

<b>SCHOOLS FUNDING FORUM AGENDA</b>
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<b>8.30 - 11.00 am</b>	<b>25 September 2019</b>	<b>CEME, Room 234</b>
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**Members: 18 Quorum: 7**

**MEMBERSHIP:**

**Representative Groups**

**LA Maintained School Representatives:**

**Head Teachers (6):** Emma Allen, Special  
Margy Bushell, Primary  
Kirsten Cooper, Primary  
Georgina Delmonte, Primary  
Harley Durrant, Primary  
David Unwin-Bailey, Primary

**Governors (2):** Bernard Gilley, Primary  
Dave Waters, Primary

**Academy  
Representatives:  
Primary (2)**

David Denchfield  
Kate Ridley-Moy

**Secondary (3)**

Simon London  
Keith Williams  
Denise Broom  
Vacancy x3

**Special (1)**

Gary Pocock

**AP Academy (1)**

Ray Lawrence

**Non-School  
Representatives:**

**Early Years PVI Sector  
(1)**

Mark Halls

**Post 16** Vacancy

**Diocesan Board** Vacancy

**Trade Unions (2):**

John Delaney/John McGill, Teachers  
Peter Liddle, Support Staff

For information about the meeting please contact:

[david.allen@haverling.gov.uk](mailto:david.allen@haverling.gov.uk) 01708 433851

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

## **AGENDA ITEMS**

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

### **2. ELECTION OF CHAIR AND VICE-CHAIR**

To elect a Chair and Vice-Chair until the first meeting of the autumn term 2020.

### **3. TO AGREE THE MINUTES OF THE MEETING HELD ON 13 JUNE 2019 (Pages 1 - 5)**

Minutes attached.

### **4. MATTERS ARISING**

### **5. GOVERNMENT ANNOUNCEMENTS ON ADDITIONAL SCHOOL FUNDING (Pages 6 - 8)**

Report attached.

### **6. DfE CONSULTATIONS RELATING TO 2020-21 FUNDING (Pages 9 - 23)**

Report and appendices attached.

### **7. CENTRAL SERVICES - DSG CENTRALLY RETAINED FUNDING 2020-21 (Pages 24 - 29)**

Report including appendix attached.

### **8. DE-DELEGATION OF FUNDING FROM MAINTAINED SCHOOLS 2020-21 (Pages 30 - 43)**

Report and appendices attached.

### **9. SPECIAL SCHOOLS FUNDING (Pages 44 - 52)**

Report and appendices attached.

### **10. ELECTIVE HOME EDUCATION (EHE) TRANSFER OF FUNDING BETWEEN SCHOOLS (Pages 53 - 55)**

Report attached.

### **11. DfE CONSULTATION - FINANCIAL TRANSPARENCY OF LOCAL AUTHORITY MAINTAINED SCHOOLS AND ACADEMY TRUSTS (Pages 56 - 97)**

Report and appendix attached.

## **12. NEXT MEETINGS**

Future meetings have been arranged as follows:

7<sup>th</sup> November  
17<sup>th</sup> December  
16<sup>th</sup> January  
19<sup>th</sup> March  
18<sup>th</sup> June

All meetings to start at 8.30 am at CEME.

## **13. ANY OTHER BUSINESS**

**MINUTES OF A MEETING OF THE  
SCHOOLS FUNDING FORUM  
CEME  
13 June 2019 (8.30 - 11.00 am)**

**Present:**

**Representative Groups**

**LA Maintained Schools**

**Head Teachers:** Emma Allen, Special  
Margy Bushell, Primary  
Kirsten Cooper, Primary  
Georgina Delmonte, Primary  
Nigel Emes, Primary  
David Unwin-Bailey, Primary

**Governors:** Dave Waters, Primary

**Academies:** Denise Broom, Secondary  
Nigel Emes, Primary  
Vicki Fackler, Special  
Simon London, Secondary  
Kate Ridley-Moy, Primary

**Non-School  
Representatives:** Mark Halls, Early Years PVI Sector

**Trade Unions:** John Delaney

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

Apologies were received for the absence of Bernard Gilley (LA Maintained Governor) David Denchfield (Primary Academy) Keith Williams (Secondary Academy) and Gary Pocock (Special Academy).

Vicki Fackler was substituting for Gary Pocock and Hayley Durrant was in attendance as an observer.

**2 TO AGREE THE MINUTES OF THE MEETING HELD ON THE 7TH MARCH 2019**

It was noted that the list of members present at the previous meeting needed a slight amendment to the format in the minutes. The minutes of the meeting of the Forum held on 7 March 2019 were otherwise agreed as a correct record and signed by the Chairman.

### **3 MATTERS ARISING**

There were no matters arising.

### **4 SCHOOL BALANCES 2018-19**

The report before the Forum only covered school balances for Local Authority maintained schools. Whilst total funding had increased as a result of higher pupil numbers, total balances as a proportion of funding had lowered considerably. There were no longer any schools with a balance greater than 15% and only 4 schools carrying forward 10-15%. The number of schools with a balance of 5-10% had remained fairly constant.

All schools with balances in excess of 10% had been written to by the Strategic Finance Manager and some responses were still awaited. Some 13 schools were now in deficit (a record high figure for Havering) and some deficits were unlikely to be recovered over three years. The Council was working closely with these schools and a report on this would be brought to a future meeting of the Forum.

Whilst most schools had restructured and reduced the number of their teaching assistants and senior leadership team, deficits were often due to a school having low pupil numbers. It was noted that schools with high balances also needed to address their spending plans as high balances reflected on the overall position of Havering.

The Schools Funding Forum noted the report.

### **5 DSG OUTTURN 2018-19**

A report before the Forum advised that there had been an underspend of £2.4 million in the Dedicated Schools Grant and that this was partly due to a need to retain a contingency for transition to the National Schools Funding Formula. There had been an underspend of £772k for the early years block and the Forum had previously agreed to allocate this as a contingency in 2019-20 in order to increase base rates for early years providers. An additional £7k had been retained to go towards the software review.

A £25k underspend for the schools block was due to less secondary school insurance being needed due to the number of Academies. The main proposal for these funds was to offset the 2018-19 high needs deficit or add to the high needs budget for 2019-20. De-delegation had seen £121k refunded to primary schools with a £9k contingency held for Trade Union facility time. The High Needs block had overspent by £954k although accounting adjustments had reduced this from the previous forecast of £1.2 million. A fuller report would be given at the next meeting of the Forum. Underspends from Central Schools Support would be put into the High Needs budget.

The Pupil Growth Fund had been used to fund two new permanent expansions at Parklands and Whybridge Juniors as well as previous year expansions in 16 schools. Some 15 schools had unfilled bulge classes and unfilled primary school places often led to financial problems. New permanent expansions had taken place at three secondary schools – Marshalls Park, Redden Court and Royal Liberty. Whilst there was an underspend of £435k on a £2.7m budget, this was likely to be lower for 2019/20 due to the Government formula.

Seven primary and one secondary school received funding via the Falling Rolls Fund. SEN recoupment write-offs would be put into the High Needs budget as would a £775k contingency although £185k would be retained for next year's National Funding Formula. The £130k saving in ARP funding would also be added to the high needs block. The £25k held under Balance of Grants would be retained in case this needed to be returned to the DfE. It was therefore proposed that a total underspend of £2.1m would be transferred to the High Needs block.

It was accepted that underspends needed to be reported to the Forum on a more regular basis. ARP set up costs were for additional revenue costs not covered in provision of new ARPs from the capital budget. It was necessary however to keep monitoring the levels of pressure on schools with ARPs. It was also clarified that there was no longer any legal time limit on when SEND recoupments could be written off. Forum members felt that SEND provision was working in some places but not in others. The relevant transport budget had been overspent by £700k due to the numbers of SEN children being placed away from local schools.

The High Needs provision deficit figures would be published in the s.251 outturn statement and overspending was surveyed regularly.

The Forum agreed the allocation of the DSG underspend in support of 2019-20 funding.

## **6 SECTION 251 BUDGET STATEMENT 2019-20**

It was noted that the budget statement would be published on the Council's website. Officers explained the main points of the statement. It was noted that the figures in the Schools Table for high needs places related to those in maintained school ARPs and not those in Academies.

The report would be submitted to the DfE who could raise any questions, prior to it being put in the public domain. It was agreed that ideally, more funds should be allocated to schools that took in more high needs pupils in order to incentivise inclusion. This would be covered as part of the high needs review with the Council.

The pupil planning team budget was in line with that for benchmarking Councils and the Strategic Finance Manager would bring benchmarking data to a future meeting of the Forum. It was noted that the Support for

Inclusion budget would be apportioned to primary schools in the final version of the report.

The Forum noted the Section 251 budget statements.

## **7 HIGH NEEDS STRATEGY REVIEW**

A report before the Forum gave details of progress following the review of the High Needs Strategy that had been held two years previously. The vision of the review had been to promote inclusion within local schools and communities. One additional ARP was now open with three more at different stages of development. More secondary ARPs were still needed however.

A new Special School was due to open in the 2021/22 school year for children with the most complex needs. A new capital grant would allow for an increased number of ARPs and £100k had been ring-fenced for providers to bid for funding for e.g. sensory rooms in early years settings.

Focus groups looking at progress since the review would be re-established and the outcomes of these together with a refreshed action plan would be brought to the Forum.

Issues raised by Forum members included that children were still reaching reception needing an Education, Health and Care Plan (EHCP) and that speech and language services were separate systems in nursery and reception. Financial support to schools to support high needs children was only received once an EHCP had been completed.

The Council was committed to working with schools on High Needs issues, in spite of delays to the central Government spending review. It was felt there were not enough local respite services for children with very complex needs and there was a plan to develop a local residential unit to offer this service.

Other issues to be considered when establishing new ARPs included age ranges and matching provision to the geographical spread of the borough as well as staffing and training issues. It was noted that even at schools such as Hacton Primary with a large and long standing ARP, many children still had to access facilities outside the borough. It was hoped to establish a secondary school sensory needs hub.

The review would be discussed at primary cluster groups.

The Forum noted the report.



