



## HAVERING SCHOOLS FUNDING FORUM AGENDA

8.30 am to 11.00am

Thursday  
22 February 2018

CEME, Room 234

**Members: 23 Quorum: 40% of the total membership excluding vacancies**

### **MEMBERSHIP:**

#### **Representative Groups**

**Head Teachers (13):** Emma Allen, Special Maintained  
Margy Bushell, Primary Maintained  
Kirsten Cooper, Primary Maintained  
David Denchfield, Primary Academy  
Malcolm Drakes, Primary Maintained  
Bill Edgar, Secondary Maintained  
Nigel Emes, Primary Maintained (Chair)  
Simon London, Secondary Academy  
Gary Pocock, Special Academy  
Jan Taylor, Primary Maintained  
Keith Williams, Secondary Academy  
Vacancy, Secondary Academy  
Vacancy, AP Academy

**Governors (5):** Bernard Gilley, Governor  
John McKernan, Academy Governor  
Vacancy, Academy Governor  
Vacancy, Academy Governor  
Vacancy, Governor

**Non-School  
Representatives (3):** Maria Thompson, Post 16  
Joanna Wilkinson, Early Years/PVI Sector  
Vacancy, Diocesan Board

**Trade Unions (2):** John Delaney, NUT / Keith Passingham, NASUWT  
John Giles, UNISON

For information about the meeting please contact: David Allen [david.allen@havering.gov.uk](mailto:david.allen@havering.gov.uk)  
01708 433851. If you are unable to attend please contact your named substitute or ask David Allen to do so on your behalf.

**AGENDA ITEMS**

- 1 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS**
- 2 TO AGREE THE MINUTES OF THE MEETING HELD ON THE 14TH DECEMBER 2017 (Pages 1 - 8)**
- 3 MATTERS ARISING**
- 4 OLIVE AP ACADEMY - FUNDING ARRANGEMENTS (Pages 9 - 19)**
- 5 SUPPORT TO SCHOOLS WITH HIGHER NUMBERS OF PUPILS WITH EHC PLANS (Pages 20 - 26)**
- 6 PUPIL GROWTH FUND CRITERIA 2018-19 (Pages 27 - 35)**
- 7 FALLING ROLLS CRITERIA 2018-19 (Pages 36 - 39)**
- 8 NEXT MEETINGS**

Future meetings have been arranged as follows:

22<sup>nd</sup> March 2018

10<sup>th</sup> May 2018

7<sup>th</sup> June 2018

5<sup>th</sup> July 2018

- 9 ANY OTHER BUSINESS**

**Andrew Beesley**  
**Head of Democratic Services**

# Public Document Pack Agenda Item 2

## MINUTES OF A MEETING OF THE SCHOOLS FUNDING FORUM CEME

14 December 2017 (8.30 - 9.43 am)

**Present:**

### **Representative Groups**

**Head Teachers:** Margy Bushell, Primary Maintained  
Kirsten Cooper, Primary Maintained  
David Denchfield, Primary Academy  
Malcolm Drakes, Primary Maintained  
Bill Edgar, Secondary Maintained  
Nigel Emes, Primary Maintained (Chair)  
Simon London, Secondary Academy  
Gary Pocock, Special Academy  
Keith Williams, Secondary Academy  
Paul Phillips, AP Academy

**Governors:** Bernard Gilley, Governor, Primary Maintained

**Non-School  
Representatives:** Joanna Wilkinson, Early Years/PVI Sector

**Trade Unions:** John Giles, UNISON  
Paul Phillips, AP Academy

Also present:

David Allen, Strategic Finance Manager  
Trevor Cook, Acting Assistant Director for Education  
Emma Ferrey, SEND Project Manager  
Victoria Freeman, Democratic Services Officer

### 35 **APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS**

There were no apologies for absence received.

### 36 **TO AGREE THE MINUTES OF THE MEETING HELD ON 9TH NOVEMBER 2017**

The minutes of the meeting of the Forum held on the 9 November 2017 were agreed as a correct record and signed by the Chairman.

**37 MATTERS ARISING**

There were no matters arising from the previous minutes, which were not covered elsewhere on the agenda.

**38 EARLY YEARS FUNDING 2018-19**

A revised report was circulated at the meeting. The Strategic Finance Manager explained that the 2017-18 financial year was the first year of the operation of a National Funding Formula for Early Years which introduced a number of changes to Early Years funding. Similar decisions now need to be made for 2018-19.

The 2018-19 funding arrangement proposals had been presented to the Early Years Reference group on the 28th November, to Early Years managers on 1<sup>st</sup> December and circulated to providers for consultation. A query was raised during the consultation period on funding that did not appear to be accounted for in the figures presented. The revised proposals showed that the sums required for contingencies were understated.

The funding rates for local authorities for 2018-19 were announced by the Department for Education on the 17<sup>th</sup> November 2017. Havering's rate would be £5.28 for 3 and 4 year olds and £5.66 for 2 year olds. The Local Authority must budget for a contingency for funding provision that was not picked up in the census, retain up to 5% for central functions, determine an amount for an inclusion fund, and decide which supplements to use and the basic hourly rate to be passed to providers. On the basis of current provision and trends, and applying the published hourly rate of £5.28, the Local Authority estimated the total funding to be £14,591,274 for 3 and 4 year olds, and £1,559,688 for 2 year olds.

It was proposed that:

- i) The Local Authority retains £730,000 (5%) centrally.
- ii) Retain £802,754 contingency for 3 and 4 year olds and £84,982 for 2 year olds provision.
- iii) The amount held in the Inclusion Fund is doubled, increasing the commitment from the Early Years Block from £50,000 to £100,000.
- iv) IDACI hourly rates based on school IDACI rates (subject to approval of the national funding formula for Havering schools), be applied.
- v) The basic hourly rates of £4.53 for 3 and 4 year olds and £5.35 for 2 years olds, be applied for 2018/19.

It was noted that the proposals above took into account the discrepancies raised during the consultation with the Early Years Reference group.

During discussion, concern was raised that the proposals would have a significant negative impact on nursery providers, who were already running at a financial loss. Further concern was raised that the consultation responses received did not provide an accurate reflection, as it was felt that

there had been an inadequate consultation period. It was requested that greater transparency be provided on the expenditure of the Inclusion Fund, targeted funding, and the effectiveness of funding.

Concern was noted that the contingency figure presented to the Early Years Provider Reference group and that presented at this meeting differed. The Local Authority agreed that allocations would be available on their website and updated monthly. It was requested that communication with providers be improved, that providers be given the opportunity to question funding, that information on Havering's strategy on expenditure be provided to the Early Years Provider Reference Group and that information is disseminated in a timely manner to allow sufficient consultation. It was agreed that a breakdown of the £730,000 expenditure for the Local Authority statutory and quality assurance functions, would be provided to the Early Years Provider Reference Group and that there would be scope to reassess.

In response to questioning, it was explained that the Early Years regulations states that 93% of total funding be passed through to providers. Next year, this percentage would rise to 95%, with the Local Authority retaining 5% of central services. Many LAs had planned significant savings to keep costs within the 5%. It was the perspective of some attendees that schools were paying for duplicate services.

