



**SCHOOLS FUNDING FORUM
AGENDA**

8.30 - 11.00 am	21 January 2016	CEME, Room 233, Main Entrance
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Members: 27 Quorum: 11

MEMBERSHIP:

Head Teachers

Secondary Schools
Bill Edgar

Primary Schools
Nigel Emes (Chair)
Margy Bushell
Kirsten Cooper
David Denchfield
Malcolm Drakes
Chris Hobson

Special Schools
Emma Allen

Academies
Julian Dutnall
Simon London
Keith Williams

Academies
Tim Woodford

Academies
Gary Pocock

Governors

Derek Smith

Sheila Clark
Bernard Gilley
Daren Jackson

Wayne Chretien

Academies
John McKernan
Vacancy

Pupil Referral Service

Vacancy

Non School Representatives

Early Years PVI Sector
Vacancy

Post 16
Maria Thompson

Diocesan Board
Vacancy

Trade Unions

NUT
Ray Waxler

NASUWT
Keith Passingham

UNISON
John Giles

Please contact David Allen david.allen@havering.gov.uk Tel: 433851 to give apologies for absence or to raise queries on the agenda

If you are unable to attend please contact your named substitute or ask David Allen to do so on your behalf.

1. **APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS**

2. **TO AGREE THE NOTES OF THE MEETING HELD ON 10 DECEMBER 2015 (Pages 1 - 4)**

To approve as correct the minutes of the meeting held on 10th December 2015 and authorise the Chairman to sign them.

3. **MATTERS ARISING**

4. **MEMBERSHIP (Pages 5 - 14)**

Report attached.

6. **PUPIL GROWTH FUNDING IN SECONDARY SCHOOLS (Pages 5 - 22)**

Report attached.

6. **DEDICATED SCHOOLS GRANT SETTLEMENT 2016-17 (Pages 23 - 24)**

Report attached.

7. **SCHOOL BUSINESS RATES REBATE (Pages 25 - 26)**

Report attached.

8. **GOVERNMENT REVIEW OF THE INCOME DEPRIVATION AFFECTING CHILDREN INDEX. (Pages 27 - 34)**

Report attached.

9. **NEXT MEETINGS**

The next meetings have been arranged as follows:

- Thursday, 17th March 2016
- Thursday, 28th April 2016
- Thursday, 23rd June 2016

All meetings to be held at CEME at 8.30am.

10. **ANY OTHER BUSINESS**

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Public Document Pack Agenda Item 2

MINUTES OF A MEETING OF THE SCHOOLS FUNDING FORUM CEME

10 December 2015 (8.30 - 10.45 am)

Present:

Head Teachers

Nigel Emes (Chair) (Primary) (NE)
Kirsten Cooper (Primary) (KC)
David Denchfield (Primary) (DD)
Malcolm Drakes (Primary) (MD)
Bill Edgar (Secondary) (BE)
Chris Hobson (Primary) (CH)
Simon London (Academy) (SL)
Gary Pocock (Academy) (GP)
Keith Williams (Academy) (KW)
Tim Woodford (Academy) (TW)

Governors

Sheila Clarke (Primary) (SC)
Bernard Gilley (Primary) (BG)
Derek Smith MBE (Secondary) (DS)
Daren Jackson (Primary) (DJ)

Non School Reps

Trade Union

John Giles (UNISON) (JG)
Ray Waxler (NUT) (RW)

Representatives

Officers in Attendance

David Allen (DA)
Mary Phillips (MP)
Anthony Clements (AC)
Indepal Rathore (IR)

142 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS

Apologies were received from Emma Allen, Margy Bushell, Julian Dutnall, John McKernan, Wayne Chretien, Maria Thompson and Keith Passingham.

143 TO AGREE THE MINUTES OF THE MEETING HELD ON 22 OCTOBER 2015

It was noted under Item 135 that the minute read as 206-2017 instead of 2016-2017. With that change, the minutes of the meeting were agreed as a correct record and signed by the Chairman.

144 MATTERS ARISING

There were no matters arising that were not dealt with elsewhere on the agenda.