## **8 DFE CALL FOR EVIDENCE ON HIGH NEEDS FUNDING ARRANGEMENTS**

It was explained that the DfE was aware that there was insufficient funding for high needs and this would be addressed in the Comprehensive Spending Review. It was also wished to remove barriers to decision making in the current arrangements and a draft response to the call for evidence on these issues was before the Forum for consideration.

The Council proposed agreeing that more funds should be targeted via the low prior attainment factor and that the Council should retain its own method of targeting SEN funding. It was felt that the notional SEN budget was not helpful to schools and that the £6,000/11 hour funding threshold for schools should be lower, provided that high needs funding was increased.

It was also felt that the underfunding of health and adult social care prevented effective partnership working and that the real issue – the lack of high needs funding was not addressed by these questions.

The Forum approved Havering's draft response to the DfE call for evidence.

## **9 NEXT MEETINGS**

The Strategic Finance Manager would circulate proposed future meeting dates shortly.

# Agenda Item 5



## Schools Funding Forum 25<sup>th</sup> September 2019 ITEM 5

**Subject Heading:**

**Additional Funding for Schools and High Needs**

**Report Author:**

**David Allen – Strategic Finance Manager**

**Eligibility to vote:**

**All members**

### SUMMARY

This item is to consider the Government announcements on schools and high needs funding prior to the publication of indicative DSG allocations. and operational guidance to local authorities in October.

### RECOMMENDATIONS

To note the report.

### REPORT DETAIL

#### 1. The initial announcement

On 30<sup>th</sup> August the Prime Minister announced a £14 billion cash boost for schools. This will allocate an additional £2.6 billion in 2020/21, a further £2.2 billion in 2021/22 and a further £2.3 billion in 2022/23.

This is shown in the table below

	£bn	£bn	£bn	£bn
2020-21	2.6	-	-	2.6
2021-22	2.6	2.2	-	4.8
2022-23	2.6	2.2	2.3	7.1
Cumulative	7.8	4.4	2.3	14.5

The £2.6 billion for 2020-21 includes £700 million for High Needs. The additional funding will also need to cover the growth in pupil population and future pay awards including the proposed increase in the starting salary of teachers to £30,000.

Secondary schools are to receive a minimum of £5,000 per pupil and primary schools £3,750 rising to £4,000 in 2021/22.

## 2. Further announcements on school funding

Since the initial announcement, further detail has been announced as follows:

- The DfE has confirmed its intention to move to a 'hard' NFF for schools but not for 2020-21
- The minimum funding guarantee will be set at 0.5% per pupil
- The gains cap will be removed
- The core factors of the NFF will increase by 4%
- A formulaic factor will be introduced for pupil mobility rather than on the basis of historic spend
- Pupil growth and falling rolls funding will be protected to ensure it does not reduce by more than 0.5% of the schools block allocation

Havering pupil growth and falling rolls funding has reduced since the introduction of the DfE formula as shown in the table below.

2018-19	2019-20	2020-21 estimate
£3.3 m	£2.5 m	£1.63 m

Further work is underway to estimate the costs of funding pupil growth in Havering schools in 2020-21.

The ESFA published the operational guidance on implementing the funding system for 2020-21 on 12<sup>th</sup> September. This document will be tabled at the meeting and can be found using the following link:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/831848/Schools\\_operational\\_guide\\_2020\\_to\\_2021.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/831848/Schools_operational_guide_2020_to_2021.pdf)

### **3. Further announcements on high needs funding**

- Every LA to receive an increase of at least 8% per head of 1 to 18 population
- LAs' high needs allocations could increase by up to 17% on the basis of 2 to 18 population

### **4. Other funding announcements**

#### **4.1 Pay and Pension Grants**

The teachers' pay grant and teachers' pension grants will continue to be paid separately from the NFF at rates to be determined.

#### **4.2 Early Years – an additional £66 million**

Intended to increase the hourly rates paid by LAs to providers.

#### **4.3 Post 16 – an additional £400 million**

£190 million to protect and increase the base rate and to boost access to high quality courses for more than a million 16-19 year olds.

£120 million to help deliver expensive but crucial subjects such as engineering which lead to higher wages and, ultimately, a more productive economy.

£35 million for targeted interventions to support students on level 3 courses (A level equivalent) who failed GCSE Maths and English, so they can re-sit their exams in these critical subjects.

£25 million to deliver T-levels. The new qualifications start rolling out in September 2020 and will transform vocational education with two-year courses in subjects as varied as accounting, digital production and onsite construction.

£10 million for the advanced maths premium, which adds £600 to college budgets for every additional student who takes on A- and AS- level maths.

£20 million to help the sector to continue to recruit and retain brilliant teachers and leaders, and provide more support to ensure high-quality teaching of T Levels.

## Schools Funding Forum 25<sup>th</sup> September 2019 ITEM 6

<b>Subject Heading:</b>	<b>DfE consultations in relation to 2020-21 funding</b>
<b>Report Author:</b>	<b>David Allen – Strategic Finance Manager</b>
<b>Eligibility to vote:</b>	<b>All members</b>

### SUMMARY

This item is to discuss two consultation documents issued by the DfE that relate to 2020-21 funding.

### RECOMMENDATIONS

To consider an appropriate response to the two consultation documents.

### REPORT DETAIL

#### **1. Implementing mandatory minimum per pupil funding levels**

This consultation (attached) relates to the calculation of the minimum per pupil levels of £3,750 for primary schools (rising to £4,000 in 2021-22) and £5,000 for secondary schools. This is a technical change that is most relevant to local authorities.

#### **2. Extending the Academies Risk Protection Arrangement (RPA) to LA Maintained schools**

The title describes the proposal for alternative arrangements for insurance with further detail in the consultation paper attached.



Department  
for Education

# **Implementing mandatory minimum per pupil funding levels**

**Government consultation**

**Launch date: 10 September 2019**

**Respond by: 22 October 2019**

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# Introduction

The Department for Education is consulting on how to implement the minimum per pupil funding levels in the National Funding Formula (NFF) on a mandatory basis in 5 to 16 school funding. This means that every local authority will have to use the factor in their local funding formulae from 2020-21, which we intend to reflect in the School and Early Years Finance (England) Regulations following this consultation.

## About the change

The government recently [announced](#) that funding for schools and high needs will rise to over £52bn by 2022-23. This considerable investment will benefit every school. It will ensure that per pupil funding for all schools can rise at least in line with inflation next year; and faster than inflation for most. The majority of schools – those attracting their core NFF allocations – will benefit from a 4% increase to the basic per pupil factors and the funding the formula provides for additional needs. We will remove the cap on gains for schools not yet attracting their full gains under the NFF, so that funding flows through in full. The investment also delivers on the Prime Minister's pledge to ensure every secondary school receives at least £5,000 per pupil, and every primary school will be allocated at least £3,750 – putting primary schools on the path to receiving at least £4,000 per pupil the following year.

The government has also confirmed that it plans to implement a 'hard' NFF as soon as possible, whereby schools receive what they attract through the national formula, rather than through different local authority funding formulae. This will complete our reforms to make the funding system fair, consistent and transparent for every school in the country. We will work closely with local authorities and other stakeholders in making this transition, including to carefully consider the issues that we would need to resolve under a hard formula, such as where funding relies on local intelligence or is tied to local duties. Further detail will be announced in due course, but we will be mindful not to introduce any significant change without adequate lead-in times.

Currently, local authorities have flexibility over how they distribute the funding they receive through the NFF locally, in consultation with schools. This has allowed them to manage the transition towards the NFF, which we have seen significant progress towards in its first two years. The majority of local authorities have chosen to move towards the NFF locally, with 81 authorities this year moving every one of their factor values in their own local formulae closer to the national formula since its introduction. 121 authorities chose to use the factor for minimum per pupil funding levels this year.

In 2020-21, while local authorities will continue to have discretion over the design of the majority of their funding formulae, we have [announced](#) that we intend to make the minimum per pupil funding levels a mandatory factor to use. This factor supports the



lowest funded schools by ‘topping up’ any school that, under funding formulae, would otherwise receive below the minimum levels. Through the NFF, all local authorities receive at least the minimum levels for every school in their area – the majority of schools attract above these levels. By making this factor mandatory, the minimum levels that are provided for in the NFF will be delivered locally, reassuring school leaders and parents that every school will receive at least this funding.

While it is important that the NFF supports the lowest funded schools, it will rightly continue to provide significant extra funding for schools that have more pupils with additional needs, using measures of deprivation and low prior attainment. The minimum levels recognise that there are pupils requiring additional support in every school in the country, including in the lowest funded schools. This is a message we heard in consultation ahead of the introduction of the NFF, and have heard from schools and educational professionals since.

## About this consultation

Local authorities and schools should plan on the basis that the minimum per pupil levels will be mandatory this year. This consultation focuses on how best to implement this change, seeking views on technical and operational arrangements, while also providing an opportunity for respondents to raise any wider issues. The consultation questions cover:

- the methodology used to calculate the minimum per pupil levels in local funding formulae;
- the circumstances in which local authorities can request to disapply the use of the minimum per pupil levels;
- any other considerations for delivering this change at local level;
- with regard to the public sector equality duty, the impact of the proposals on different groups of pupils, particularly those with protected characteristics.

## Who this consultation is for

This consultation welcomes views from anyone with an interest in school funding. However, it specifically focuses on how we implement the minimum per pupil funding levels in 5 to 16 school funding, through local authority funding formulae. It will therefore be most relevant to local authorities, who hold responsibility for those formulae, and maintained schools and academies, as recipients of the funding.

For more detailed information about 5 to 16 school funding arrangements you can refer to the Operational Guide for 2020-21, to be published on GOV.UK shortly.

# Responding to this consultation

## Online

To help us analyse the responses please use the online system wherever possible. Visit [www.education.gov.uk/consultations](http://www.education.gov.uk/consultations) to submit your response.

## By email

[Minimum.FUNDING@education.gov.uk](mailto:Minimum.FUNDING@education.gov.uk)

## By post

Funding Policy Unit, Department for Education  
4<sup>th</sup> floor, Sanctuary Buildings  
Great Smith Street  
SW1P 3BT

## Enquiries

If your enquiry is related to the policy content of the consultation you can contact the department's Funding Policy Unit by email:

[Minimum.FUNDING@education.gov.uk](mailto:Minimum.FUNDING@education.gov.uk)

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the DfE Ministerial and Public Communications Division by email:

[Coordinator.CONULTATIONS@education.gov.uk](mailto:Coordinator.CONULTATIONS@education.gov.uk) or by telephone: 0370 000 2288 or via the [DfE Contact us page](#).