A summary of responses from early years providers was tabled as follows:

No. of schools responding	46	40%
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	In agreement	Disagree
Q1. Increase of base rate for 3 & 4 year olds to £4.53	31 (67%)	15 (33%)
Q.2. Use deprivation as the only supplement	36 (78%)	10 (22%)
Q.3. Deprivation rates to mirror those used for schools	40 (87%)	6 (13%)
Q.4. Hold an contingency for in year provision for 3&4 yr olds	42 (91%)	4 (9%)
Q.5. Increase contribution to inclusion fund to £100k	34 (74%)	12 (26%)
Q.6. Retain 5% of funding for central services	34 (74%)	12 (26%)
Q.7. Increase base rate for 2 year olds to £5.35	38 (83%)	8 (17%)
Q.8. Hold a contingency for in year provision for 2 year olds	41 (89%)	5 (11%)

**The Forum agreed the proposals as follows:**

- i) To increase the basic hourly rate to providers to £4.53 (from £4.39) for 3 and 4 year olds.**
- ii) To have Deprivation as the only supplement to the basic rate.**
- iii) To bring the hourly IDACI rates in line with those used for the schools national funding formula (subject to approval of the NFF).**
- iv) To increase the basic hourly rate to providers to £5.35 (from 5.28) for 2 year olds.**
- v) To retain contingencies of £802,754 and £84,982 for 3 & 4 and 2 year olds respectively to fund in-year provision.**
- vi) To retain £730k (5%) for LA statutory and quality assurance functions.**
- vii) To increase the Inclusion Fund to £200k (from £100k) to be funded 50/50 from the DSG early years and high needs blocks.**

### **39 HIGH NEEDS STRATEGY 2017-22**

Emma Ferrey, SEND Review Project Manager presented a report which consulted on the final draft of the High Needs Strategy 2017-2022 and which requested members note the findings of the High Needs Review.

Consultation had been carried out with a range of stakeholders, including parents and carers of children with high needs, clinical commissioning group staff and staff from children's and adults' services in the local authority. The Review was undertaken to evaluate the delivery of support and the provision for children and young people with high needs across all partners providing children's services. A study into the provision in early years, schools, alternative provision and post-16 provision, highlighted a large gap between what high need children achieve against their peers.

Members discussed the proposed changes which would take effect from April 2018, as detailed in the report. Concern was expressed regarding the different routes for a child with needs to be admitted to a particular school i.e. via a managed move, Special Educational Needs Panel or via the In-Year Fair Access Panel.

Further concern was raised regarding the need for staff to receive the appropriate training to support a child with particular needs and to ensure that the environment were enabled, however the financial package of support usually came after a child had been admitted to a school. The need for high needs to be distributed across schools was identified, as eventually a saturation point would be met and the standard of provision would decline. There was also a need for headteachers to challenge one another.

Trevor Cook advised that joint briefing sessions would be held in the new year on the legal framework of the Fair Access Protocol, Special Educational Needs and Admissions, and advice on how these teams work together. .

A proposed change in the strategy was to re-designate special schools, as appropriate and to reduce the number of pupils with moderate learning difficulties who attend special schools and enable special schools to support the growing numbers of children with more complex needs. It was explained that this would be addressed by increasing the amount of Alternative Resource Provisions (ARPs). The strategy and its review acknowledged the strain on accommodation and aimed to ensure continuity of greater parity across the borough and supported schools to challenge their peers. The positive recognition of daily strains on school accommodation was welcomed by members.

The need to reduce the process time for putting an educational healthcare plan in place was highlighted and concern was raised regarding the difficulties providers experience in sourcing an educational psychologist/Special Educational Needs Co-ordinator (SENCo) for Early Years and Key Stage 1 to assess a child, especially with a significant decrease in the number of area SENCOs in the Private, Voluntary and Independent Sector. It was explained that the strategy recognises that area SENCOs were not at full capacity, but this would change.

Members enquired why training had not been fully costed into the strategy. Emma explained that the cost for the first year would be met within existing training budgets via the CAD Service. It is expected that there will be clear savings in following years, from the reducing number of children and young people going out of borough for their education. Further budgets will be drawn up for subsequent years.

The final draft strategy would be consulted upon and the deadline for comments was the 19th December 2017. The strategy would be signed off by Executive Decision in January 2018 and the strategy and review would be published and available on the Local Offer from February 2018.

**Resolved:**

**That the review on the Strategy, be noted and feedback be provided.**

#### 40 **SCHOOLS AND HIGH NEEDS FUNDING 2018-19**

The Strategic Finance Manager presented a report which asked members to consider responses to the local authority's consultation with schools, on schools and high needs funding and to approve the funding formula for the 2018-19 financial year. The consultation paper was sent to all headteachers on the 27<sup>th</sup> November and to Chairs and Vice Chairs of governing bodies on the 1<sup>st</sup> December. A document tabling the consultation responses was circulated at the meeting which were as follows:

No. of schools responding	19	23%
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	In agreement	Not in agreement/issue raised	No comment
Q1. Proposal to implement Schools NFF	18	1	0
Q.2. Proposal to move £800k into High Needs Block	18	1	0
Q.3 Central Services Schools Block	15	1	3

It was noted that one response received was not in agreement with the proposal to implement the schools national funding formula, and raised some issues with the proposals for High Needs funding the Central Services School Block. The consultee argued that although the need to benefit lower attainers was recognised, increasing funding to schools based on the number of pupils with lower prior attainment did not accord with their school's strategy and that they would be penalised by the funding formula. The consensus of those in attendance considered this response to be reasonable as there was no incentive for a school to otherwise achieve a good level of development at Early Years Foundation stage.

**The Schools Funding Forum:**

- i) Considered the responses to the consultation with schools.**
- ii) Agreed the proposal to implement the national funding formula for schools in financial year 2018-19.**

**41 DE-DELEGATION OF CENTRAL INSURANCE 2018-19**

The Strategic Finance Manager presented a report that requested Local Authority maintained school representatives to consider the de-delegation of funding for general insurance in the 2018-19 financial year. It was noted that the Forum had previously agreed to the de-delegation of funding to retain a range of local authority central services from those permitted by the Department for Education school funding regulations. The Council insurance contract would be re-tendered with a new contract taking effect from the 1<sup>st</sup> July 2018, and although the contract had not yet been awarded, schools were assured that the school's insurance cover had been included in the contract specification on the same terms as in the current contract and that the per pupil charge would reduce to £22.50 (from £28.50 in 2017-18).

**Resolved:**

**That the Schools Funding Forum agreed to the de-delegation of funding for general insurance for financial year 2018-19 for LA maintained schools.**

**42 NEXT MEETINGS**

Future meetings had been arranged as follows:

11<sup>th</sup> January 2018  
22<sup>nd</sup> February 2018  
22<sup>nd</sup> March 2018  
10<sup>th</sup> May 2018  
7<sup>th</sup> June 2018  
5<sup>th</sup> July 2018

**43 ANY OTHER BUSINESS**

There was no other business raised.

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## Schools Funding Forum 22<sup>nd</sup> February 2018      ITEM 4

<b>Subject Heading:</b>	<b>Olive AP Academy – funding arrangements</b>
<b>Report Author:</b>	<b>David Allen – Strategic Finance Manager</b>
<b>Eligibility to vote:</b>	<b>All members</b>

### SUMMARY

The Local Authority has received a request from Olive AP Academy to increase the total number of places commissioned by the LA on behalf of secondary schools and to introduce a two tier funding approach that would increase the funding allocated for a proportion of the places funded.