145 AUTUMN STATEMENT AND SPENDING REVIEW

DA took members through the report, which highlighted five issues raised in the Chancellor's Autumn Statement and Spending Review 2015. Members were asked to note that:

1. Free childcare will be doubled from 15 hours to 30 hours per week for families with each parent working a minimum 16 hours a week and having an income of up to £100k per annum each;
2. Universal free school meals for infants will remain;
3. The Dedicated Schools Grant and the Per Pupil Premium will remain in its current form thereby protecting per pupil funding in "real terms". The Chair asked for clarification on this and DA explained that the introduction of a national funding formula will redistribute funding from the DSG to pupils from disadvantaged backgrounds across the country. DA explained that this was likely to hit London Boroughs receiving higher levels of funding and although Havering was not one of those there could be no guarantee that Havering would benefit from this. MP affirmed that the implementation of the formula will be transitioned in from 2017-18.
4. The government is seeking to introduce efficiencies and make savings of approximately £600m from the ESG by reducing Local Authority functions in running schools and supporting schools to realise savings from procurement; and
5. The restructure of post-16 education and training means that Sixth Form Colleges in England can become academies so that they can recover VAT costs. MP clarified that the restructuring of post 16 provision would include School Sixth Forms as well as Sixth Form Colleges.

146 PUPIL GROWTH FUNDING IN SECONDARY SCHOOLS

The Forum considered the amended arrangements for allocating resources to schools that were expanding, Appendix A of the report included in the agenda papers referred.

DA affirmed that some secondary schools would be required to increase their Pupil Admission Number (PAN) from the academic year 2016-17 and consideration should be given to the extent to which additional pupil numbers could be absorbed before additional funding was allocated.; Some schools were already at a tipping point and often too limited with their resources to take on additional students. MP stated that funding an increase only when there was additional financial demand was more

preferable for Havering as it would be at nil cost at a time when the authority had limited funds.

Members of the Forum were directed to example figures in the report and asked to make a decision as to whether or not additional funding should be allocated to secondary schools through the pupil growth contingency only above an additional one pupil for every year group. Secondary head teacher representatives queried the need for growth in any PANs for September 2016. The decision was deferred to the next meeting of the Forum in order that the matter could firstly be discussed at a meeting due to be held in January 2016 between all secondary schools and Council officers.

147 NEXT MEETINGS

Meetings to be held at CEME at 8.30am on:

21 January 2016

17 March 2016

28 April 2016

23 June 2016

148 ANY OTHER BUSINESS

There was no other business raised.

Chairman

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Schools Funding Forum 21st January 2016

ITEM 4

Subject Heading:

Schools Funding Membership

Report Author:

**David Allen – Strategic Finance
Manager**

Eligibility to vote:

All Members

SUMMARY

This report is to consider whether there should a change in the numbers of school and academy representatives based on the October 2015 census.

RECOMMENDATIONS

That the Schools Funding Forum considers the effect on the balance of representation in considering the following:

- (i) the appointment of a representative from a maintained primary school from the seventh cluster
- (ii) the appointment of an additional representative from a secondary academy
- (iii) the appointment of a representative from a primary academy who will also represent a primary cluster
- (iv) the appointment of representatives from both a maintained primary school from the seventh primary cluster and a secondary academy
- (v) to make no change until there is a significant shift of pupil numbers from the maintained schools to academies

REPORT DETAIL

The Schools Forums (England) Regulations 2012 set out the requirements for the constitution, membership and proceedings of Schools Forums. A summary of the structure of Schools Forums is attached as an appendix to this report.

There is no maximum or minimum size of a schools forum although care should be taken to keep the schools forum to a reasonable size to ensure that it does not become too unwieldy.

The current membership of the Havering Schools Funding Forum is compliant with the regulations although school and academy representation needs to be kept under review as more schools convert to academies.

The balance of school and academy membership needs to be at least 2/3 of the overall membership (Havering's is just below $\frac{3}{4}$) and the balance between maintained schools and academies should be in proportion to the number of pupils in each.

In Havering, the number of representatives from the secondary sector is determined by the number from the primary sector which has traditionally been based on representation from each of the six primary clusters. More recently a seventh primary cluster has emerged and representation from primary academies has also been added to the membership.

To ensure the balance of representation between maintained schools and academies is broadly in proportion regular reviews should be carried out against current pupil numbers.

Appendix A sets out the current membership, the October 2015 pupil numbers and options for changes.

School and Academy Representation on the Schools Funding Forum

School representatives as at January 2016			
	Head Teachers	Governors	Total
Primary Maintained	6	3	9
Primary Academies	1	0	1
Secondary Maintained	1	1	2
Secondary Academies	3	2	5
Total	11	6	17

October 15 census	
Primary Maintained	18,505
Primary Academies	2,501
Secondary Maintained	2,535
Secondary Academies	13,525
Total	37,066

Current Apportionment of pupils per representative				Ratio
Primary Maintained	18,505	9	2,056	1.2
Primary Academies	2,501	1	2,501	
Secondary Maintained	2,535	2	1,268	2.1
Secondary Academies	13,525	5	2,705	
Total	37,066	17		

Current apportionment between primary and secondary				
Primary	21,006	10	2,101	1.09
Secondary	16,060	7	2,294	
Total	37,066	17		