## Additional copies

Additional copies are available electronically and can be downloaded from [GOV.UK DfE consultations](http://GOV.UK DfE consultations).

## Deadline

The consultation closes at 11.45pm on 22 October 2019.

## The response

We will publish the results of the consultation on GOV.UK in November 2019.

We are mindful of the need to confirm final arrangements with as much notice for local authorities as possible.

# Consultation questions

## 1. Calculating the minimum per pupil funding levels

### For information: how the calculation works in the NFF

The minimum per pupil funding factor refers to the level of per pupil funding that schools receive. It differs from the funding floor in the NFF, or the minimum funding guarantee in local formulae, which provide a minimum increase over individual school baselines.

To calculate whether a school attracts additional funding as a result of the minimum per pupil factor (i.e. if it needs to be ‘topped up’) we compare the minimum per pupil funding levels to the school’s per pupil funding (before the minimum per pupil funding levels and funding floor are applied). This calculation is set out in Figure 1 below.

**Figure 1. Calculation of the minimum per pupil funding factor in the NFF**

Calculation step	Description	Example
1) Pupil-led funding (before the minimum per pupil factor and funding floor)	We start with the pupil-led funding before applying the minimum per pupil funding or funding floor.	A secondary school’s pupil-led funding (before the minimum per pupil factor and funding floor) is £4,500 per pupil.
2) School-led funding	We need to add together the total funding through the pupil-led and school-led factors to calculate total funding (before the minimum per pupil factor and funding floor).  Premises factors are exempt from the school-led factors	The school-led funding for the school is £110,000 Lump Sum.
3) Adjusted pupil count in the Local Authority funding formula submission (i.e. the Authority Proforma Tool)	We use this to calculate the per pupil funding for the minimum per pupil funding factor calculation.	Secondary school’s pupil count is 1,200.

<p>4) Per pupil funding used for the minimum per pupil funding calculation</p>	<p>The per pupil funding (before the minimum per pupil factor and funding floor) is equal to:</p> <p>Pupil-led funding (before the minimum per pupil factor and funding floor) (Step 1)</p> <p>Multiplied by APT adjusted pupil count (Step 3)</p> <p>Plus school-led funding (Step 2)</p> <p>Divided by APT adjusted pupil count (Step 3).</p>	<p>School's per pupil funding (before the minimum per pupil factor and funding floor) is equal to:</p> <p>£4,500 multiplied by 1,200 (£5,400,000)</p> <p>Plus £110,000 (£5,510,000)</p> <p>Divided by 1,200, which equals £4,592.</p> <p>i.e.</p> $(( [1] \times [3] ) + [2] ) \div [3]$ $= ((£4,500 \times 1200) + £110,000) \div 1200$ $= £4592$
<p>5) School's individual minimum per pupil funding level</p>	<p>The calculation of the minimum per pupil funding level for each school is set out below (p.8)</p>	<p>School is a secondary with three KS3 year groups and two KS4 year groups, so minimum per pupil funding level is £5,000.</p>
<p>6) Does the school receive funding through the minimum per pupil funding factor?</p>	<p>If a school's per pupil NFF funding (Step 4) is less than the school's individual minimum per pupil funding level (Step 5), then the school receives extra funding through the minimum per pupil funding factor.</p>	<p>School's per pupil funding (before minimum per pupil factor and funding floor) is £4,592.</p> <p>This is less than the school's individual minimum per pupil funding level, £5,000. Therefore, the school receives a funding uplift through the minimum per pupil funding factor.</p> <p>This is equal to £408 per pupil (£5,000 minus £4,592).</p> <p>i.e.</p> $= IF [4] < [5], \text{ then } [5] - [4], \text{ ELSE } 0$ $= £5,000 - £4,592$ $= £408$

7) Per pupil funding after applying the minimum per pupil funding factor	We add per pupil funding through the minimum per pupil funding factor (step 6) to the NFF per pupil funding (step 4), and multiply by the proportion of the financial year for which the school is open.	School is open for the full financial year. The NFF per pupil funding is £4,592 plus £408 multiplied by 100%, i.e. the minimum £5,000.  i.e. $= ([6] + [4]) \times 100\%$ $= £5000$
8) Pupil-led funding per pupil (after the minimum per pupil funding but before the funding floor).	For the NFF funding floor calculation, we take the NFF per pupil funding reached in Step 7, then multiply this by pupil numbers (Step 3), and subtract the school-led funding (Step 2).  We then divide this by pupil numbers (Step 3) to reach a per pupil value to use before the application of the funding floor	School's NFF per pupil funding minimum per pupil is £5,000.  The per pupil value of £5000 is multiplied by the pupil count of 1,200, i.e. 6,000,000.  We subtract the school-led funding of £110,000 and divide by the pupil count of 1,200.  i.e. $= ([7] \times [3] - [2]) \div [3]$ $= £4,908.$

### For information: changes to the calculation in 2020-21

Compared to the NFF of the previous two years, in 2020-21 there are two technical changes which will affect the minimum per pupil calculation.

Firstly, to ensure consistency for all schools, including those with non-standard year groups, this year we have simplified the calculation for a school's individual minimum per pupil levels within the NFF, i.e. Step 5 in Figure 1 above. For all schools, we will now apply the following calculation:

$$(\text{No. of primary year groups} \times \text{£3,750}) + (\text{No. of KS3 year groups} \times \text{£4,800}) + (\text{No. of KS4 year groups} \times \text{£5,300})$$

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**Total number of year groups**

This calculation will provide per pupil funding of at least £3,750 for each primary school, and £5,000 for each secondary school with standard structures of 7/5 year groups respectively. For middle schools, all-through schools and other schools with a non-standard year group structure this will produce a specific minimum per pupil value that relates to the number of year groups in each phase.

Secondly, from 2020-21 we are introducing a formulaic approach to the mobility factor in the NFF, rather than funding this on the basis of historic spend. We confirmed this intention in response to our consultation on the introduction of the NFF in 2017, and have since worked closely with local authorities and other stakeholders on its development. Further detail will be provided in the 2020-21 NFF technical note, which will be published shortly. For the purpose of the minimum per pupil levels, it means that mobility is now included in the calculation as part of per pupil funding before applying the minimum per pupil factor and funding floor, i.e. Step 4 in Figure 1 above. The only factors not included in per pupil funding for the purpose of the calculation are premises and growth funding. Further detail on premises and growth funding is available in the 2020-21 Operational Guide.

## Proposal

We propose that the simplest and most effective way to implement mandatory minimum per pupil funding levels is for every local authority to follow the same methodology used in the NFF, described above, in their local funding formula.

This means that local authorities would calculate the minimum per pupil levels on the basis of the school's total core funding – that is all the funding they receive from the schools block – excluding funding through the premises and growth factors. As explained above, in 2020-21 we are formularising the mobility factor in the NFF, so mobility funding will be included in the calculation of the minimum per pupil levels both in the NFF and in local formulae.

The Authority Proforma Tool (APT), which we ask local authorities to use in order to specify and model their funding formulae, will allow authorities to check that each school's funding per pupil is above the relevant minimum per pupil funding level. Any capping and scaling would not be able to take the school below the minimum values.

The only further calculation that authorities would be able to make once their formula has provided the minimum per pupil level for a school is, for maintained schools only, to deduct funding for de-delegated central services if the schools forum has agreed this can be taken from their budget shares in 2020-21. Further detail on de-delegation is available in the 2020-21 Operational Guide.

**Question 1: Do you agree that, in order to calculate mandatory minimum per pupil funding levels, all local authorities should follow the NFF methodology? If not, please explain your reasons.**

## 2. Disapplying the mandatory minimum per pupil funding levels

All local authorities will receive at least the minimum per pupil levels for every school in their area through the NFF. The principle of making the levels mandatory is that we expect local funding formulae to ensure that no school receives less than these per pupil amounts. We therefore intend to set out in the School and Early Years Finance (England) Regulations that all local authority funding formulae must use the minimum per pupil factor, set at the values in the NFF.

However, we recognise that there may be exceptional circumstances in which a local authority finds it difficult to deliver the minimum per pupil funding levels at the same value provided in the NFF. We therefore propose to stipulate in the School and Early Years Finance (England) Regulations that authorities can make a request to the department to disapply the use of the full NFF per-pupil values.

While we would consider each disapplication request on its own merit, we would expect such requests to be exceptional. Our proposed policy is that affordability would be the only acceptable circumstance in which a local authority could disapply the use of the mandatory minimum per pupil levels. The only clear reasons that an authority would be in this position are:

- if they do not use all the funding they receive through the NFF in their local schools funding formula, having transferred funding from the schools block to another DSG block or held back more funding for their growth fund than the NFF has provided for growth;
- if the more recent pupil characteristics data used in their local formula has changed significantly enough from the data used in the NFF that the use of national factor values becomes unaffordable.

In addition, it will not always be the case that an authority experiencing *any* pressure as a result of the above would be unable to afford the minimum per pupil levels – it would need to be a significant enough pressure in the context of the authority's own formula. We would consider evidence in disapplication requests that the authority had designed their formula on the presumption of using the full minimum per pupil levels. We would expect them to have considered a range of alternative options with their schools forum on how to implement them, including modelling the impact on all schools, but concluded that they could not do so without having a significant adverse impact on other schools in the area. Furthermore in 2020-21 we expect there to be less need to make transfers from the schools block in light of the considerable additional high needs funding that each local authority will receive.

We will confirm details for disapplication related to the minimum per pupil levels in the response to this consultation.

**Question 2: Do you agree that any requests from local authorities to disapply the use of the mandatory minimum per pupil levels should only be considered on an exceptional basis and in the context of the grounds described above? If not, please explain your reasons.**

### 3. Additional comments

We want to give respondents to this consultation the opportunity to raise any additional points which have not been covered above, with regards to potential issues that need to be considered when local authorities implement mandatory minimum per pupil funding levels in 2020-21.