### RECOMMENDATIONS

That the Schools Funding Forum considers the proposals from Olive AP Academy for additional funding:

### REPORT DETAIL

The current funding arrangements for Olive AP Academy are as follows:

KS	Places	Per place	Per pupil	Total charge	Total funding
KS3	24	£10,000	£8,000	£18,000	£432,000
KS4	40	£10,000	£8,000	£18,000	£720,000
<b>Total</b>	<b>64</b>				<b>£1,152,000</b>

A request has been received from the Olive Academy Trust (proposal attached) to increase the number of places to 74 from 1<sup>st</sup> April 2018 and to 84 at a time to be agreed and also to introduce a two-tier funding arrangement which would increase the funding to Olive AP Academy for, depending on the options, 34 of the 64 places, 39 of the 74 places or 45 of the 84 places. The requested increase is shown in the table below. It should be noted that

these figures represent the minimum level of funding required by Olive, a reduction of up to 50% from Olive's benchmarked funding based on other local authorities.

The higher funding rate would be in recognition of students with more complex needs in order that appropriate specialist provision can be provided for them. This is described in the attached paper.

Olive's options for additional funding are as follows

	Option 1			Option 2			Option 3		
	Places	Funding per place £	Total funding £	Places	Funding per place £	Total funding £	Places	Funding per place £	Total funding £
Place funding	64	10,000	640,000	74	10,000	740,000	84	10,000	840,000
Top up band 1	20	8,000	240,000	35	8,000	280,000	39	8,000	312,000
Top up band 2	34	17,455	593,453	39	17,455	680,726	45	16,000	720,000
Total			1,473,453			1,700,726			1,872,000
Increase			321,453			548,726			720,000

Funding for all alternative provision is met from the LA's allocation from the DSG High Needs Block and funding requests should be considered in the context of other AP provision and other known pressures particularly the need to fund provision for increasing numbers of children with SEND and increases in the complexity of need.

The High Needs Block would not be able to contain these costs in the foreseeable future and if the need for additional funding is agreed, consideration should be given to other funding sources.



Olive Academies

## **PROPOSAL FOR ADDITIONAL FUNDING FOR THE OLIVE AP ACADEMY- HAVERING**

### **1. Background**

Olive AP Academy - Havering opened on 1 September 2016 after having been in special measures for a considerable time as the predecessor organisation Manor Green College. The Academy is based at the previous KS3 site on Inskip Drive, Hornchurch, and the site is shared with the Youth Service. A building project to improve the quality of the site has been agreed and is due to start on 1 April and be completed by the end of 2018. Improving the quality of the building represents an opportunity to embed our ambitious vision for the academy.

This document aims to set out the rationale for ensuring that the academy is adequately funded to be able to take full advantage of the opportunities being created by the emerging partnerships between Olive Academies, Havering Borough Council and Havering schools.

### **2. Work completed so far at the Academy**

Olive Academies has embarked on an ambitious programme to improve the quality of provision at the academy for all its pupils. This has included completing a full staffing restructure during the 2016/17 academic year to rationalise and improve the quality of staffing, thereby allowing the academy to be in the position to be able to make rapid and sustainable improvement. The academy benefitted immediately from this approach with the appointment of an Assistant Headteacher to work also at the Olive AP Academy - Thurrock to lead developments in SEND provision at both academies. The appointment of a high quality English teacher from a local Havering school is starting to have an impact on standards. The current team of associate staff is of very high quality and the trust is in the process of recruiting a new Headteacher and Deputy Headteacher with interviews scheduled for the end of February. The trust has also been working to improve the quality of provision for all pupils. This is being achieved through the high expectations of the trust that all staff at the academy provide the very best learning opportunities at all times. This work includes trust and academy-wide professional development opportunities which have included all staff attending full trust inset days which have been held at the Thurrock academy. Ongoing individual support is provided to staff by the trust's school improvement team. This work has included individual coaching of teachers and leaders. Three teachers are currently placed on support plans to improve their performance as part of the trust's performance management processes.

The safeguarding of pupils is the trust's highest priority. Since its opening in September 2016, the academy has had five audits which have been completed by the local authority, trust safeguarding lead and trust board safeguarding lead to ensure that all areas of the academy's practice meet the high expectation of the trust which we are pleased is the case. The work this year has included the installation of a perimeter fence and implementation of CPOMS and Evolve systems.

The trust has also prioritised the importance of shaping the new provision for the academy in line with current education thinking so that Havering schools receive the support they want. Local headteachers are fully engaged with this process on behalf of all Havering schools.

The analysis of 2017 performance shows that the academy is starting to address the historical underperformance of Manor Green College. The trust has the highest expectations for its pupils as we work to ensure that all pupils make outstanding progress in all aspects of their educational experience.

The initial analysis compares favourably with alternative provision centres. However, we are determined to move beyond these comparisons so that we are only compared with all mainstream schools in the future once the academy is funded at a more appropriate level to be able to do so.

## A Performance against national benchmarks

Students at Olive AP Academy Havering are performing significantly better than AP centres in the local area and nationwide. Not only is their progress significantly higher, attainment is very significantly higher.

The key progress 8 measure demonstrates a significant difference of more than one grade better than the national AP averages.

Attainment rates for English and maths are significantly higher than national averages. In mathematics, this figure increased in 2017 due to the Trust's view that all students should be given the chance to take GCSE subjects.

While the English pass grade fell in 2017, the sample size is such that the difference between the 2016 figure and the 2017 figure is only one student.

Key Performance Measures 2017 (2016 in brackets)				
	Progress 8	Entered for English and maths	English Pass	Maths Pass
Olive AP Academy - Havering	-1.8 (-2.8)	93%	83% (96%)	91% (40%)
Havering	-2.7 (x)	37.5%		
London	-3.2 (-3.2)	32.1%		
National Averages	-3.1 (-3.3)	40.1%	51%	41%

\*Data taken from 2017 AND 2016 statistical releases

## B Improving outcomes for all students

The Olive curriculum offer is supporting students to make good progress. The Trust expects all student to study a curriculum pathway that leads to GCSE outcomes, especially in the core subjects. Recent assessment has revealed strong initial progress, especially for students who have studied at the academy for more than one term.

When joining, students complete baseline assessments. These baseline assessments are used to set Year 11 targets using the same rates of progress as are expected of mainstream students using the progress 8 national expectations. Progress is tracked against an 'on track' flightpath.

