the updated allocations, including the academy recoupment for Mulberry and St Pauls Way Trust, reducing the allocations by **£2.957m**.

3. **HIGH NEEDS**

- 3.1. There is currently a overspend forecast **£1.017m** almost entirely due to SEND Services. (Maintained Schools and special schools) The growing number of children with ECHPs is continuing to cause a budget pressure.
- 3.2. The High Needs Funding Review Group will pick up the work being done currently to review the top up funding across all sectors.

4. **EARLY YEARS**

- 4.1. The DSG block for Early Years will fluctuate during 2017/18, 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.
- 4.2. Early Years central expenditure is showing budget pressures due to the restructuring costs following the changes to the service, including other pressures for the costs associated with the day nurseries; current work streams are working to reduce all costs in this area.

5. **CENTRAL PROVISION**

- 5.1. 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 2017 pupil census. The present forecast is that financial performance is on budget.

6. DE-DELEGATED ITEMS

- 6.1 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.

AGENDA ITEM 05

Title of report: DSG 2018-19 Schools Funding

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:
Neville Murton, Christine McInnes, Zena Cook**

Exec Summary:

The purpose of this report is to provide an update about the recent funding announcements regarding the National Funding Formula for schools. The Secretary of State for Education announced on 17 July 2017 that there would be additional funding of £1.3 billion reallocated by the Department for Education (DfE) for distribution to schools and local authorities.

The 2018/19 operational guidance released in August outlines the further changes to the schools funding reforms. There was a further announcement in

September 2017 which set out the response to stage 2 consultation, which took place in March 2017?

Action required:

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

Background

1. SCHOOLS BLOCK AND NATIONAL FUNDING FORMULA

- 1.1. As a reminder for the School Forum members, the “School Funding Reform: Next Steps towards a Fairer system” consultation paper significantly altered the way schools were funded in 2013 -14 and beyond. All Local Authorities were required to use formula funding factors or elements from a pre-defined range. The purpose of these proposals was to move towards a more consistent, simple, transparent and fairer funding system which was understood by all stakeholders. It was also to assist with moving towards the national funding formula (NFF) and the plan remains that this will be fully introduced from 2019-20.
- 1.2. The government intend to introduce the national funding formula from 2018/19 on a soft basis, with funding for all schools in a local authority area notionally calculated under the NFF. These funding amounts are aggregated to form a single allocation, which is then distributed to schools on the basis of a local funding formula.
- 1.3. The transitional period has been extended by at least one year, with a soft formula continuing to be used in 2019/20. The government has not yet confirmed whether a hard formula will be introduced from 2020/21.
- 1.4. The amount any school can notionally gain under the NFF will be capped at 3% per pupil in 2018/19 and 2019/20. A floor **increase of 0.5%** has been added to the formula, meaning than under the notional NFF allocation, all schools will see an **increase in per pupil funding** compared to 2017/18.
- 1.5. It is important to note that this is a notional allocation, and the actual allocation to schools will depend on the local funding formula and the Minimum Funding Guarantee (MFG) value to be used in support of the overall DSG budget 2018-19. Schools should bear in mind that these allocations apply to **per pupil funding only**, and schools with fewer pupils may still see a lower notional funding allocation than their 2017/18 budget share.
- 1.6. A minimum funding level of £4,800 per pupil at secondary and £3,500 per pupil at primary will be introduced over two years. The impact of this on Tower Hamlets is expected to be minimal, as all secondary and primary schools are receiving above this level now. (secondary amount £7,806 and primary £5,893)
- 1.7. De-delegation arrangements continue as in previous years with maintained Schools Forum members having to approve any de-delegations.
- 1.8. Local authorities will be permitted to use both the FSM and Ever 6 FSM factors in their formulae for 2018/19.
- 1.9. Local authorities have flexibility to set a value of Minimum Funding Guarantee (MFG) of between **0% and minus 1.5% per pupil in 2018/19**. This is a different approach than that of previous years, when the DfE has set a national value of MFG (at minus 1.5%) without flexibility for local variation.
- 1.10. The majority of block funding for schools will be ring-fenced to ensure it is allocated to mainstream schools, but there will be limited flexibility permitted

where agreement is reached with the local schools forum to move up to 0.5% to other blocks.

1.11. The following table sets out the financial impact of what is described above

Table 1; Provisional NFF Schools Block Funding

Provisional NFF 2018-19 schools block allocations				
Total 2017-18 baseline for the schools block	Provisional 2018-19 NFF funding through the NFF pupil-led and NFF school-led factors, with transitional protections applied at individual school level	2018-19 NFF funding through the growth, premises and mobility factors	Provisional funding in 2018-19	Provisional percentage change in 2018-19 over 2017-18 baseline
£254,647,580	£245,976,084	£9,998,110	£255,974,194	0.5%
			Increase	£1,326,614