You are not required to provide additional information if you do not have any further comments.

**Question 3. Please provide any additional comments you wish to make on the implementation of mandatory minimum per pupil levels.**

### 4. Public Sector Equality Duty

The Public Sector Equality Duty places a legal obligation on the department to consider how its decisions impact differently on different people. The relevant protected characteristics under the duty are:

- age
- disability
- gender reassignment
- pregnancy and maternity
- race (including ethnicity)
- religion or belief
- sex
- sexual orientation

Under Section 149 of the Equality Act 2010, the Secretary of State is under a duty to have due regard to the need to:

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it, in particular the need to:
  - remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic



- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it
  - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, in particular the need to:
- tackle prejudice
  - promote understanding.

We are committed to ensuring equality of opportunity for all children and it is important for us to consider the possible impact that consultation proposals could have on different groups. We are seeking views through this consultation on whether any of the proposals would have a disproportionate impact on specific pupils, and if so, what could be done to mitigate this impact.

**Question 4a: Do you think that any of our proposals could have a disproportionate impact, positive or negative, on specific pupils, in particular those who share a protected characteristic? Please provide evidence to support your response.**

**Question 4b: How could any adverse consequences be reduced and are there any ways we could better advance equality of opportunity between those pupils who share a relevant protected characteristic and those who do not? Please provide evidence to support your response.**



Department  
for Education

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**English as an Additional Language - Proposal to maintain a central EAL team**

To retain a central EAL Team to maintain the high levels of support and response to Havering's maintained primary schools, it is proposed that £38 per EAL pupil be de-delegated in the financial year 2020-21. This would provide funding of £90,000 towards the costs of the team which would otherwise be put at risk should an insufficient number of schools decide not to buy into the service.

Through the national funding formula, primary schools receive £557.25 per EAL3 pupil so would retain 93% of their funding to provide support to their EAL pupils. The £38 proposed is a reduction from the £49 de-delegated in 2019-20 and £62.85 in 2018-19.

**Rationale for maintaining a central team with EAL expertise in Havering**

- Havering's demographic is continuing to change. Since January 2016, the EAL population in Havering primary schools has risen from 17.5% to 22.6% with increasing numbers of children entering mid-phase with little or no English.
- The need for a service can be evidenced by how well it is used by schools. In 2018-2019, 34 LA-maintained primaries accessed the service, averaging 3 consultancy visits each. In addition, the team has maintained repeat buy-in from academies with 17 buying into the service through subscriptions last year.
- Unlike other service areas which generate a more consistent level of need, EAL needs fluctuate across schools making it more difficult for the EAL team to project a guaranteed income to fund salaries. Without collective buy-in from schools, EAL support could cease to exist within Havering and schools would have to source support from elsewhere.
- The central team plays a crucial role in managing school-to-school support networks and ensuring the sharing of best practice, both within and beyond Havering.
- The team also carries out important back office work, liaising with a range of LA services to ensure effective transitions, to facilitate SEND diagnoses and to safeguard children with EAL.
- Liaison with a number of commercial providers ensures that the EAL team is able to negotiate resources at a reduced rate for schools.

**The offer for LA-maintained primaries:**

- Termly consultancy visits (more available on request, depending on the needs of individual schools)
- Full-day EAL reviews, on request
- Twice-termly networks for EAL co-ordinators and EAL TAs
- An annual cross-borough EAL network event with Barking & Dagenham and Redbridge
- Unlimited access to centrally-held EAL CPD
- Telephone, email support and resources

**Impact of the EAL team:**

The targeted work of the EAL team with EAL co-ordinators, class teachers and TAs helps schools tailor their provision to ensure EAL learners make rapid progress. As a result, pupils starting with limited English across all phases make accelerated progress in order to reach ARE or close the gap towards this. For example, in one school where 5 pupils (one-fifth of the EAL cohort) arrived from abroad during KS2, 100% of the total EAL cohort achieved ARE in writing and maths and 96% in reading in the 2018 end of key stage 2 assessments.

# Agenda Item 7



**Havering**  
LONDON BOROUGH

## **Schools Funding Forum 25<sup>th</sup> September 2019 ITEM 7**

**Subject Heading:**

**Centrally retained DSG**

**Report Author:**

**David Allen – Strategic Finance  
Manager**

**Eligibility to vote:**

**All members**

### **SUMMARY**

This item is to seek the approval of the Schools Funding Forum for the central retention of funding from the DSG to continue the support and services as agreed in previous financial years.

### **RECOMMENDATIONS**

To agree the central retention of the budgets in 2020-2021 as detailed below.

### **REPORT DETAIL**

The revised funding arrangements for 2018-19 introduced a fourth funding block for central services (the Central Schools Services Block). This block is to fund local authorities for statutory duties they hold for both maintained schools and academies.

The central schools services block (CSSB) brings together:

- Funding for ongoing central functions such as admissions, previously top-sliced from the schools block
- Funding previously allocated through the retained duties of element of the Education Services Grant (ESG)

- Residual funding from historical commitments, previously top-sliced from the schools block.

The ESFA will publish provision allocations for the CSSB in October but there will be no change to the regulations requiring local authorities to have the approval of the schools forum for expenditure. It is expected that the historic commitments element of the block will start to reduce from 2020-21 and detail of the ESFA's approach will follow.

In 2019-20 the CSSB allocation was £1.576m

The operational guidelines on 2020-21 revenue funding set out the areas and activities for which DSG funding may be retained centrally. Appendix A is an extract from the 2020-21 Operational Guidance.

Those budget areas are listed below together with the funding requested for 2020-21 against the funding agreed by the Schools Funding Forum for 2019-20.

Schools Funding Forum approval is therefore sought to retain the funding centrally for the areas below including the funding for central services that was previously allocated directly through the Education Services Grant. A reconciliation of CSSB commitments is shown as a final table.

Services	Budget 2019-20	Budget 2020-21
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<b>Schools forum approval is not required (although they should be consulted)</b>		
• High needs block provision	£21.6m	tba
• Central licences negotiated by the Secretary of State	£178,357	£180,000 (estimate)

<b>Schools forum approval is required on a line-by-line basis</b>		
• Funding to enable all schools to meet the infant class size requirement	£50,000	£50,000
• Back-pay for equal pay claims	£0	£0
• Remission of boarding fees at maintained schools and academies	£0	£0
• Places in independent schools for non-SEN pupils	£0	£0
• Admissions	£496,690	£496,690

• Servicing of Schools Forum	£43,250	£43,250
• Contribution to responsibilities that local authorities hold for all schools (see below)	£569,870	tba

• Contribution to responsibilities that local authorities hold for maintained schools (voted on by relevant maintained school members of the forum only)		See separate agenda item
• De-delegated services from the schools block (voted on by the relevant maintained school members of the forum only)		

<b>Schools forum approval is required</b>		
• Central early years block provision	£800,000	tba
• Any movement of funding out of the schools block	£0	£0
• Ant deficit from the previous funding period that is being brought forward and is to be funded from the new financial year's schools budget (this should be specifically agreed at the time the budget is set, using the latest estimated outturn)	£0	£0
• Any deficit brought forward on de-delegated services which is to be met from the overall schools budget	£0	£0

<b>Schools forum approval is required on a line-by-line basis. The budget cannot exceed the value agreed in the previous funding period and no new commitments can be entered into</b>		
• Capital expenditure funded from revenue decided prior to April 2013 (no new projects can be charged to the central schools budget)	£87,490	£0
• Contribution to combined budgets	£200,000	£200,000
• Existing termination of employment costs (no new redundancy costs can be charged)	£0	£0
• Prudential borrowing costs	£0	£0

<b>Schools forum approval is required on a line-by-line basis including approval of the criteria for allocating funds to schools</b>		
• Funding for significant pre-16 pupil growth, including new schools set up to meet basis need,	£2,613,743	tba

whether maintained or academy		
<ul style="list-style-type: none"> <li>Funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years</li> </ul>	£271,228	tba

## CSSB

	2019-20 actual	2020-21 estimate	
	£	£	
Allocation	1,575,657	1,488,185	
Formula	1,288,185	1,288,185	
Historic commitments	287,490	287,490	
Possible reduction for historic commitments	0	-87,490	
Total	1,575,675	1,488,185	
Copyright licences	178,357	180,000	
Admissions	496,690	496,690	
Schools Forum	43,250	43,250	
LA responsibilities to all schools	569,870	568,245	Balancing item
Historic commitments	287,490	200,000	
Total	1,575,657	1,488,185	

**ITEM 6 APPENDIX A**

*Extract from the ESFA's 2020-21 operational guidance*

**CENTRAL SERVICES THAT MAY BE FUNDED WITH AGREEMENT OF SCHOOLS FORUMS**

Responsibilities held by local authorities for all schools are funded from the central school services block, with the agreement of schools forums.

Responsibilities held by local authorities for maintained schools only are funded from maintained schools budgets only, with agreement of the maintained schools members of schools forums.

We have included references to the relevant schedules in the 2018 (No. 2) Regulations, these refer to last year's and we will be updating these when the new regulations are laid.