Current apportionment between maintained and academy				
Maintained	21,040	11	1,913	1.40
Academy	16,026	6	2,671	
Total	37,066	17		

OPTION 1

Increase of 1 primary maintained rep for 7th cluster				Ratio
Primary Maintained	18,505	10	1,851	1.4
Primary Academies	2,501	1	2,501	
Secondary Maintained	2,535	2	1,268	2.1
Secondary Academies	13,525	5	2,705	
Total	37,066	18		

Apportionment between primary and secondary				
Primary	21,006	11	1,910	1.20
Secondary	16,060	7	2,294	
Total	37,066	18		

Apportionment between maintained and academy				
Maintained	21,040	12	1,753	1.52
Academy	16,026	6	2,671	
Total	37,066	18		

OPTION 2

Increase of 1 secondary academy rep				
Primary Maintained	18,505	9	2,056	1.2
Primary Academies	2,501	1	2,501	
Secondary Maintained	2,535	2	1,268	1.8
Secondary Academies	13,525	6	2,254	
Total	37,066	18		

Apportionment between primary and secondary				
Primary	21,006	10	2,101	0.96
Secondary	16,060	8	2,008	
Total	37,066	18		

Apportionment between maintained and academy				
Maintained	21,040	11	1,913	1.20
Academy	16,026	7	2,289	
Total	37,066	18		

OPTION 3

Increase of 1 primary academy rep				Ratio
Primary Maintained	18,505	9	2,056	0.6
Primary Academies	2,501	2	1,251	
Secondary Maintained	2,535	2	1,268	1.8
Secondary Academies	13,525	6	2,254	
Total	37,066	19		

Apportionment between primary and secondary				
Primary	21,006	11	1,910	1.05
Secondary	16,060	8	2,008	
Total	37,066	19		

Apportionment between maintained and academy				
Maintained	21,040	11	1,913	1.05
Academy	16,026	8	2,003	
Total	37,066	19		

OPTION 4

Increase of 1 maintained primary rep and 1 secondary academy				
Primary Maintained	18,505	10	1,851	1.4
Primary Academies	2,501	1	2,501	
Secondary Maintained	2,535	2	1,268	1.5
Secondary Academies	13,525	7	1,932	
Total	37,066	20		

Apportionment between primary and secondary				
Primary	21,006	11	1,910	0.93
Secondary	16,060	9	1,784	
Total	37,066	20		

Apportionment between maintained and academy				
Maintained	21,040	12	1,753	1.14
Academy	16,026	8	2,003	
Total	37,066	20		

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Schools forums structure

A summary of the structure of schools forums.

Category	Schools members	Academies members	Non-school members
Represented groups	<p>Where the LA maintains the following types of school, they must be represented on the schools forum:</p> <ul style="list-style-type: none"> • Primary Schools • Secondary Schools • Special Schools • Nursery Schools • PRUs 	<p>At least one academies member must be a representative of mainstream academies, which includes free schools, UTCs and Studio Schools. In addition, there must be one member for each of the following groups (if such exist in the LA area):</p> <ul style="list-style-type: none"> • Special academies, including free schools • Alternative provision academies, including free schools 	<p>16-19 providers</p> <p>Early years Private, Voluntary and Independent (PVI) providers</p> <p>Before considering other groups, the LA must consider diocesan representation</p>

Category	Schools members	Academies members	Non-school members
Type of member	<p>Within each of the five groups above there could be the following types of member:</p> <ul style="list-style-type: none"> • Headteachers (or their representative) • Governors • Headteachers and Governors • In overall terms there must be at least one headteacher (or their representative) and one governor 	Any	Any
Schools forum structure	<p>Schools members and academies members must comprise at least 2/3rds of the schools forum membership</p> <p>Primary schools, secondary schools and academies must be broadly proportionately represented on schools forum, based on the total number of pupils registered at them</p>	<p>Schools members and academies members must comprise at least 2/3rds of the schools forum membership</p> <p>Primary schools, secondary schools and academies must be broadly proportionately represented on schools forum, based on the total number of pupils registered at them</p>	
Voting	Only primary representatives can	No voting on de-delegation or the	No voting on de-delegation or the