2. HIGH NEEDS BLOCK AND FUNDING FORMULA

- 2.1. In the NFF consultation, Tower Hamlets expected to have a cap applied to its funding because funding levels are already at the ceiling which prevents any local authority from receiving an allocation higher than the 2017/18 spending baseline after technical adjustments. We had expected a loss of £1.26m for Tower Hamlets.
- 2.2. The High Needs Funding formula confirmed in September 2017 comprises of 10 factors and adjustments that were set out in the DfE's original proposals. However, the formula proposed in December 2016 has been improved in three main ways:
- i. Funding floor has increased from 0% to **0.5% in 2018–19 and 1% in 2019–20**. The funding floor will be calculated using adjusted 2017–18 spending baselines derived from the information provided by local authorities.
 - ii. Calculating both the funding floor and the gains on a per head of (2–18) **population basis**, to ensure that the appropriate elements of the formula are all able to reflect demographic increases. The funding floor also has a cash floor to protect local authorities with falling populations.
 - iii. For those elements of the formula which are intended to reflect more precisely the movement of pupils and students (the basic entitlement factor and import/export adjustments), the DfE is making later updates to the provisional allocations
- 2.3. The High needs provisional allocation shows an increase of **£3.73m** mainly due to increase in the 2-18 population used in the formula now. (before academy recoupmnt)

Table 2 below; shows the High Needs Provisional NFF funding 2018-19.

These columns show 2018-19 NFF allocations. These allocations include the 0.5% per head of population funding floor and up to 3% per head gains. The basic entitlement element of these allocations will be updated with October 2017 school census data, and the import/export adjustment updated with January 2018 school census and February R06 individualised learner record (ILR) data for 2017/18.

Provisional NFF funding in 2018-19				
Elements of the high needs NFF 2018-19 allocations included in the gains calculation - these amounts are not subject to later changes	Percentage change to elements of the 2018-19 allocations included in the gains calculation	Elements of the high needs NFF 2018-19 allocations which are excluded from the gains calculation and subject to later updates	Provisional high needs NFF allocations for 2018-19	Percentage change in provisional high needs NFF allocations for 2018-19 over 2017-18 baseline
£44,465,702	5.6%	£3,732,354	£48,198,057	5.1%

- 2.4. The current method of deducting the schools block pupil numbers for **high needs places** in mainstream schools will change in 2018-19, the schools' budget share (or the equivalent academy funding) will be determined on the basis of the total number of pupils on the roll of the school, including those in the special unit or resourced provision. An adjustment has been made between the high needs block and schools block for each local authority to reflect this change.

3. CENTRAL SCHOOLS FUNDING BLOCK

3.1 Central Schools Services Block (CSSB)

This new block is being introduced in 2018-19 to fund LAs for their statutory duties relating to maintained schools and academies. The CSSB brings together:

- i. Funding previously allocated through the retained duties element of the Education Services Grant;
- ii. Funding for ongoing central functions e.g. admissions; and
- iii. Funding for historic commitments e.g. items previously agreed locally such as combined budgets.

- 3.2 School improvement is not in the CSSB arrangements. Instead a separate grant covering statutory intervention functions and monitoring and commissioning of school improvement support is provided to LAs. The expected value is £196k for Tower Hamlets.

- 3.3 The **Central School Services block** is reducing by **£52k** in 2018-19, and then reducing by a further **£51.5k** in 2019-20 (£104k in total over two years). This funding pays for statutory services within Education and there will be implications if alternative funding or efficiencies cannot be made.

Table 3; CSSB Provisional NFF funding 2018-19

Baseline funding			Provisional NFF funding in 2018-19				
Reported spend on ongoing functions in 2017-18	Reported spend on historic commitments in 2017-18	Total reported spend in 2017-18	Provisional amount NFF would allocate to LAs for ongoing responsibilities Includes: - Protections and gains cap	Provisional percentage change to funding for ongoing functions in NFF 2018-19	Actual funding for historic commitments	Provisional total CSSB NFF funding	Provisional percentage change to CSSB funding in 2018-19 over 2017-18 baseline
£2,098,000	£2,782,000	£4,880,000	£2,045,550	-2.5%	£2,782,000	£4,827,550	-1.1%

3.4 Each of the four blocks of the DSG will be determined by a separate national funding formula. National funding formulae will determine local authorities' schools, high needs and central school services blocks for the first time in 2018 - 19. Funding for early years remains the same as implemented in 2017-18.

4. Other Grants

4.1 **PE and Sports Premium** for primary schools will increase from £160m to £320m. (**Tower Hamlets primaries on average will increase from £9k to 18k per school**) All primary schools will receive an increase in their PE and sports premium funding in the next academic year.

4.2 The following is a summary of the deadlines in setting the 2018-19 school budgets.

Date	Action
Autumn 2017	High Needs funding guide to be issued
05-Oct-17	School census day – very important for schools and academies to ensure their pupils recorded correctly
11-Oct-17	Schools Forum
30-Nov-17	Deadline for submissions to the ESFA for items such as disapplication requests, MFG exclusions, movements above 0.5% from the Schools Block and/or which the Schools Forum has not approved
06-Dec-17	Schools Forum
Mid December 2017	APT issued and DSG allocations announced
17-Jan-18	Schools Forum –Agree the Schools Block funding/ De-delegation.
19-Jan-18	Deadline to submit APT to ESFA