**Responsibilities held for all schools**

**Statutory and regulatory duties**

- Director of children's services and personal staff for director (Sch 2, 15a)
- Planning for the education service as a whole (Sch 2, 15b)
- Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 2, 22)
- Authorisation and monitoring of expenditure not met from schools' budget shares (Sch 2, 15c)
- Formulation and review of local authority schools funding formula (Sch 2, 15d)
- Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 except duties specifically related to maintained schools (Sch 2, 15e)
- Consultation costs relating to non-staffing issues (Sch 2, 19)
- Plans involving collaboration with other LA services or public or voluntary bodies (Sch 2, 15f)
- Standing Advisory Committees for Religious Education (SACREs) (Sch 2, 17)
- Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21)

**Education welfare**

- Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20)



- School attendance (Sch 2, 16)
- Responsibilities regarding the employment of children (Sch 2, 18)

### **Asset management**

- Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions (Sch 2, 14a)
- General landlord duties for all buildings owned by the local authority, including those leased to academies (Sch 2, 14b)

### **Other ongoing duties**

- Licences negotiated centrally by the Secretary of State for all publicly funded schools (Sch 2, 8); this does not require schools forum approval
- Admissions (Sch 2, 9)
- Places in independent schools for non-SEN pupils (Sch 2, 10)
- Remission of boarding fees at maintained schools and academies (Sch 2, 11)
- Servicing of schools forums (Sch 2, 12)
- Back-pay for equal pay claims (Sch 2, 13)
- Writing to parents of year 9 pupils about schools with an atypical age of admission, such as UTCs and studio schools, within a reasonable travelling distance (Sch 2, 23)

### **Historic commitments**

- Capital expenditure funded from revenue (Sch 2, 1)
- Prudential borrowing costs (Sch 2, 2(a))
- Termination of employment costs (Sch 2, 2(b))
- Contribution to combined budgets (Sch 2, 2(c))

### **Additional note on central services**

Services set out above will also include administrative costs and overheads relating to these services (regulation 1(4)) for:

- expenditure related to functions imposed by or under chapter 4 of part 2 of the 1998 Act (financing of maintained schools), the administration of grants to the authority (including preparation of applications) and, where it's the authority's duty to do so, ensuring payments are made in respect of taxation, national insurance and superannuation contributions
- expenditure on recruitment, training, continuing professional development, performance management and personnel management of staff who are funded by expenditure not met from schools' budget shares and who are paid for services
- expenditure in relation to the investigation and resolution of complaints
- expenditure on legal services

# Agenda Item 8



**Havering**  
LONDON BOROUGH

## **Schools Funding Forum 25<sup>th</sup> September 2019 ITEM 8**

**Subject Heading:**

**De-delegation of funding for central services**

**Report Author:**

**David Allen – Strategic Finance Manager**

**Eligibility to vote:**

**LA maintained school representatives**

### **SUMMARY**

This item is to seek the approval of the Schools Funding Forum for the de-delegation of funding to maintain the provision of a range of central services permitted by the Schools Funding Regulations.

### **RECOMMENDATIONS**

For LA maintained school representatives to consider:

1. The de-delegation of funding for the following services:
  - (i) Contingency to support schools in financial difficulty
  - (ii) Attendance & Behaviour
  - (iii) EAL
  - (iv) Free school meals eligibility
  - (v) Insurance
  - (vi) Maternity insurance
  - (vii) Trade Union Facility Time
2. The de-delegation of funding in support of LA central services for maintained schools.

## REPORT DETAIL

Funding for de-delegated services must be allocated to schools through the formula but can be passed back, or 'de-delegated', for maintained mainstream primary and secondary schools with schools forum approval. De-delegation is not an option for academies, special schools, nursery schools and PRUs.

Where de-delegation has been agreed for maintained primary and secondary schools the local authority will offer the service on a buy-back basis to those schools and academies in their area which are not covered by the de-delegation.

Any decisions made to de-delegate in 2019 to 2020 related to that year only, so new decisions will be required for any service to be de-delegated in 2020 to 2021.

Schools forum members for primary maintained schools and secondary maintained schools must decide separately for each phase whether the service should be provided centrally and the decision will apply to all maintained mainstream schools in that phase. Funding for these services will then be removed from the formula before school budgets are issued.

The services which may be de-delegated are:

- contingencies (including schools in financial difficulties and deficits of closing schools)
- behaviour support services
- support to underperforming ethnic groups and bilingual learners
- free school meals eligibility
- insurance
- museum and library services
- licences/subscriptions
- staff costs supply cover (for example, long-term sickness, maternity, trade union and public duties)

For each service de-delegated, local authorities will need to make a clear statement of how the funding is being taken out of the formula (for example, primary insurance £20 per pupil, behaviour support services £30 per FSM pupil). There should be a clear statement of how contingencies and other resources will be allocated.

De-delegation arrangements for schools converting to academy status during 2012-21 are as follows:

### **Conversion date**

On or before 1 April 2020

2 April 2020 to 1 September 2020

2 September 2020 to 31 March 2021

### **De-delegation arrangements**

No de-delegation

Local authority retains any de-delegated funding until 1 September 2020

Local authority retains any de-delegated funding until 31 March 2021

Where there has been agreement that a school is entitled to receive an allocation from a de-delegated contingency fund, that agreement should be honoured if the school converts to an academy at any point in the year. Where a school converts to an academy in the period 2<sup>nd</sup> April to 1<sup>st</sup> September 2019, local authorities will have an opportunity to present an evidence based case to the EFA to request a recoupment adjustment for the period 2<sup>nd</sup> September 2019 to 31<sup>st</sup> March 2020.

Any unspent de-delegated funding remaining at the year-end should be reported to schools forum. 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 be used specifically for de-delegated services.

### **Services for which de-delegation is requested**

#### **1. Contingency for Schools in Financial Difficulty**

Each year a small budget is held centrally which has been used to support schools who are in financial difficulty, sometimes through past decision making, unforeseen expenditure that cannot be contained within the school's budget or more commonly because of a reduction in pupil numbers. Several schools have been supported through this fund through criteria agreed by the Schools Funding Forum. For 2019-20 the de-delegation per pupil was £11.00 for maintained primary schools. This generated a budget of £186,956 from which 10 schools received financial support towards their deficit.

Funding requested through de-delegation is at the same rate as in 2019-20.

	Primary
Formula factor	AWPU
Amount	£11.00
Total	£186,956

#### **2. Attendance & Behaviour**

An explanation of the service offered through de-delegation is attached at Appendix A.

Funding required through de-delegation from maintained primary schools is at the same rates as in 2019-20.

Formula factor	AWPU	FSM	IDACI C	IDACI B	IDACI A	Low attainment	
Amount	£2.00	£17.00	£47.00	£0	£490	£9.00	
Total	£33,992	£34,986	£57,687	£0	£2,940	£47,756	£177,361

Appendix A states that a charge per school for the same level of service as provided through de-delegation would be £7,618. Based on 2019-20, 86% of schools would benefit financially from de-delegation compared to the cost of buying a similar level of service.

		De-delegation				
	Lowest	£1,308				
	Median	£3,275				
	Highest	£11,630				
No. of schools with de-delegation of above £7,618			6	14%		
No. of schools with de-delegation of below £7,618			37	86%		

### 3. EAL Service

An explanation of the service offered through de-delegation is attached at Appendix B.

Funding required through de-delegation from maintained primary schools

Formula factor	EAL 3
Amount	£38.00
Total	£90,033

2019-20	£49.00
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The charge per school for the same level of service as provided through de-delegation would be £2,309. Based on 2019-20 data, 63% of schools would benefit financially from de-delegation compared to the cost of buying a similar level of service.

		EAL 3	Allocation	De-deleg		
	Lowest	7	£3,901	£266		
	Median	55	£30,738	£2,096		
	Highest	120	£67,143	£4,560		
No. of schools with de-delegation of above £2,390			16	37%		
No. of schools with de-delegation of below £2,390			27	63%		

### 4. Free School Meals Eligibility

This service checks the eligibility of children for free school meals and pupil premium grant by accessing a central government hub. Without this service schools would need to make their own arrangements to determine eligibility.

Funding required through de-delegation

	Primary
Formula factor	FSM
Amount	£9
Total	£18,522

## 5. Insurance

Insurance for maintained schools is part of the Borough's main insurance contract funded from de-delegation.

Formula factor	AWPU	Maximum
Amount	£20.50	
Total	£346,000	

2018-19	£20.50	Reduced at year end
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## 6. Maternity Insurance

The LA administers an insurance scheme that meets the costs of teachers who are on maternity leave. The benefit of de-delegating the budget is that schools do not have to pay premiums or make claims.

If the funding is not de-delegated, schools would need to make individual choices to buy into the scheme which, if some schools decided not to, may make it unviable to run. It is not offered to academies.

Funding required through de-delegation

	Primary
Formula factor	AWPU
Amount	£26.00
Total	£441,896

## 7. Trade Union Facility Time

A working group of the Schools Funding Forum has previously considered issues raised in a DFE advice and guidance document and made comparisons of costs with other LAs. Decisions were made to reduce the amount of facility time and therefore the costs to schools and academies.

The pooled arrangements continue to benefit schools through the provision of support from locally based and accredited trade union officials.

The cost per pupil to schools has been £2.50 for two years having been reduced gradually each year from an original £5.70 in 2014-15.

The total funding received from de-delegation and from academies will generate a budget that will determine the total facility time that is allocated to trade unions based on the proportion of their membership.

Funding required through de-delegation

	Primary
Formula factor	AWPU
Amount	£2.50
Total	£42,490

## 8. Central Education Services

The Schools Funding Forum has previously received reports on the withdrawal of the Education Services Grant (ESG) which was previously allocated to local authorities by the Government for the provision of statutory services in relation to schools. Academies had also been allocated ESG which has also ceased.

The reports advised that from an original allocation of £2.3m, £589k had been transferred to the DSG leaving no funding source to meet the remaining costs. After reducing its operational costs by £590k this left a shortfall of £1.2m.

In reducing the funding to local authorities, the DFE introduced a provision within the School Funding Regulations for local authorities to agree a contribution from LA maintained schools towards the cost of statutory services and specific tasks that are carried out for them that are not for academies. This principle reflects the charge that most Multi Academy Trusts place on their partner academies for central services.

This was agreed last year at £17.90 per pupil which produced a total contribution of £300k.

Having established the principle for 2018-19 and 2019-20 a contribution from LA maintained schools is again requested for 2020-21 at the same amount per

pupil. Based on an average of £3,500 per pupil this equates to a central services charge of 0.5%. This would produce a total contribution of £300k based on the latest pupil numbers.

A list of LA responsibilities for maintained schools only is attached at Appendix C.



**Havering Attendance, Behaviour and Traveller Support Service**

*We aim to support schools to manage the most challenging pupils with the human resources that they currently have, hence ensuring good value for money and crucially increase the confidence of our staff.*

**Introduction**

The Attendance, Behaviour and Traveller Support Team provides for a central bank of knowledge and support to be available to primary and secondary school across Havering. Our team works to support a range of school staff, including members of SMT, SENCOs, teachers and support staff. We also work closely with parents/carers, undertaking home visits where appropriate, with the aim of reducing barriers to good attendance/school engagement and reminding parents of their legal responsibilities where necessary.