Key Performance Measures 2017 (2016 in brackets)					
Year Group	English cohort current average grade	National P8 end of KS4 estimate* average grade	Maths cohort current average grade	National P8 end of KS4 estimate* average grade	Notes
Key Stage 3	2.3	3.1	2.1	2.7	100% above flightpath
Year 10	2.6	3.7	4.5	3.1	85% above flightpath
Year 11	2.4	4.7	3.0	4.4	56% above flightpath

\*Using the Nationally expected progress model published by the DfE

The academy has had a number of successes with working with individual pupils to help them to re-engage with their education. These successes have included the following improvements in pupil attendance at the academy when compared to their attendance at their previous mainstream schools (National average for attendance in PRU/AP was 67.4% in 2016/17)

Name	Year	Baseline (Mainstream)	OA HV	Current Change
Pupil A	Year 9	29.0%	93.8%	64.8%
Pupil B	Year 8	50.0%	85.2%	35.2%
Pupil C	Year 11	50.0%	79.7%	29.7%
Pupil D	Year 9	45.0%	63.3%	18.3%
Pupil E	Year 8	67.0%	84.4%	17.4%
Pupil F	Year 11	70.0%	86.7%	16.7%
Pupil G	Year 8	80.0%	91.7%	11.7%
Pupil H	Year 11	78.0%	86.7%	8.7%
Pupil I	Year 10	54.7%	61.9%	7.2%
Pupil J	Year 9	89.5%	96.3%	6.8%
Pupil K	Year 11	78.0%	83.8%	5.8%
Pupil L	Year 11	35.0%	40.2%	5.2%
Pupil M	Year 11	82.0%	85.9%	3.9%
Pupil N	Year 11	68.0%	71.9%	3.9%
Pupil O	Year 11	62.5%	65.6%	3.1%

The academy continues to work hard to support pupils who are seen as being at risk of permanent exclusion by their mainstream school, who have already been permanently excluded or are deemed to be ready for a 'fresh start' in a new mainstream school after a period of time at the academy. These pupils formed the intervention group at the academy. The data for the current academic year is encouraging;

	Total number of students in group	Numbers of students successfully re-integrated back to original school	Number of students successfully moving onto a new school through IYFAP
<b>Aut 1</b>	8	5	3
<b>Aut 2</b>	4	3	1
<b>Spr 1</b>	5	2	3
<b>Spr 2</b>	6	NA	NA

### 3. The current Financial model

Olive Academies currently runs three AP academies in the region (Havering, Thurrock and Suffolk). The academy is funded on a single place value £18,000 which is made up of £10,000 EFA base funding and LA top-up funding of **£8,000** for the 64 commissioned places.

The trust has used the following **LA top-up levels** of funding for alternative provision to compare the current funding agreement for the Havering academy with other outer London borough's following a freedom of information request to all boroughs;

Outer London Borough	Top up per pupil	OA Havering top up per pupil	Difference
M	£12,096	£8,000	£-4,096
B	£16,800	£8,000	£-8,800
H	£18,000 to £22,000	£8,000	£-12,000
B	£18,000	£8,000	£-10,000
H	£18,000	£8,000	£-10,000
T	£20,000	£8,000	£-12,000
S (split site)	£24,000	£8,000	£-16,000
Average	£18,414	£8,000	£-10,414

The average benchmarked top-up figure of **£18,414** is **130%** higher than the current levels of LA funding at the academy.

The current pupil numbers and funding formula are severely limiting the capacity of the academy to be able to play its full part in the continuum of inclusion provision for Havering's pupils. The current needs of the pupils being supported at the academy are both varied and highly challenging and cannot fully be met by the single funding rate at the current funding levels. The agreed place numbers of 64 is also restricting the academy's financial capacity to operate in the ways it needs to.

The current pupil numbers of 60 indicate the need to increase the capacity of the academy. It is worth noting that once the academy becomes full at 64 pupils it will no longer be able to run its intervention group if the number of permanent exclusions continue to rise.

**This current financial position means that the trust is reluctantly considering whether it is possible to continue to run the academy without an increase in either (or both) pupil numbers and LA top-up funding. This decision will be made at the next board meeting in March.**

### 4. Suggested funding models

The trust proposes that the current level of funding be increased so that the academy can fully function. This could be achieved through either (or both) an increase in pupil numbers and LA top up funding. The minimum additional income which is required for 64 pupils is **£321,453, which represents a 50% increase in the top-up rate for complex needs places compared to the benchmark data (£13,023 average top up across all places). The correct level of funding at 64 places is £642,906 (£18,045 average top up across all places).**

The trust is used to working with LA's on a two-tiered funding approach in its other academies so that it can better support its pupils as well as support LA's with their own challenges of placing pupils with complex needs in appropriate provisions. The current funding structure could be amended to include a second band of funding to be known as 'complex needs.' This group of pupils require substantial additional funding and resource to ensure that appropriate specialist provision can be provided for them. This will include therapeutic intervention and 1:2 work with specialist staff.

The trust and leadership of the academy are confident that it can build on the pockets of good practice which now exist within the academy to develop a highly effective provision. This can be achieved more quickly by increasing the current pupil numbers to **74** from 1 April (with programmes to start on 1 May) and to **84** at an agreed time in 2019 depending on how quickly the academy improves. The additional 10 places would be made up of pupils who are deemed to be at risk of permanent exclusion by schools. This has the additional benefit of meeting a growing need from the schools for this type of programme as well as providing the economies of scale which are required. The staged dates are designed to give the academy enough time to recruit and train the additional staff required to run the programmes.

The tables below set out the range of proposed funding options at pupil numbers of 64,74 and 84. The table also sets out how the additional income would be used as well as the likely impact to pupils of these actions.



Mark Vickers  
CEO  
Olive Academies  
13/2/2018

**Proposed Funding options**

<b>Places</b>	<b>64 places</b>		<b>74 places</b>		<b>84 places</b>	
	<b>Minimum Funding (50% increase in top up rate)</b>	<b>Benchmarked Funding</b>	<b>Minimum Funding</b>	<b>Benchmarked Funding</b>	<b>Minimum Funding</b>	<b>Benchmarked Funding</b>
<b>Proposed additional income</b>	<b>£321,453</b>	<b>£642,906</b>	<b>£548,726</b>	<b>£917,451</b>	<b>£720,000</b>	<b>£1,210,905</b>
<b>EFA place funding</b>	<b>£10,000</b>	<b>£10,000</b>	<b>£10,000</b>	<b>£10,000</b>	<b>£10,000</b>	<b>£10,000</b>
<b>Proposed average top up</b>	<b>£13,023</b>	<b>£18,045</b>	<b>£12,983</b>	<b>£17,966</b>	<b>£12,286</b>	<b>£18,130</b>
<b>Average top up Outer London (AP provisions)</b>	<b>£18,414</b>	<b>£18,414</b>	<b>£18,414</b>	<b>£18,414</b>	<b>£18,414</b>	<b>£18,414</b>
<b>Deliverables</b>	<p>2 Teachers including Outdoor Learning</p> <p>1 Associate tutor to focus on links with mainstream schools</p>	<p>4 Teachers including Outdoor Learning</p> <p>3 Associate tutors (to work with mainstream schools directly)</p> <p>1 CAHMS worker</p>	<p>3 Teachers including Outdoor Learning</p> <p>2 Associate tutors (to work with mainstream schools directly)</p>	<p>5 Teachers including Outdoor Learning</p> <p>5 Associate tutors (to work with mainstream schools directly)</p> <p>1 CAHMS worker</p> <p>1 Speech &amp; language worker</p>	<p>5 Teachers including Outdoor Learning</p> <p>3 Associate tutors (to work with mainstream schools directly)</p>	<p>1 Assistant Headteacher</p> <p>5 Teachers including Outdoor Learning</p> <p>6 Associate tutors (to work with mainstream schools directly)</p> <p>1 CAHMS worker</p>