Category	Schools members	Academies members	Non-school members
	<p>vote on primary school de-delegation</p> <p>Only secondary representatives can vote on secondary school de-delegation</p> <p>All schools members can vote on the scheme for financing schools</p> <p>All schools members can vote on any other schools forum business, including the consultation on the funding formula</p>	<p>scheme for financing schools</p> <p>All academies members can vote on any other schools forum business, including the consultation on the funding formula</p>	<p>scheme for financing schools</p> <p>Only PVI representatives can vote on the consultation on the funding formula.</p> <p>All non-school members can vote on any other schools forum business</p>
Elected by	The relevant sub-group of the relevant type of school e.g. primary school governor representatives are elected by the governors of primary schools, secondary school headteachers are elected by the headteachers of secondary schools.	The relevant proprietors of academies elect for their group, e.g. mainstream academies, special academies and alternative provision academies	Election only applies to the representative for the 16-19 providers, who is elected by all eligible 16-19 providers
LA appointment of members	Only if no election takes place by the agreed date or in the event of a tie	Only if no election takes place by the agreed date or in the event of a tie	Can appoint a 16-19 representative only if no election takes place by the agreed date or in the event of a tie For all other non-schools members

Category	Schools members	Academies members	Non-school members
			the LA appoints, but it is good practice to seek nominations from the relevant bodies

Other attendees who are permitted to contribute to a schools forum meeting:

- An observer appointed by the Secretary of State
- The Chief Financial Officer
- The Director of Children’s Services
- Officers providing financial & technical advice to schools forum
- The Executive Member for Children’s Services
- Presenters (restricted to the paper they are presenting)
- The Executive Member with responsibility for resources

Schools Funding Forum 21st January 2016

ITEM 5

Subject Heading:

Pupil Growth Contingency

Report Author:

**David Allen – Strategic Finance
Manager**

Eligibility to vote:

All members

SUMMARY

This report is for the Schools Funding Forum to agree the funding to be allocated for pupil growth in the secondary sector from the centrally held Pupil Growth Contingency.

RECOMMENDATIONS

That the Schools Funding Forum considers the formula for funding growth in the secondary sector and whether this will require an amendment to the current arrangements.

REPORT DETAIL

1. Introduction

The current arrangement for funding growth is at Appendix A. This follows the Operational Guidance issued by EFA and was agreed by the Schools Funding Forum at the meeting held on 13 July 2013.

The increase in pupil numbers in Havering has so far been contained within the primary sector but from the academic year 2016/17 will require an increase in the capacity of some secondary schools in year 7.

2. Possible funding model

The more funding that is allocated for pupil growth through the pupil growth contingency, the larger the top slice from the DSG needs to be. This will have a direct impact on the funding that is available for distribution to schools through the funding formula.

Additional funding should be allocated only when additional costs have to be incurred in a school to meet the needs of the extra pupil numbers. It could be argued that up to a limit, additional pupils can be absorbed into existing classes with no additional costs being incurred but where this impacts on recommended group sizes in subject areas such as science and technology it is likely that additional staff will need to be employed.

The primary sector model funds planned growth to a maximum of 28 pupils at 90% of AWPU. The minimum growth funded is for half of a class (14 pupils) where an additional class is required (generally this is where a 1½ f.e. school increases to 2 f.e.)

If this model were to be used for the secondary sector, planned growth would be funded above 14 pupils and to a maximum of 28 but at 85% of AWPU e.g.

	Current PAN	Revised PAN	Increase	Funded	£4,542 @ 85% £3,861
School A	172	180	8	No	
School B	186	210	14	No	
School C	192	210	18	Yes	£69,492
School D	220	240	20	Yes	£77,214

These figures are shown as full year allocations which would be the amounts received by academies. Maintained schools would receive 7/12 of these amounts. This is because of the difference in the financial years between maintained schools and academies. 5/12 of the costs would be recouped by the LA from the EFA so in all cases the cost to the DSG would be 7/12.

This funding is allocated only when arising from requests from the LA to increase capacity to meet basic need.

PUPIL GROWTH AND INFANT CLASS SIZE CONTINGENCY

DFE operational guidance to local authorities to assist in the implementation of the school funding reforms includes arrangements for funding that can be held centrally before the formula allocation to schools is calculated.

This includes funding for significant pupil growth and funding for additional classes needed as a consequence of infant class size regulations. The requirements are that:

- a. the growth fund can be used only for the purposes of supporting growth:-
 - (i) where a school or academy has agreed with the authority to provide an extra class in order to meet basic need in the area (either as a bulge class or as an ongoing commitment).
 - (ii) where a school has increased its PAN by X or more pupils in agreement with the authority.
 - (iii) where a school has extended its age range in agreement with the authority.
 - (iv) pre-opening costs / initial equipping allowance for new maintained schools and recoupment academies, including new academies and free schools where the school is opening in response to basic need.
 - (v) for KS1 classes where overall pupil numbers exceed a multiple of 30 by X or fewer pupils.

- b. the fund must be used on the same basis for the benefit of both maintained schools and recoupment Academies;

- c. any funds remaining at the end of the financial year must be added to the following year's DSG and reallocated to maintained schools and Academies through the local formula;

- d. the local authority will to consult the Schools Forum on the total sum to be held centrally and must regularly update the Schools Forum on the use of the funding.