A key part of our role and one which we believe sets us apart from other approaches, is our joint work with other key professionals in Health and Social Care. This year the team has forged working partnership with the Early Help Service. This work has enabled us to advocate for a more holistic and education focussed approach to supporting pupils at risk of school disengagement and to support schools where thresholds for early help/social care intervention are not being met.

The focus of our work over the past year has been:

- Supporting schools to improve attendance, particularly persistent absence
- Support and challenge of parents/carers where there are attendance and/or behavioural concerns, developing targeted interventions for pupils at wave 2, 3 and 4 thresholds.
- Linking with other key inclusion and wider council services to improve attendance and behaviour, including SEN, the AP Commissioner, Early Help and CAMHS services, as well as supporting pastoral support networks
- Further roll out of the Restorative Approaches training
- Support for schools in policy writing (such as Flexi School Guidance)
- Supporting staff with Staff Discussion Groups and working with key primary school leaders in particular through the Head programme.

The Attendance and Behaviour Team would like to request that Schools Funding Forum give a mandate for them to continue support for schools to help bring about further positive change, and to build on existing work to support a much needed multi agency approach with our most vulnerable pupils.

**Our Core Offer to LA Maintained Schools. THIS OFFER IS AVAILABLE TO ACADEMIES VIA HES.****Behaviour Support**

Support for up to four individual children per primary school per academic year (this may vary depending on the current need in the school) at risk of disengagement/exclusion depending on the Waves threshold. In the last academic year, the service actively supported 233 students who are struggling in the classroom, disengaged from learning or undertaking a school

transition move through the IYFAP process. The support offered works on a step up and down mechanism where our students at most risk of disengagement receive between 2-5 sessions per week of in school support overseen by a senior officer in the team.

School professionals can also be supported through our comprehensive professional development training programme (listed below). Schools are entitled to choose a one-day training per year as part of the core offer, we have also greatly appreciated in this academic year schools sharing trainings across sites as some trainings such as Team Teach have been in very high demand.

We recognise that school and life transitions are trigger points for stress, we offer a transition service via our Transition Coordinator to support pupils, through group work and 1-1 support if we anticipate that attendance at secondary school will be potentially overwhelming.

### **Attendance Support:**

It is important to note that school attendance is coming under increasing scrutiny, with the persistent absence (PA) rate now defined as below 90% as opposed to 85%. We offer EVERY school an experienced named officer/s who will work flexibly with schools and visit regularly to monitor attendance, advise and work with schools and families to improve attendance.

The package of support provided to schools in the de-delegated arrangements includes bi-weekly or monthly visits to your school by a named officer to oversee patterns of non-attendance. This includes early intervention when patterns of poor attendance arise and multi-agency working to support the family and improve outcomes. In-school training is provided for school staff on attendance matters on SIMS plus templates, monitored late gate, presentations at new intake meetings, staff meetings and school assemblies. In addition:

- Advice and guidance when a parent wants to educate their child at home.
- Provision of advice and guidance on child protection issues.
- Regular support from a linked Attendance and Behaviour Support Officer (including absence cover when linked officer is unavailable due to ill health, etc.)
- Advice and guidance on promoting early intervention for pupils with poor attendance.
- Guidance on strategies for managing pupil absence.
- Detailed casework with pupils with low attendance that will reach the threshold for legal intervention, if required.
- Outreach work with pupils and families, including home visits and attendance at multi-agency meetings and case conferences for pupils causing serious concern.
- Meetings at school with staff and parents.
- Cross border liaison in relation to out-borough pupils.
- Pre- Ofsted 'health check'

**The above support is in addition to the statutory service provided to EVERY Havering school as follows:**

- **Guidance for children on child protection plans and children missing from education**
- **Issuing and full administration of Fixed Penalty Notices including holiday fines**
- **Presentation of cases in court that meet the legal threshold for prosecution**

Primary schools have particularly appreciated our updated attendance leaflets for parents and the new fridge magnets and parents 'THINK TWICE' medical advice booklet.

### **Dedicated telephone service**

To cover any kind of query related to attendance, behaviour, traveller support or exclusion we offer a dedicated Mon-Fri 9am-5pm duty telephone system for EVERY school in Havering, where a member of our team will be here to answer any questions and provide you with a quick

and timely follow-up. Our telephone service is also located in the MASH team so that we are able to share and support your safeguarding and welfare concerns.

### **Dedicated Traveller Education Support**

We have a wealth of experience of dealing with traveller families. With the dedicated support of our specialist Traveller Education Support Officer and our knowledge of the traveller community we aim to improve the attendance, educational outcomes and school engagement of all pupils from a traveller background. We maintain close and regular contact with parents. We visit families living on privately owned sites, fairgrounds and circuses as well as those in private and council accommodation, by building trust and confidence. This has led to an increase in school attendance, and a wider participation in the life and activities in Havering schools.

Our commitment:

- Support positive relationship building between Traveller families and schools
- Liaise with other agencies within the Borough to improve the quality of services available to traveller families.
- Provide intensive support packages and initial integration support for pupils who demonstrate great need.
- Share information with other agencies, schools, out of borough authorities by developing systems and protocols where necessary, and develop and maintain effective joint working relationships.
- School presentations, parent meetings and trainings according to need.

### **Training/CPD offer to all schools and Academies on a BUYBACK offer.**

The core training offer is flexible in terms of venue, full-day/half day and twilight options. **LA maintained schools** are entitled to **one whole day** training inclusive, selected from the list below. We offer a wide training menu to schools depending on the needs of the school in consultation and partnership with the Head teacher. We will deliver training packages that will improve the implementation of policy into practice and enhance the confidence of school staff. These packages are approved and recommended by the DfE, NICE and OFSTED. We can train whole school staff teams or smaller targeted groups of staff; teachers, NQT's, TAs and SMSAs.

Trainings available to you are:

- Positive Classroom Behaviour Management for teachers, including NQT's and support staff support via CPD programme to assist teaching staff in developing understanding of the motivations behind children's challenging behaviour. Key stage 1-4
- NQT Behaviour Classroom Management Key Stage 1-2
- Positive Lunchtimes! – a specific half day training for SMSAs in-line with the new OFSTED framework Key stage 1-2
- Accredited 1 and 2 day Team Teach Training: de-escalation and positive handling Key stage 1-4 (with staff groups of more than 24 staff at any one time there may be a minimal extra cost for extra tutors for this course only in line with accreditation specifications)
- Restorative Approaches –a whole school approach to behaviour management. We are able to offer whole school or part school training across key stages 1-4. (Please note this training requires more than one training day commitment and some parts of the training require additional purchase).
- Problem solving and circle time. Programmes/workshops that promote better social skills and related to the PSHE curriculum using the 'Dina Dinosaur' programme, building capacity and developing a school culture. Key stage 1-2
- Engaging Traveller Families Workshop Key stage 1-4
- Teacher and staff reflective problem solving sessions Key stage 1-4
- Training for Governors and schools on the attendance legal framework Key stage 1-4

***Our training packages are well researched and received, providing enormous value when compared to the price charged by private providers for similar training programme for example if a whole school one day Team Teach Positive Handling Training was booked through Team Teach Ltd would cost in excess of £2,600!. We train over 1700 staff each year.***

### **Step-Up Service for Key Stage1-2**

The local authority currently has a statutory duty to provide alternative full time education for all pupils who are permanently excluded and have reached the need for a Wave 3/4 intervention (Appendix 1). The Primary Inclusions Gateway acts as a conduit and decision making forum in relation to primary aged pupils who are at risk of permanent exclusion or who have been permanently excluded from their mainstream school. Pupils with challenging behaviour are offered in-class support and intensive transition support into another mainstream school/specialist provision is proposed. We also provides two School Support Family Practitioners that are allocated to the whole family, undertake an Outcome Star Assessment to improve family relationships and provide a safeguarding lead. The development of the RJ Mitchel classroom and developing partnerships with Havering schools that have nurture provisions is a flexible and agile placement for children aged between five and eleven years and their families whom are being identified as at risk of possible exclusion. Students also have access to CAMHs and SALT assessments (Appendix 3). A school based counselling service is also offered for pupils where appropriate, for quality assurance this service is supervised by our own in-house clinical team 1-1 and group-work is offered.

### **Why continue with us?**

As well as always taking a professional and flexible approach, you'll find us friendly and welcoming too. We pride ourselves on our customer service and we value excellent communication with all our customers.

Our service is backed by educational and therapeutic specialists who work with you to achieve and maintain student well-being and direct access into a multi-disciplinary service of excellence. For quality assurance all of our staff members are suitably qualified and highly skilled within their job role. All staff attends regular training and our case work is closely supervised by senior staff members.

We also keep schools informed and staff trained on new and emerging initiatives to help promote and maintain good attendance and behaviour in school; we provide guidance that is both purposeful and practical.

As a comparison an example of a costed buyback package for an individual average sized Havering primary school would be:

Attendance package: £3,868

Behaviour PSP Support for four students £2,600 (without additional in-class support\)

Transition support per child £650.00

1 day INSET training £500

Total **£7,618** average per school.

**English as an Additional Language - Proposal to maintain a central EAL team**

To retain a central EAL Team to maintain the high levels of support and response to Havering's maintained primary schools, it is proposed that £38 per EAL pupil be de-delegated in the financial year 2020-21. This would provide funding of £90,000 towards the costs of the team which would otherwise be put at risk should an insufficient number of schools decide not to buy into the service.

Through the national funding formula, primary schools receive £557.25 per EAL3 pupil so would retain 93% of their funding to provide support to their EAL pupils. The £38 proposed is a reduction from the £49 de-delegated in 2019-20 and £62.85 in 2018-19.

**Rationale for maintaining a central team with EAL expertise in Havering**

- Havering's demographic is continuing to change. Since January 2016, the EAL population in Havering primary schools has risen from 17.5% to 22.6% with increasing numbers of children entering mid-phase with little or no English.
- The need for a service can be evidenced by how well it is used by schools. In 2018-2019, 34 LA-maintained primaries accessed the service, averaging 3 consultancy visits each. In addition, the team has maintained repeat buy-in from academies with 17 buying into the service through subscriptions last year.
- Unlike other service areas which generate a more consistent level of need, EAL needs fluctuate across schools making it more difficult for the EAL team to project a guaranteed income to fund salaries. Without collective buy-in from schools, EAL support could cease to exist within Havering and schools would have to source support from elsewhere.
- The central team plays a crucial role in managing school-to-school support networks and ensuring the sharing of best practice, both within and beyond Havering.
- The team also carries out important back office work, liaising with a range of LA services to ensure effective transitions, to facilitate SEND diagnoses and to safeguard children with EAL.
- Liaison with a number of commercial providers ensures that the EAL team is able to negotiate resources at a reduced rate for schools.