				<p>1 family liaison worker 1 Attendance officer</p> <p>Inclusion lead</p>		<p>1 Speech &amp; language worker 1 family liaison worker 1 Attendance officer</p> <p>Inclusion lead</p>
<b>Impact</b>	<ul style="list-style-type: none"> <li>➤ Reduced class sizes from 10-8 pupils</li> <li>➤ Greater personalisation of the curriculum</li> <li>➤ Increased range of subjects offered</li> <li>➤ Students' SEMH needs better met</li> <li>➤ Improved links with schools for preventative work and reintegration of pupils back into mainstream schools</li> </ul>	<ul style="list-style-type: none"> <li>➤ Reduced class sizes from 10-6 pupils</li> <li>➤ Greater personalisation of the curriculum</li> <li>➤ Significantly increased range of subjects offered</li> <li>➤ Students' SEMH needs better met</li> <li>➤ Improved links with schools for preventative work and reintegration of pupils back into mainstream schools</li> </ul>	<ul style="list-style-type: none"> <li>➤ Greater personalisation of the curriculum</li> <li>➤ Increased range of subjects offered</li> <li>➤ Improved student attendance</li> <li>➤ Increase in preventative programme for mainstream schools</li> <li>➤ Reduced numbers of PEx</li> <li>➤ Better links across the family of Havering schools, including</li> </ul>	<ul style="list-style-type: none"> <li>➤ Reduced class sizes from 10-4 pupils</li> <li>➤ Significantly increased range of subjects offered</li> <li>➤ Improved student attendance</li> <li>➤ Increase in preventative programme for mainstream schools</li> <li>➤ Reduced numbers of PEx</li> <li>➤ Better links across the family of Havering schools,</li> </ul>	<ul style="list-style-type: none"> <li>➤ Reduced class sizes from 10-6 pupils</li> <li>➤ Greater flexibility in outreach programmes</li> <li>➤ Developing capacity within schools to become centres of excellent practice</li> <li>➤ A more coordinated approach across the LA to working with SEMH students in schools</li> <li>➤ Better links across the</li> </ul>	<ul style="list-style-type: none"> <li>➤ Reduced class sizes from 10-4 pupils</li> <li>➤ Significantly improved student attendance</li> <li>➤ Improved student attendance</li> <li>➤ Highly developed capacity within schools to become centres of excellent practice</li> <li>➤ Fully developed capacity within schools to become centres of</li> </ul>

- *Increased pupil attendance*
- *Reduced PEx*

*special schools*

*including special schools*

- family of Havering schools, including special schools*
- *Reduced numbers of PEx*

- excellent practice*
- *A fully coordinated approach across the LA to working with SEMH students in schools*
  - *Outstanding links across the family of Havering schools, including special schools*
  - *Very few of PEx in Havering schools*

## Proposed Funding Bands

The following table sets out the proposed bands at each of the three sets of pupil numbers. The first table shows proposed benchmarked funding. The second table shows minimum funding required to make the academy financially viable.

### **Proposed benchmarked funding bands**

	<b>64 places</b>			<b>74 places</b>			<b>84 places</b>		
<b>Band</b>	<b>Pupils</b>	<b>Funding per place</b>	<b>Total Funding</b>	<b>Pupils</b>	<b>Funding per place</b>	<b>Total Funding</b>	<b>Pupils</b>	<b>Funding per place</b>	<b>Total Funding</b>
<b>GAG (from EFA)</b>	<b>64</b>	<b>£10,000</b>	<b>£640,000</b>	<b>74</b>	<b>£10,000</b>	<b>£740,000</b>	<b>84</b>	<b>£10,000</b>	<b>£840,000</b>
<b>Top up band 1</b>	<b>30</b>	<b>£8,000</b>	<b>£240,000</b>	<b>35</b>	<b>£8,000</b>	<b>£280,000</b>	<b>39</b>	<b>£8,000</b>	<b>£312,000</b>
<b>Top up band 2</b>	<b>34</b>	<b>£26,909</b>	<b>£914,906</b>	<b>39</b>	<b>£26,909</b>	<b>£1,049,451</b>	<b>45</b>	<b>£26,909</b>	<b>£1,210,905</b>
<b>Total Funding</b>			<b>£1,794,906</b>			<b>£2,069,451</b>			<b>£2,362,905</b>

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### **Proposed minimum funding bands**

	<b>64 places</b>			<b>74 places</b>			<b>84 places</b>		
<b>Band</b>	<b>Pupils</b>	<b>Funding per place</b>	<b>Total Funding</b>	<b>Pupils</b>	<b>Funding per place</b>	<b>Total Funding</b>	<b>Pupils</b>	<b>Funding per place</b>	<b>Total Funding</b>
<b>GAG (from EFA)</b>	<b>64</b>	<b>£10,000</b>	<b>£640,000</b>	<b>74</b>	<b>£10,000</b>	<b>£740,000</b>	<b>84</b>	<b>£10,000</b>	<b>£840,000</b>
<b>Top up band 1</b>	<b>30</b>	<b>£8,000</b>	<b>£240,000</b>	<b>35</b>	<b>£8,000</b>	<b>£280,000</b>	<b>39</b>	<b>£8,000</b>	<b>£312,000</b>
<b>Top up band 2</b>	<b>34</b>	<b>£17,455</b>	<b>£593,453</b>	<b>39</b>	<b>£17,455</b>	<b>£680,726</b>	<b>45</b>	<b>£16,000</b>	<b>£720,000</b>
<b>Total Funding</b>			<b>£1,473,453</b>			<b>£1,700,726</b>			<b>£1,872,000</b>

# Agenda Item 5

## Schools Funding Forum 22<sup>nd</sup> February 2018      ITEM 5

**Subject Heading:**

**Proposal to support schools with high numbers of pupils with EHC plans**

**Report Author:**

**David Allen – Strategic Finance Manager**

**Eligibility to vote:**

**All members**

### SUMMARY

This is to consider options to target additional funding to support schools that have disproportionately high numbers of pupils with EHC plans on their school roll.

### RECOMMENDATIONS

That the Schools Funding Forum agrees to the formula for allocation of additional funding to schools with a disproportionate number of pupils with EHC plans from the High Needs Block.

### REPORT DETAIL

The high needs operational guide for 2018-19 published by the ESFA includes guidance on the allocation of high needs funding to mainstream schools and academies. The relevant extract is attached at Appendix A.

The operational guide and funding regulations allow local authorities to allocate additional funding to where there are a disproportionate number of pupils with a particular type of SEND. The distribution methodology should be simple and transparent, and devised so that additional funds are targeted only to a minority of schools which have particular difficulties because of their disproportionate number of high needs or SEND pupils or their characteristics.

#### **Current methodology**

In 2017-18 and in previous years, funding has been allocated to Havering schools based on the calculation of their notional SEN allocation.

This is based on the original DFE advice to apply percentages of the funding allocated to schools as follows:

AWPU	1.2%
Deprivation factors	16.5%
Prior attainment	100%

Schools are required to provide the first £6,000 of support from their delegated budgets for each pupil with an EHC plan. To calculate any additional funding to be allocated, the number of pupils is multiplied by £6,000 to produce the total schools commitment. If this figure is greater than the notional SEN then the difference is funded from the High Needs budget.

In 2017-18 the number of schools and the amounts funded were as follows:

<u>Primary</u>		<u>No of EHC plans</u>
School A	£76,569	23
School B	£17,223	10
School C	£1,144	7
 <u>Secondary</u>		
School A	£129,041	56
School B	£10,174	31
Total	£234,151	

### **Proposals for implementation from 2018-19**

The review of high needs strategy has identified that additional funding should be allocated to the more inclusive schools and academies in the borough which have a significantly higher number of pupils with EHC plans relative to other schools. An additional £100k has been identified within the high needs block to support this principle providing a budget of £330k in 2018-19.