Havering arrangements for funding pupil growth

The LA considers that a contingency of £2.7 million should be held centrally for pupil growth and in relation to infant class sizes.

1. Pupil Growth

- 1.1 The following criteria apply to all Havering primary schools and academies, secondary schools and academies and free schools. The funding of growth in special schools and pupil referral units are subject to different arrangements.
- 1.2 Growth in pupil numbers is defined as the difference between the October census on which the school or academy receives its main funding for the following financial year and the October of the next academic year i.e. the first term in which growth will have occurred.
- 1.3 In most cases growth will arise at the request of the LA to address expansions in pupil numbers and although schools will have made commitments for full, or half forms of entry, the additional places may not have been filled. The criteria below will apply to allocate funding irrespective of the number of additional places filled on condition that the school has opened and resourced an additional class.
- 1.4 The October in which the growth will have occurred will also be the census date for the allocation of funding for the school for the following financial year. Therefore, if the additional places have not been filled, the school may have an additional class which is only partially funded through the pupils on roll rather than the numbers for which the additional provision was planned. Contingency arrangements will apply to the “missing” children as described at Criterion 2.
- 1.5 Planned increases in secondary schools of full or part forms of entry will be funded in accordance with Criterion 1.
- 1.6 For academies, the funding based on the criteria below would need to be for 12/12. This is because the pupil count of October does not apply to academies until the start of their financial year in the following September. The contingency funding would therefore be required for September to March **and** April to August.

Criterion 1: Planned increase of 1 or ½ f.e. (30 or 15 pupils)

The school will receive additional funding of 7/12 of 90% (primary) or 85% (secondary) of the Basic Entitlement (BE) relevant to the year group for a maximum of 28 (or 14) pupils.

Example 1 (BE value is for illustrative purposes only)

Primary School Basic Entitlement (BE)	£3,105
Less 10% for non staffing elements of BE	(£310)
Value for in year contingency allocation	£2,795
X 7/12 for September to March	£1,630
X 28 pupils	£45,650

OR

X 14 pupils for ½ f.e.	£22,825
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Criterion 2: Surplus places from a planned increase carried forward into the new financial year

If the additional numbers of places provided are not filled but the school has opened and resourced an additional class, funding will be allocated to the school in the following financial year from the contingency to top up to 28 pupils.

Example 2 (based on a 2 f.e. school expanding to 3 f.e.)

	School roll	
Year 1	420	
Year 2 planned increase	30	
Year 2 expected NOR	450	
Actual NOR	435	
Year 3 funding based on	435	
Contingency funding on	13	(28 – 15)

Primary School Basic Entitlement (BE)	£3,105
Less 10% for non staffing elements of BE	(£310)
Value for in year contingency allocation	£2,795
X 12/12 for full financial year	£2,795
X 13 pupils	£36,335

2. Infant Class Size Funding

- 2.1 An infant class size factor is not included in the range of factors an LA may use in applying its formula to distribute funding to its schools. The Infant Class Size Regulations continue to apply and it is permitted to make additional provision in schools from a centrally held contingency.
- 2.2 Classes can exceed 30 in very limited circumstances but given a lack of physical capacity in schools to open an additional class, surplus accommodation having been used to support the primary expansion programme, other strategies are used to lower the impact of larger classes. This may, for example, be smaller group work which would require additional resources.
- 2.3 It is considered that in the majority of schools, classes of 31 can be accommodated without the need for additional resources but once numbers increased to 32, head teachers may need to introduce other strategies.

Funding will therefore be allocated to schools when class sizes exceed 31. This will be based on the average cost of a Teaching Assistant for 27.5 hours per week for 39 weeks per year. The current average cost is £15,124.

A school with a class size of 32 in September, for example, would receive 7/12 (September to March) of £15,124 = £8,822. This would then be reconsidered in the new financial year when account would be taken of the funding that the school will have received in its budget for the additional pupils.

This funding will be allocated for each class above 31 e.g. a 3 f.e. school with three classes of 32 in Yr R in September would receive £8,822 x 3 to support the additional costs.

- 2.4 The primary expansion programme will lead to a number of Havering's 1½ f.e becoming 2 f.e. but for those remaining, an additional class is required in the Reception year. This is because an admission number of 45 requires two classes of 22 and 23; pupil numbers which are insufficient to fund the staffing and other costs of running the two classes. Additional funding will therefore be allocated for ½ and 1½ and 2½ f.e. as for the contingency Criterion 1 above, grossed up to 12/12 for the full financial year.

This would provide a 2½, 1½ or ½ f.e. school with an additional £39,128.