**The offer for LA-maintained primaries:**

- Termly consultancy visits (more available on request, depending on the needs of individual schools)
- Full-day EAL reviews, on request
- Twice-termly networks for EAL co-ordinators and EAL TAs
- An annual cross-borough EAL network event with Barking & Dagenham and Redbridge
- Unlimited access to centrally-held EAL CPD
- Telephone, email support and resources

**Impact of the EAL team:**

The targeted work of the EAL team with EAL co-ordinators, class teachers and TAs helps schools tailor their provision to ensure EAL learners make rapid progress. As a result, pupils starting with limited English across all phases make accelerated progress in order to reach ARE or close the gap towards this. For example, in one school where 5 pupils (one-fifth of the EAL cohort) arrived from abroad during KS2, 100% of the total EAL cohort achieved ARE in writing and maths and 96% in reading in the 2018 end of key stage 2 assessments.

Schools Funding Forum 25<sup>th</sup> September 2019

*Extract from the ESFA's 2020-21 operational guidance*

## **RESPONSIBILITIES HELD FOR MAINTAINED SCHOOLS ONLY**

### **Statutory and regulatory duties**

- Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 2, 57)
- Budgeting and accounting functions relating to maintained schools (Sch 2, 74)
- Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2, 58)
- Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 59)
- Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 for maintained schools (Sch 2, 60)
- Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 61)
- Investigations of employees or potential employees, with or without remuneration to work at or for schools under the direct management of the headteacher or governing body (Sch 2, 62)
- Functions related to local government pensions and administration of teachers' pensions in relation to staff working at maintained schools under the direct management of the headteacher or governing body (Sch 2, 63)
- Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 76)
- HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition or organisation of staff (Sch 2, 64); determination of conditions of service for non-teaching staff (Sch 2, 65); appointment or dismissal of employee functions (Sch 2, 66)
- Consultation costs relating to staffing (Sch 2, 67)
- Compliance with duties under Health and Safety at Work Act (Sch 2, 68)
- Provision of information to or at the request of the Crown relating to schools (Sch 2, 69)
- School companies (Sch 2, 70)
- Functions under the Equality Act 2010 (Sch 2, 71)
- Establish and maintaining computer systems, including data storage (Sch 2, 72)
- Appointment of governors and payment of governor expenses (Sch 2, 73)

**Education welfare**

- Inspection of attendance registers (Sch 2, 79)

**Asset management**

- General landlord duties for all maintained schools (Sch 2, 77a & b (section 542(2)) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have:

- appropriate facilities for pupils and staff (including medical and accommodation)
  - the ability to sustain appropriate loads
  - reasonable weather resistance
  - safe escape routes
  - appropriate acoustic levels
  - lighting, heating and ventilation which meets the required standards
  - adequate water supplies and drainage
  - playing fields of the appropriate standards
- General health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc. Act 1974)
  - Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012)

**Central support services**

- Clothing grants (Sch 2, 53)
- Provision of tuition in music, or on other music-related activities (Sch 2, 54)
- Visual, creative and performing arts (Sch 2, 55)
- Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 56)

**Premature retirement and redundancy**

- Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 2, 78)

**Monitoring national curriculum assessment**

- Monitoring of National Curriculum assessments (Sch 2, 75)

# Agenda Item 9



## Schools Funding Forum 25<sup>th</sup> September 2019 ITEM 9

**Subject Heading:**

**Special School Funding 2019-20**

**Report Author:**

**David Allen – Strategic Finance  
Manager**

**Eligibility to vote:**

**All members**

### SUMMARY

This item is to review the funding arrangements for special schools and to consider proposals to increase the funding levels for each band with effect from September 2019.

### RECOMMENDATIONS

That the Schools Funding Forum notes the issues within the report regarding the funding of special schools and agrees the proposals to increase the levels of funding as follows as detailed in the detail below.

:

### REPORT DETAIL

#### **1. Havering special schools**

Havering currently has three special schools providing education for pupils with special educational needs and disabilities between the ages of 2 and 19. The numbers of places in each are as follows:



<b>Provision</b>	<b>pre 16</b>	<b>post 16</b>
Corbets Tey School	120	35
Forest Approach Academy	99	14
Ravensbourne School	70	18

Forest Approach has recently received approval from the DfE to extend its age range from 4 -16 to 2 – 19. The 14 post 16 places are therefore to be funded as additional places from September 2019. Decisions have not yet been made on the number of early years places to be commissioned by the local authority.

Corbets Tey School is maintained by Havering local authority; Forest Approach Academy and Ravensbourne School are both special academies within the Hornbeam Trust

The provision of a new special free school in Havering has been approved by the DfE which will cater for 60 children and young people aged 3-16 years who have complex or severe ASD or social, emotional and mental health difficulties. This is not expected to open before 2021.

## **2. High Needs Strategy**

Special schools are a key part of Havering's 2017-2020 High Needs Strategy. It is intended to reduce the numbers of pupils with more moderate levels of need placed in special schools by supporting them in mainstream schools or in additionally resourced provisions. This will free up places in special schools for those with more complex needs. Placing pupils in good quality local provision will also benefit the management of the High Needs Block overall in avoiding the costs of more expensive out of borough provision.

## **3. Current funding arrangements**

### **3.1 Basis of Funding**

Special schools and special academies are funded on a combination of place and pupil funding. From their DSG High Needs Blocks, local authorities must fund £10,000 for the number of places at each special school or special academy. This is often referred to as elements 1 and 2 and can be compared to a mainstream school with an Additionally Resourced Provision where the funding is through the Age Weighted Pupil Unit (AWPU) (element 1) for pupils on roll and an additional £6,000 (element 2).

A top up rate (element 3) is the paid to the schools for pupils with EHCPs by the local authorities that commission the places for pupils, the majority of which will be from the local authority in which the provision is based. All local authorities use banded funding levels that relate to the need of the pupils on roll but they are different for each authority as they are the subject of local decisions.

In Havering, the element 3 funding rates have remained unchanged since 2013-14. However, the amount of funding allocated to special schools from the High Needs

Block has increased year on year because of increases in the number of places commissioned and increases in the complexity of need of the pupils which places them on higher funding bandings.

### **3.2 Current Matrix**

When the new funding arrangements were introduced in 2013-14, Havering included a local arrangement for each special school to be allocated a “top up 2” relating to running costs that were not considered to be appropriate in the funding matrix. The top up 2 arrangements have become out dated and from 2019-20 it is proposed to absorb the funding into the matrix funding.

The current funding matrix is as follows:

Level A	£20,291
Level B	£15,989
Level C	£5,973
Level D	£4,018
Level E	£3,101
Level F	£2,381
Level G	0

The top up 2 elements differ for each school and are as follows:

Corbets Tey	£4,427
Forest Approach Academy	£3,947
Ravensbourne School	£5,199

## **4. Matrix funding descriptors**

The funding levels above are intended to reflect the needs of the pupils, broadly in line with the staffing requirements. These have become outdated and have been the subject of review by officers in consultation with the head teachers of the three special schools. The current and proposed descriptors are attached for information at Appendix A and B.

Along with a review of the matrix descriptors, officers and head teachers have been addressing the funding levels and have agreed that the revised descriptors should be funded at a level that better reflects the cost of the staffing requirement to meet the pupils' needs.

## **5. Cost of the increase in place numbers**

Irrespective of any increase in the funding levels, the cost of funding the three special schools has increased year on year because of increases in place numbers to meet increased demand and the effect of the change in the levels of need of the pupils on roll. The total allocated to special schools in 2017-18 was £8.0m increasing to £8.7m in 2018-19.

Additional costs from September 2019-20 will be for 14 post 16 places at Forest Approach x £10,000 per place, plus the relevant top up.

Once opened, the 60 place special free school will also require top up funding at the appropriate level for the pupils on roll (which are likely to be high cost) although the place funding at £10,000 per place will be met by the DfE.

These additional places are to meet demand and although costs will be at the increased funding levels of the revised matrix (if approved) they can be discounted from calculations of the increased costs of the proposals to increase matrix funding based on like for like comparisons. They should, however be taken into account in the overall forecasting of the High Needs Block

## **6. Cost pressures in special schools**

As with mainstream schools, the budgets of special schools have had to bear increased costs of staff pay awards, increases in employer national insurance and pension contributions and reviews of terms and conditions for support staff. As well as general inflationary increases the costs of specialist equipment has also increased. These pressures are in addition to the need to appoint additional staff to meet increasing complexity of need which has not adequately funded by current matrix funding levels.

## **7. Proposals to increase the funding of the matrix levels**

The proposed increase in funding for special schools has arisen from the reassessment of all pupils' needs against a revised set of matrix descriptors and an increase in the funding for each band within the matrix.

The current levels of funding are shown at para 3.2 above.

Based on Havering resident pupils in special schools the current cost to the High Needs Block is shown in the table below. Each of these placements also attracts £10,000 either through either ESFA recoupment from the High Needs Block for academies or direct allocation to by the LA from the High Needs Block for the one maintained school.

The figures below do not include any out of borough pupils in Havering's special schools. The top up costs based on Havering's matrix are charged by the schools to the commissioning local authority.

Current Matrix Band	Corbets Tey	Forest Approach	Ravensbourne		Corbets Tey	Forest Approach	Ravensbourne	Total
A	31	14	25		756,679	339,193	636,983	1,732,855
B	65	24	38		1,306,955	478,225	804,738	2,589,918
C	40	28	5		403,640	277,482	55,807	736,928
D	15	6	0		122,040	47,730	0	169,770
E	5	2	0		36,095	14,076	0	50,171
F		6	0		0	37,908	0	37,908
G		4	0		0	15,748	0	15,748
H		1	0		0	3,937	0	3,937
TOTAL	156	85	68		2,625,409	1,214,300	1,497,527	5,337,236

The revised rates to be applied to the new matrix are based on the ratio of staffing required for teachers and teaching assistants and also for other senior leadership, administration and running costs that are not otherwise funded. The final matrix rates include an element of “levelling out” between the bandings.