In addition, from 2018-19 the local authority is increasing the hourly rate from £12.67 to £14 to allocate top up (element 3) funding to schools with pupils with EHC plans above the first £6,000.

There is no common methodology amongst local authorities to address this issue. Some do nothing, some allocate funding to schools above a given percentage of pupils with EHCPs, some on numbers of EHCPs and others use more complex formulae. Local authorities are therefore free to develop their own formula in consultation with their Schools Forum. Options to allocate this additional high needs funding in Havering are set out below for consideration by the Schools Funding Forum.

#### OPTION A

To calculate a notional SEN on a similar basis to the current assumption of percentages of delegated funding but with some adjustments to reflect the change in the funding factor values within the national funding formula.

AWPU 1.0%  
 Deprivation factors 16.5%  
 Prior attainment 40% primary/45% secondary

Using this criterion alone funding would be allocated as follows:

<u>Primary</u>		<u>No of EHC plans</u>
School A	£110,409	30
School B	£12,105	9
 <u>Secondary</u>		
School A	£71,306	45
School B	£49,824	35
Total	£243,644	

### OPTION B

To allocate £6,000 for schools with more than a certain number of pupils with EHC plans

Primary £6,000 for pupil numbers above 10 increasing in bands of 10  
 e.g. 12 pupils = £6,000, 24 pupils £12,000

Secondary £6,000 for pupil numbers above 15 increasing in bands of 15  
 e.g. 17 pupils = £6,000, 34 pupils £12,000

This would allocate funding as follows:

Primary  
 10 – 19 EHCPs 5 @ £6,000 = £30,000  
 20 – 29 EHCPs 1 @ £12,000 = £12,000  
 30 – 39 EHCPs 1 @ £18,000 = £18,000

Secondary  
 15 – 29 EHCPs 2 @ £6,000 = £12,000  
 30 – 44 EHCPs 1 @ £12,000 = £12,000  
 45 – 60 EHCPs 1 @ £18,000 = £18,000

Total £102,000

Option A + Option B = £345,644

## OPTION C

To determine a school's ability to absorb the cost of meeting the first £6,000 of support for each pupil with an EHC Plan by comparing its per pupil funding (without NNDR and lump sum) against the borough average. The difference will be because the school has pupils on roll with data that translates to additional needs funding in the school's funding allocation.

There is also a consideration of the number of EHC Plans that may be assumed for the size of the school. This may be determined by the percentage of the pupils with EHCPs against the borough average which is as follows:

Primary      1.45%  
Secondary    1.70%

If a school has a higher than average percentage, reference is then made to the schools ability to meet the first £6,000 of costs.

For schools where the total funding above average is greater than the cost of the number of EHCPs x £6,000 then no funding is allocated. If the EHCPs x £6,000 is greater than the total additional funding received through the formula then the difference is allocated as additional funding.

For schools where the total funding below average then the additional funding is allocated at £6,000 x the number of EHCPs the school has above the borough average. This is scaled down the closer the school's per pupil funding is to the borough average as follows:

£ per pupil below borough average	Scaling factor
>£400	100%
£300 - £400	75%
£200 - £300	50%
£1 - £200	25%

### **Example A**

School roll            240  
No EHCPs            8  
% of NOR            2.33  
LBH average        1.45%  
Above average      1.88%  
X NOR                4.51  
X £6,000            £27,060

School eligible for £27,060 additional funding

Affordability check	
School's funding per pupil	£4,874
LBH average	£4,070
Funding above average	£804
x NOR of 240	£192,960

Funding is sufficient to meet the £27,060

### Example B

School roll	320
No EHCPs	25
% of NOR	7.81
LBH average	1.45%
Above average	6.36%
x NOR	20.35
x £6,000	£122,100

School eligible for £122,100 additional funding

Affordability check	
School's funding per pupil	£4,326
LBH average	£4,070
Funding above average	£256
X NOR of 320	£81,920

Funding is not sufficient to meet the full £122,100

School receives £122,100 - £81,920 = £40,180

### Example C

School roll	420
No EHCPs	9
% of NOR	2.14
LBH average	1.45%
Above average	0.69%
x NOR	2.90
x £6,000	£17,400

School eligible for £17,400 additional funding

Affordability check

School's funding per pupil	£3,580
LBH average	£4,070
Funding below average	- £490
X NOR of 420	£205,800

Funding is not sufficient to meet the £17,400. Amount paid if full.

Funding would be allocated in 218-19 as follows:

<u>Primary</u>		<u>No of EHC plans</u>
School A	£75,587	30
School B	£17,100	9
School C	£9,900	9
School D	£8,820	9
School E	£4,410	11
School F	£4,020	7
 <u>Secondary</u>		
School A	£171,660	45
School B	£19,900	35
Total	£312,866	

Extract from ESFA High Needs Operational Guide 2018-19

## **Mainstream schools, academies and free schools without specialist provision**

Schools and academies should have sufficient funding in their delegated budget to enable them to support pupils' SEND where required up to the mandatory cost threshold of £6,000 per pupil. Where individual pupils require additional support that costs more than £6,000, the excess should be met by top-up funding associated with the individual pupil. Top-up funding rates are for local authorities to agree with schools and academies. They should reflect the needs of the individual, and the cost of meeting those needs.

Local authorities should provide additional funding outside the main funding formula for mainstream schools and academies on a consistent and fair basis where the number of their high needs pupils cannot be reflected adequately in formula funding. They should define the circumstances in which additional funding will be provided from their high needs budget.

Similarly, additional funding may be provided where there are a disproportionate number of pupils with a particular type of SEND. For example, a primary school may have developed a reputation for meeting the needs of high achieving pupils with autistic spectrum disorder, or pupils with physical disabilities, and it's not possible to target additional funding to the school through factors in the school funding formula.

Local authorities should have a formula or other method, based on their experience of distributing additional funding to their schools and academies. This should be agreed with schools and described on the APT. In all cases the distribution methodology should be simple and transparent, and devised so that additional funds are targeted only to a minority of schools which have particular difficulties because of their disproportionate number of high needs or SEND pupils or their characteristics.

## Schools Funding Forum 22<sup>nd</sup> February 2018    ITEM 6

<b>Subject Heading:</b>	<b>Pupil Growth Fund Criteria 2018-19</b>
<b>Report Author:</b>	<b>David Allen – Strategic Finance Manager</b>
<b>Eligibility to vote:</b>	<b>All school members</b>

### SUMMARY

This item is for the Schools Funding Forum to agree the criteria for the allocation of funding from the Pupil Growth Fund in financial year 2018-19.

### RECOMMENDATIONS

That the Schools Funding Forum agrees the proposed criteria for allocation of the Pupil Growth Fund in 2018-19.

### REPORT DETAIL

The ESFA Operational guide and DfE funding regulations permit local authorities to hold a budget funded from the DSG to support schools that have agreed with the local authority to provide an extra class to meet basis need in the area either through an increase in PAN or a bulge class. The budget may also be used to support compliance with infant class size regulations.

The relevant extract from the operational guidance is attached at Appendix A.

The Schools Funding Forum is required to agree the criteria for allocation of funding from the Growth Fund and has done so at various meetings in the past. However, given changes in the rates of funding to be allocated through pupil factors in the schools funding formula for 2018-19, some minor changes will be required which presents a good opportunity to refresh the criteria.