3. Surplus funds

Any funding in the contingency budget unspent by the end of the financial year will carry forward and be allocated to all schools and academies in the following financial year on the basis of pupil numbers. This will be in addition to the schools' annual budget as calculated by the funding formula.

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Schools Funding Forum 21st January 2016

ITEM 6

Subject Heading:	Dedicated Schools Grant (DSG) Settlement 2016-17
Report Author:	David Allen – Strategic Finance Manager
Eligibility to vote:	All Members

SUMMARY

This report summarises the final DSG settlement for financial year 2016-17.

RECOMMENDATIONS

That the Schools Funding Forum:

- (i) notes the DSG settlement and also the reduction in the Education Services Grant
- (ii) agrees that the additional £343,000 is allocated to schools through the schools funding formula
- (iii) agrees that the additional £426,000 allocated through the High Needs Block is held as a contingency

REPORT DETAIL

On 17th December 2015 the DfE announced the DSG settlements for local authorities for financial year 2016-17. Havering's allocation is set out at Appendix A across the Early Years, Schools and High Needs Blocks. The settlement figures are pre academy recoupment. The appendix also includes a comparison with other London LAs of key data.

The following points should be noted:

- An increase in pupil numbers of 586 between the October censuses of 2014 and 2015.
- The Guaranteed Unit of Funding has increased by £9.67 from £4,719.03 to £4,728.70. This provides an additional £343,000 which is available to allocate to schools through the Schools Funding Formula.
- An additional £426,000 has been allocated through the High Needs Block as a share of additional top up funding of £92.5m . It is proposed to retain this funding within the High Needs Block to be held as a contingency above the forecast expenditure for 2016-17. Any underspend at the end of the year can be used to support transitional arrangements arising from the DfE funding reforms for 2017-18.
- Early Years funding will be recalculated based on January 2016 census to reflect participation and again in January 2017.

Also on 17th December the DfE announced a reduction in the per pupil rate that is used to allocate the Education Services Grant to local authorities and academies. The rate has been reduced by £10 from £87 to £77 per pupil from 2016-17.

Schools Funding Forum 21st January 2016

ITEM 7

Subject Heading:

Schools Business Rates Rebate

Report Author:

**David Allen – Strategic Finance
Manager**

Eligibility to vote:

All Members

SUMMARY

This report is to advise of a revaluation of the rateable value that is used to calculate the charges to schools for business rates (or NNDR – National Non-Domestic Rates) that is expected to generate a rebate to the benefit of the overall Schools Budget.

RECOMMENDATIONS

That the Schools Funding Forum agrees that:

- (i) the rebate (once secured) for maintained schools and academies be held as a contingency to support pupil growth
- (ii) that to secure the refund from academies the LA adjusts the academy recoupment return for 2016-17

REPORT DETAIL

It has become apparent that the Valuation Office Agency has been systematically re-valuing school premises across the country resulting in changes to rateable values.

Havering schools and academies have already been re-valued and although some rateable values have increased, the majority have decreased which is likely to result in a rebate of approximately £200,000. The revaluations and therefore the rebates have been backdated for 5 years

NNDR (National Non-Domestic rates) is one of the factors in the schools funding formula and is funded on a £ for £ basis and met by the Dedicated Schools Grant for both LA maintained schools and academies.

It is therefore proposed that all of this funding should be returned to the DSG for reallocation and also that, once secured it is held as a contingency to support the increasing demand for pupil growth.

Although the rebates relating to LA maintained schools are credited back to the Local Authority, they are paid directly by the Rates Office to academies. It is therefore proposed that individual academies should not benefit from this rebate and that the LA makes a corresponding adjustment within the academy recoupment process to return this funding to the DSG.

Schools Funding Forum 21st January 2016

ITEM 7

Subject Heading:

Government Review of the Income Deprivation Affecting Children Index (IDACI)

Report Author:

David Allen – Strategic Finance Manager

Eligibility to vote:

All Members

SUMMARY

This report is to advise of a Government review of indices of deprivation including IDACI (Income Deprivation Affecting Children Index) which is a deprivation factor used to allocate funding to schools in the schools funding formula.

RECOMMENDATIONS

That the Schools Funding Forum notes the changes in the IDACI data.

REPORT DETAIL

On 30th September the Department for Communities and Local Government issued the English Indices of Deprivation 2015 which updated the previous version issued in 2010.

The Index of Multiple Deprivation (IMD) is based on 7 domains as follows:

Income, Employment, Education Skills & Training, Health Deprivation & Disability, Crime, Barriers to Housing & Services and Living Environment.

IDACI data is a sub set of the income index and is used in the allocation of funding to schools as part of the schools funding formula.

The IMD and therefore all data sub sets are measures of deprivation experienced by people living in neighbourhoods in England or Lower Layer Super Output areas (LSOA). There are 32,844 neighbourhoods and each area is ranked according to its level of deprivation relative to that of other areas. The neighbourhoods are grouped together within local authorities to provide a single score for each authority.

The change in IDACI data between 2010 and 2015 is significant and as with the overall IMD a single score is produced for each local authority and rankings produced.

The IDACI bandings used in LAs' schools funding formulae are as follows:

Band 1	(0.2-0.25)
Band 2	(0.25-0.3)
Band 3	(0.3-0.4)
Band 4	(0.4-0.5)
Band 5	(0.5-0.6)
Band 6	(0.6-1.0)

A pupil within Band 6 for example means that there is at least a 60% chance of them coming from a family that is income deprived.

For all London LAs there has been a significant shift from the higher to the lower bandings and with exception of Havering, all London LAs have seen an overall reduction in the numbers within Bands 1 to 6 and an increase in the numbers in Band 0 (below 20%).

Appendix A shows the comparison between the data used for 2015-16 funding and the data for 2016-17.

Appendix B shows the change for each London LA which is shown graphically at Appendix C.

This change in data has an impact on the funding schools receive through deprivation factors and an adjustment will be required in the values applied to the bandings to compensate.

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HAVERING SCHOOLS
IDACI - CHANGE IN CATEGORISATION

	2015-16	2016-17	DIFF	% DIFF
Primary				
Band 0	11,224	10,252	-972	-9%
Band 1	1,409	3,121	1,713	122%
Band 2	2,943	2,634	-309	-10%
Band 3	2,551	3,684	1,133	44%
Band 4	2,112	1,290	-822	-39%
Band 5	70	4	-66	-94%
Band 6	15	0	-15	-100%
Total	20,323	20,986	663	
Secondary				
Band 0	8,249	7,343	-906	-11%
Band 1	979	2,268	1,289	132%
Band 2	1,778	1,684	-94	-5%
Band 3	1,919	2,398	479	25%
Band 4	1,465	850	-615	-42%
Band 5	203	12	-191	-94%
Band 6	66	0	-66	-100%
Total	14,658	14,555	-103	
Grand total	34,981	35,541	560	

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London Boroughs - Change in IDACI scores

IMD: IDACI (2015) - score

	2010 Raw value	Rank in Deprivation 2010	2015 Raw value	Rank in Deprivation 2015	2015 to % score, the movement last 5 years
Barking and Dagenham	40.4	7	31.9	11	-21%
Barnet	23.2	85	17.5	154	-24%
Bexley	19.7	128	19.4	126	-1%
Brent	39.3	9	26.5	42	-33%
Bromley	17.5	162	16.6	173	-5%
Camden	36.3	17	27.2	33	-25%
City of London	13.3	233	10.2	302	-23%
Croydon	27.6	49	23.2	70	-16%
Ealing	32.5	27	23	74	-29%
Enfield	39.9	8	30.7	13	-23%
Greenwich	36.3	18	26.7	38	-26%
Hackney	47.8	3	32.2	10	-33%
Hammersmith and Fulham	35.7	20	26.7	39	-25%
Haringey	45.3	5	28.7	24	-37%
Harrow	24.4	76	16.9	167	-31%
Havering	19.1	138	20.2	115	6%
Hillingdon	26.4	59	20.8	102	-21%
Hounslow	30.7	33	22.2	87	-28%
Islington	48.6	2	35.3	3	-27%
Kensington and Chelsea	19.7	130	17.4	158	-12%
Kingston upon Thames	15.1	200	12.3	260	-18%
Lambeth	39.3	10	30.4	16	-23%
Lewisham	36.0	19	29.6	19	-18%
Merton	20.5	120	16.9	168	-17%
Newham	47.8	4	28.8	23	-40%
Redbridge	29.0	43	19.2	128	-34%
Richmond upon Thames	10.5	296	8.7	326	-17%
Southwark	36.6	16	30.3	17	-17%
Sutton	17.3	168	15.9	188	-8%
Tower Hamlets	59.0	1	39.3	1	-33%
Waltham Forest	38.0	12	27	35	-29%
Wandsworth	28.3	47	20.7	104	-27%
Westminster	35.2	22	28.7	25	-18%
ENGLAND	18.5		17.3		-6%
Remove London	17.2		16.7		-3%
London	31.4		23.7		-25%

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Chart One - National Position