The allocation in Havering is £2.7 million. In previous years this amount has been top sliced from the DSG Schools Budget along with funding for other areas such as a falling rolls fund, school admissions team etc. Under the new funding arrangements from 2018-19 the £2.7m remains part of the Schools Budget but is allocated to Havering by the ESFA as a separate sum.

Extract from ESFA Operational Guide 2018-19

## **Growth fund**

Growth funding is within local authorities' schools block national funding formula allocation, and has been calculated based on historic spend.

- 1.1. As it's within the schools block, a movement of funding from the schools formula into the growth fund would not be treated as a transfer between blocks. The schools forum would still need to agree the total growth fund.
- 1.2. The size of the schools block would not be affected.

The growth fund can only be used only to:

- support growth in pre-16 pupil numbers to meet basic need
- support additional classes needed to meet the infant class size regulation
- meet the costs of new schools

Local authorities are responsible for funding these growth needs for all schools in their area, for new and existing maintained schools and academies.

- 1.3. Local authorities should fund all schools on the same criteria, discussed below.
- 1.4. Where growth occurs in academies that are funded by ESFA on estimates, ESFA will use the pupil number adjustment process to ensure the academy is only funded for the growth once.

The costs of new schools will include the lead-in costs, for example to fund the appointment of staff and the purchase of any goods or services necessary in order to admit pupils.

- 1.5. They will also include post start-up and diseconomy of scale costs. These pre and post start-up costs should be provided for academies where they are created to meet basic need.
- 1.6. ESFA will continue to fund start-up and diseconomy costs for new free schools where they are not being opened to meet the need for a new school as referred to in [section 6A of the Education and Inspections Act 2006](#).

The growth fund may not be used to support:

schools in financial difficulty; any such support for maintained schools should be provided from a de-delegated contingency

general growth due to popularity; which is managed through lagged funding

The growth fund may not be the most appropriate source of funding for growing schools, and local authorities should consider varying pupil numbers where there is a more permanent and significant change to numbers, and where it's appropriate for the change to be reflected in the funding formula.

- 1.7. Local authorities will not need to submit a disapplication request for an increase to numbers, where this is due to a change to the admission limit, or a local reorganisation.

Local authorities are required to produce criteria on which any growth funding is to be allocated, which must be agreed by the schools forum.

- 1.8. The schools forum must also be consulted on the total size of the growth fund from each phase, and should receive regular updates on the use of the funding.

- 1.9. ESFA will check the criteria for compliance with the regulations.

The criteria should provide a transparent and consistent basis for the allocation of funding, which may be different for each phase.

- 1.10. Criteria for allocating growth funds should contain clear objective trigger points for qualification, and a clear formula for calculating allocations with these criteria applying to all schools on the same basis.

- 1.11. Compliant criteria would generally contain some of the features set out below:

- support 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)
- additional support where a school has extended its age range (the majority of funding would be paid through the funding formula where the local authority should seek a variation in pupil numbers)
- support where a school has temporarily increased its PAN, by a minimum number of pupils, in agreement with the authority
- support for KS1 classes where overall pupil numbers exceed a multiple of 30, by a minimum number of pupils

- pre-opening costs, initial equipping allowance, or diseconomy of scale allowance, for new maintained schools and academies; including new academies where the school is opening in response to basic need

Methodologies for distributing funding could include:

a lump sum payment with clear parameters for calculation (usually based on the estimated cost of making additional provision for a new class, or the estimated start-up costs)

a per-pupil rate (usually based on AWPU, and reflecting the proportion of the year which is not funded within the school's budget share)

a per-pupil rate, with a maximum ceiling

We've provided examples of some local authorities' criteria for allocating growth funds to school and academies. These can be found in the published [Schools funding 2016 to 2017: targeted funding for high needs, growth and falling rolls](#) guidance.

Where growth funding is payable to academies, the local authority should fund the increase for the period from the additional September intake through until the following August.

- 1.12. Local authorities should enter the cost of growth funding for the April to August period, along with appropriate justification, on the recoupment tab of the APT so that the recoupment calculation can be adjusted accordingly.

ESFA will not make growth fund recoupment adjustments for diseconomy of scale, or start-up funding; local authorities should not enter these on the recoupment tab of the APT.

- 1.13. This funding will continue to be met from the local authority's growth fund.

Where schools have agreed an expansion in pupil numbers with the local authority, the school should ensure that they understand the methodology for funding the increase, and are content that the expansion is deliverable within the funding available.

Local authorities should report any unspent growth funding remaining at the year-end to the schools forum.

- 1.14. Funding may be carried forward to the following funding period, as with any other centrally retained budget, and local authorities can choose to use it specifically for growth.

Any overspent growth funding will form part of the overall DSG surplus or deficit balance.

## **PUPIL GROWTH FUND**

### **1. Pupil Growth Criteria**

- 1.1 The following criteria apply to all Havering primary schools, secondary schools, academies and free schools. The funding of growth in special schools, additionally resourced provisions and the AP Academy are subject to different arrangements.
- 1.2 Growth is generally defined as an increase in pupil numbers at a school to meet basic need requirements of the local authority. This need is usually met through either the permanent expansion of a school (e.g. to increase the PAN (Published Admission Number) by an additional form of entry beginning in Reception) or a bulge class in a year group of a school to meet a need in a particular planning area.
- 1.3 Primary Schools and Academies Growth

In a school where an additional class has been opened from the start of a new academic year the pupils admitted will not have been included in the previous October census which is the basis for funding schools in a financial year.

#### Funding

Funding will be allocated on the basis of the relevant AWPU value for that financial year x 28 pupils.

For LA maintained schools funding will be at 7/12ths of the year (September to March) and for Academies 12/12 (September to August). 5/12ths of the cost of supporting academies will be recouped from the ESFA.

For half form of entry expansions, the above funding will be halved.

#### Example

Expansion or bulge class increasing a school's PAN by 1 f.e.

AWPU of £2,972.35 x 28 pupils x 7/12 = £48,548

#### 1.4 Secondary Schools and Academies

Where a school increases its PAN with the approval of the LA, additional funding will be allocated to meet additional costs arising in a school for growth above 14 pupils and after a deduction of 1 pupil per existing year group.

##### Funding

Funding will be allocated on the basis of the relevant AWPU at 7/12<sup>th</sup> (September to March) and for Academies 12/12<sup>th</sup> (September to August). 5/12ths of the cost of supporting academies will be recouped from the ESFA.

##### Example

Expansion or bulge class increasing the PAN of an academy from 220 by 20 places to 240

Existing number of teaching groups 7. 20 places – 7 = 13

KS3 AWPU of £4,179.92 x 13 pupils = £54,339

5/12<sup>th</sup> to be recouped form ESFA so cost to DSG £31,698

#### 1.5 Growth Related Funding

The growth fund is also used to fund the following circumstances arising from the local authority's expansion programme.

##### 1.5.1 Unfilled places

To guarantee funding to the schools that agree to take a bulge class should the year group be slow to fill. The school will have made a commitment in appointing staff for the additional classroom and top up funding is allocated if the pupil numbers in the previous October census are below the number required to adequately fund those commitments. This is subject to a school being able to organise its pupil numbers in a reduced number of classes.