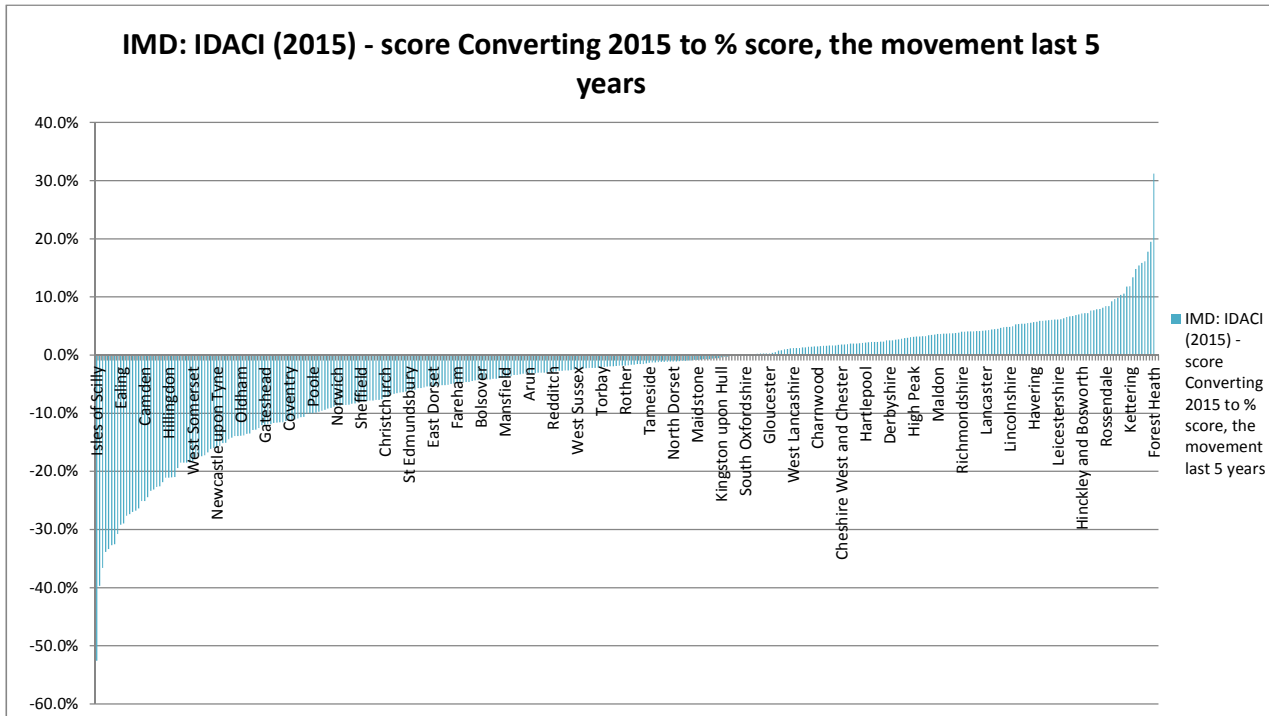
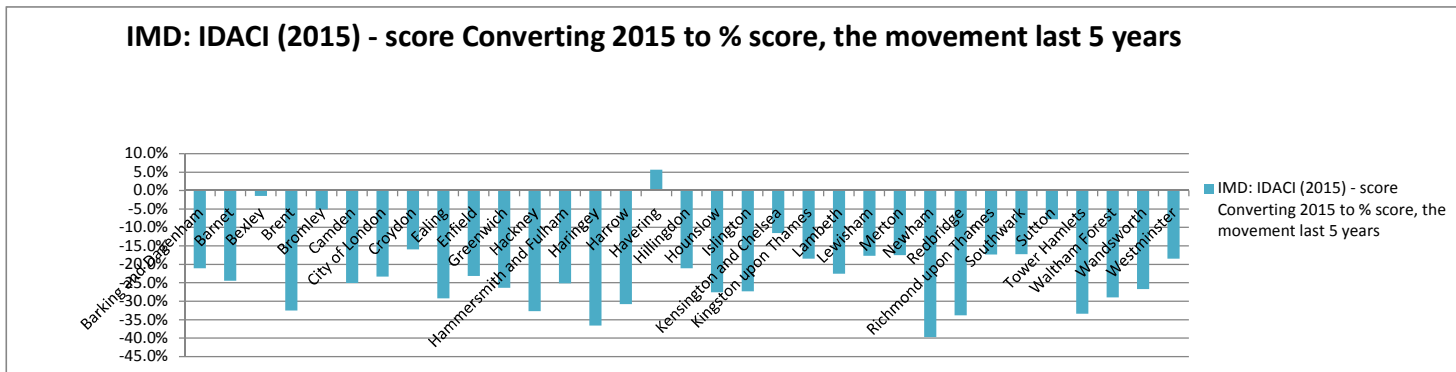


Chart 2 London Shift from 2010 to 2015



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