##### Funding

Funding is allocated up to 28 pupils having deducted the number of pupils on the October census for which the school will have received AWPU funding above the 30 per class relating to the school's previous PAN

### Example

A bulge class in year 4 from 2 to 3 f.e. with 76 pupils on roll at October census.

NOR 76  
Previous PAN 60  
No. above previous PAN 16  
Max funded of 28 less 16 12  
12 x AWPU (currently £2,972.35) = £35,668

This funding is allocated on condition that the school has opened and resourced an additional class.

### 1.5.2 Capacity for future growth

In the primary sector, additional capacity is sometimes required by the local authority to meet expected future growth and for this reason it is necessary to refuse a request from a school to reduce its PAN.

This will be in circumstances where pupil numbers are significantly below the school's revised PAN in subsequent years and could be organised in a reduced number of classes were it not for the LA requiring the school to retain capacity for in year admissions and expected growth in the relevant planning area.

#### Funding

Additional funding is therefore allocated to support the school in meeting the costs of retaining a number of classes that it would otherwise choose to reduce. The pupil numbers funded are those above the class numbers in the relevant year group x 28.

Schools will not be funded for any year group already funded through the falling rolls fund.

#### Example

A school with an increase in PAN from 60 to 90 in 2015 with the following numbers as at the October 2017 census:

	YrR	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6
PAN	90	90	90	60	60	60	60
NOR	70	69	68	60	60	60	60

### Funding

YrR 3 classes x 28 = 84  
84 – 70 = 14  
14 x AWPU £2,972.35 = £41,613

Yr1 3 classes x 28 = 84  
84 – 69 = 15  
15 x AWPU £2,972.35 = £44,585

Yr2 3 classes x 28 = 84  
84 – 68 = 16  
16 x AWPU £2,972.35 = £47,557

### 1.5.3 Infant Class Sizes

Infant Class regulations continue to apply in restricting class sizes to 30 other than in limited circumstances. These include “Children who move into the area outside of the normal admissions round for whom there is no other available school within reasonable distance”. It is normally for these reasons that pupils are admitted over 30.

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

Funding will 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 £15,981.

### Example

Infant class size	32
Pupils funded above 31	1
Average TA cost	£15,981
Sept – March @ 7/12	£9,322

This will be reconsidered in the new financial year when account is taken of the funding that the school will have received in its budget for the additional pupils.

### Half form of entry schools

The primary expansion programme will lead to a number of Havering's 1½ f.e schools 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.

### Funding

Additional funding will therefore be allocated for ½ and 1½ and 2½ f.e. as for the growing primary schools at 2.1.1 above, grossed up to 12/12 for the full financial year.

### Example

Expansion or bulge class increasing a school's PAN by 1 f.e.

AWPU of £2,972.35 x 14 pupils x 12/12 = £41,613

## 1.5.4 Additional Needs Supplement

For schools that expand the new cohort will include some pupils with additional needs who will, once on census, be eligible for pupil premium and will therefore require additional support from the school from the date of admission. Pupil Premium grant would not, however, be allocated until the following financial year leaving the school to meet support costs from its existing budget. An additional supplement is allocated to the growth funding based on the proportion of pupil premium pupils on the school roll.

### Funding

For the initial period between September and March additional funds are allocated on the basis of the percentage on roll at the school at the Pupil Premium funding rate (£1,320 in 2018-19)

### Example

Additional pupils	30	
Percentage of PP in school		20%
30 x 20% x PP £1,320 =		£7,920
Period Sept – March @ 7/12 =		£4,620

## 2. **Surplus funds**

Any funding in the Pupil Growth Fund unspent by the end of the financial year will carry forward and its use determined in consultation with the School Funding Forum.

# Agenda Item 7

## Schools Funding Forum 22<sup>nd</sup> February 2018    ITEM 7

**Subject Heading:**

**Falling Rolls Criteria 2018-19**

**Report Author:**

**David Allen – Strategic Finance  
Manager**

**Eligibility to vote:**

**All school members**

### **SUMMARY**

This report sets out the proposal for funding Good and Outstanding schools through the Falling Rolls Fund for financial year 2018-19.

### **RECOMMENDATIONS**

That the Schools Funding Forum agrees the criteria for allocation of funding to schools in 2018-19 from the falling rolls fund.

### **REPORT DETAIL**

The ESFA Operational guide and DfE funding regulations permit local authorities to hold a budget funded from the DSG to support Good and Outstanding schools that have falling rolls.

The relevant extract from the operational guidance is attached at Appendix A.

As in previous years, the Schools Funding Forum is required to agree the criteria for allocation of funding from the Falling Rolls Fund. This report requests a continuation of the current criteria into 2018-19.

The allocation in Havering is £0.4 million. In previous years this amount has been top sliced from the DSG Schools Budget along with funding for other areas such as a falling rolls fund, school admissions team etc. Under the new funding arrangements from 2018-19 the £0.4m remains part of the Schools Budget but is allocated to Havering by the ESFA as a separate sum.

The proposed formula is as follows:

$(\text{PAN} \times 85\%) \text{ minus Yr R / Yr 7 pupil numbers (October census)} \times 90\% \text{ AWPU}$

Plus

$(\text{PAN} \times 85\%) \text{ minus Yr 1 / Yr 8 pupil numbers (October census)} \times 50\% \text{ AWPU}$

Note:

The only change from 2017-18 is that in that year the AWPU proportion was 85% rather than 90%. The increase is proposed because of the reduction in the National Funding Formula AWPU rates.

This would provide additional funding to schools as follows:

Primary

School A	£33,587
School B	£25,413
School C	£18,861
School D	£5,944

Secondary

School A	£310,957
Total	£390,765

Extract from ESFA Operational Guide 2018-19

**Falling rolls fund**

1. Local authorities may set aside schools block funding to create a small fund to support good schools with falling rolls, where local planning data shows that the surplus places will be needed within the next three financial years.

1.1. The schools forum should agree both the value of the fund, and the criteria for allocation, and the local authority should regularly update the schools forum on the use of the funding.

1.2. As with the growth fund, the falling rolls fund is also within the NFF schools block.

2. Criteria for allocating falling rolls funding should contain clear objective trigger points for qualification, and a clear formula for calculating allocations. Differences in allocation methodology are permitted between phases.

2.1. Compliant criteria would generally contain some of the features set out below:

- support is available only for schools judged good or outstanding at their last Ofsted inspection (this is a mandatory requirement)
- surplus capacity exceeds a minimum number of pupils, or a percentage of the published admission number
- local planning data shows a requirement for a minimum percentage of the surplus places within the next three years
- formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort
- the school will need to make redundancies in order to contain spending within its formula budget

2.2. Methodologies for distributing funding could include:

- a rate per vacant place, up to a specified maximum number of places (place value likely to be based on AWPU)

- a lump sum payment with clear parameters for calculation (for example, the estimated cost of providing an appropriate curriculum, or estimated salary costs equivalent to the number of staff who would otherwise be made redundant)

3. We've included examples of how local authorities have allocated their falling rolls fund in the [schools funding 2016 to 2017: targeted funding for high needs, growth and falling rolls](#) publication.

4. Where falling rolls funding is payable to academies, the local authority should fund the increase for the period from the additional September intake through until the following August.

5. Local authorities should report any falling rolls funds remaining at the end of the financial year to the schools forum.

5.1. Funding may be carried forward to the following funding period, as with any other centrally retained budget, and local authorities can choose to use it specifically for falling rolls.