	TA		Teacher		Other costs	Total	Per place	Adjustment	Matrix
	20,000		48,000		5,000				
A+	2:1	40,000	1:6	8,000	5,000	53,000	-10,000	-7,000	<b>36,000</b>
A	2:1	40,000	1:6	8,000	5,000	53,000	-10,000	-7,000	<b>36,000</b>
B	1:1	20,000	1:9	5,000	5,000	30,000	-10,000	2,000	<b>22,000</b>
Ci	1:2	10,000	1:9	5,000	5,000	20,000	-10,000	0	<b>10,000</b>
Cii	1:3	6,667	1:9	5,000	5,000	16,667	-10,000	0	<b>6,667</b>

It should be noted that pupils assessed at level A+ will be bespoke placements and will be funded individually. They have been costed in the table below at level A which will be the minimum level on which they will be funded.

The assessment of pupils’ needs against the revised matrix and the application of the proposed new rates to the matrix levels increase the costs as shown in the table below.

	Corbets Tey	Forest Approach	Ravensbourne		Corbets Tey	Forest Approach	Ravensbourne	Total
A+	4	1	4		144,000	36,000	144,000	324,000
A	25	15	15		900,000	540,000	540,000	1,980,000
B	69	42	46		1,518,000	924,000	1,012,000	3,454,000
Ci	38	19	3		380,000	190,000	30,000	600,000
Cii	20	8	0		133,340	53,336	0	186,676
Total	156	85	68		3,075,340	1,743,336	1,726,000	6,544,676

Increase per school

					Corbets Tey	Forest Approach	Ravensbourne	Total
					449,931	529,036	228,473	1,207,440

The increase based on current pupil number is therefore £1.2m in a full year and with an implementation date of 1<sup>st</sup> September 2019, £0.7m in 2019-20.

## **8. Comparison with other local authorities**

Some benchmarking has been carried out with the funding rates used by other London local authorities but the range of approaches used in designating schools and categorising the nature of need of the children has made comparison difficult. Broadly, the maximum allocation that any LA uses in its formula is £36,230 with the lowest level of funding £4,920 for children with moderate learning difficulties.

## **9. Implications for High Needs Budget**

Unlike the majority of local authorities, Havering's DSG High Needs budget did not start the 2019-20 financial year in deficit. This is because there were sufficient underspends elsewhere in the DSG to cover the £954k overspend in High Needs. Furthermore, it has been possible to add an additional £1m from underspends to the funding available from the DSG High Needs Block to support expenditure in 2019-20.

Allocations of High Needs Block funding to local authorities are through a national funding formula and in 2019-20 Havering's allocation has increased by £1.4m from the 2018-19. In spite of this additional funding, the current high needs budget is forecast to overspend by £1.0m. This is because of a continuing increase in numbers of pupils with Education Health and Care Plans (EHCPs) and increasing complexity of need. The High Needs national funding formula does not keep pace with the increase in the numbers of pupils with EHCPs.

Funding Havering's special schools at a more appropriate level will increase the forecast overspend in 2019-20 and in future years. However, the increase in capacity at a local level and the cost of maintaining high standards of provision in Havering's special schools is expected to reduce the need to place pupils in more expensive out of borough provision.

The Government is under considerable pressure to address national shortfalls in high needs funding in the next spending review.

In the current year the proposal to increase the funding of special schools will overspend the High Needs budget by a further £0.7m, increasing the overall forecast overspend to £1.7m.

## **SPECIAL SCHOOLS: FUNDING FORMULA**

### **Levels of Learning Difficulty**

#### **Level A**

Pupils with very challenging behaviour and/or very severe autistic spectrum disorder:

- i. Present a significant danger to self and/or other children and staff
- ii. May be on medication for psychosis
- iii. Cause significant disruption to the education of self and others
- iv. Need intensive occupation on individualised programmes for the whole of school time, requiring staff 2-1

#### **Level B**

Pupils with challenging behaviour and/or severe autistic spectrum disorder or requiring input from additionally qualified teachers of HI, VI or multi sensory impairment or staff commissioned by them for at least for a session a week:

- i. Present a significant danger to self and/or other children and staff
- ii. May be on medication for psychosis
- iii. Cause significant disruption to the education of self and others
- iv. Need intensive occupation on individualised programmes for the whole of school time, requiring staff 1-1
- v. At times of stress require, or need to be taken to, a "time out" room or classroom evacuation, needing staffing of 2-1 or 3-1.

Pupils with high medical need:

- i. Assessed by health professional to need 1-1 and often home night nursing
- ii. May have difficulty maintaining wakefulness and unable to express physical difficulties
- iii. May require oxygen or suctioning
- iv. May have a tracheotomy, severe epilepsy and usually profound physical and/or sensory loss
- v. Usually tube fed

#### **Level C**

Pupils with a significant autistic spectrum disorder or who:

- i. Need intensive individualised programmes and intervention
- ii. Are subject to high distress or stress levels
- iii. Need intensive communication input
- iv. Need specialist therapeutic input

Pupils with high physical dependency:

- i. Need high level of support in all aspects of life
- ii. Need to be dressed, fed and assisted with toilet
- iii. Probably wheelchair-bound or in need of support for walking from 1 or 2 staff
- iv. Need a hoist, with 2 staff in attendance.
- v. Need occupational therapy or physiotherapy services

**Level D**

Severe or Complex Learning Difficulties (High Level)

- i. May be a wheelchair user
- ii. May have some verbal communication and expression by simple yes/no responses and may answer simple questions
- iii. Interactive and can meet some personal needs with supervision
- iv. Needs high level of support for behavioural and physical needs
- v. Needs intensive support in all activities
- vi. Needs significant degree of special therapeutic intervention
- vii. Needs individualised programme more than group activities
- viii. Needs lunchtime support 1 to 2

**Level E**

Severe or Complex Learning Difficulties (Moderate)

- i. May have some verbal communication and expression by simple yes/no responses and may answer simple questions
- ii. Mobile, interactive and can meet most personal needs with supervision
- iii. Needs high levels of support for behavioural and physical needs
- iv. Needs intensive support in all activities
- v. Needs significant degree of specialist therapeutic intervention
- vi. Needs individualised programmes more than group activities

**Level F**

Severe or Complex Learning Difficulties (Mild)

- i. Needs intensive support in all activities
- ii. Needs significant degree of specialist therapeutic intervention
- iii. Needs individualised programmes more than group activities
- iv. Needs lunchtime support 1 to 4

**Level G**

- i. Needs significant support in all activities – teacher to pupil ratio 1:10, teaching assistant 1:3, midday assistant 1:6
- ii. Needs daily intervention programmes
- iii. Needs nurturing environment

**Level H**

Needs small class or group settings with moderate levels of support – teacher to pupil 1:10, teaching assistant 1:4, midday supervision 1:8

**Special School Matrix: January 2019 V3**

*It is important to note that specific individual costs attached to pupils' agreed provision would dictate final band decisions and additional funding (specified specialist physical and human resources)*

Level	Descriptor	Funding
<b>A+</b>	Needs higher than those described in A will not be included in the Matrix and will be considered as bespoke placements and funding level will be individually agreed and allocated.	One off bespoke agreements
<b>A</b> <b>2:1</b>	<p><b>Pupils will require 2:1 support available at all times:</b></p> <ul style="list-style-type: none"> <li>• Intensive/specialist behaviour support</li> <li>• Individualised curriculum and timetable</li> <li>• Additional consultancy/support (as required)</li> <li>• Assessed as a risk to themselves or others most of the time/physical interventions required</li> <li>• Specialist interventions/additional support required/including therapies</li> <li>• AAC/PECS/Signing</li> <li>• Risk assessment in place</li> </ul>	Funding would need to cover costs of two full time support assistants plus specialist resources
	<ul style="list-style-type: none"> <li>• Very specific high level Medical Needs and/or MSI requiring 1:1 and episodes of 2:1 for personal care</li> <li>• Significant physical needs/wheelchair user</li> <li>• Require additional specialist physical interventions/therapies</li> <li>• Hoisting (2:1)</li> <li>• Individual teaching intervention curriculum</li> <li>• Specialist interventions/additional support required</li> <li>• AAC/PECS/Signing</li> <li>• Risk assessment in place</li> </ul>	
<b>B</b> <b>1:1</b>	<p><b>Pupils will require 1:1 support available at all times :</b></p> <ul style="list-style-type: none"> <li>• High level/specialist behaviour support</li> <li>• Specialist interventions/additional support required/including therapies</li> <li>• Taught individually but may integrate into small group activities with 1:1 support</li> <li>• AAC/PECS/Signing</li> <li>• Assessed as a risk to themselves or others some of the time/physical interventions may be required</li> <li>• Risk assessment in place</li> </ul>	Funding would need to cover costs of one full time support assistant plus specialist resources
	<ul style="list-style-type: none"> <li>• High Medical Needs</li> <li>• Specialist interventions/additional support required/including therapies</li> <li>• Taught individually but may integrate into small group activities with 1:1 support</li> <li>• AAC/PECS/Signing</li> <li>• High level support at all times including feeding and personal care (2:1)</li> <li>• Significant sensory impairments</li> <li>• PMLD</li> <li>• Risk assessment in place</li> </ul>	
<b>C(i)</b> <b>1:2</b>	<p><b>Pupils will require support at all times :</b></p> <ul style="list-style-type: none"> <li>• Significant barriers to learning requiring personalised curriculum planning</li> </ul>	Funding would need to cover associated costs according to staff ratio needed (1:2 or 1:3)
<b>C(ii)</b> <b>1:3</b>	<ul style="list-style-type: none"> <li>• Specialist programmes and approaches</li> <li>• Small group interventions</li> <li>• Class size appropriate to need</li> <li>• Communication support including individual or small group input</li> <li>• Access to enhanced resources</li> <li>• Support with personal care or feeding</li> </ul>	





## Schools Funding Forum 25 September 2019

## ITEM 10

**Subject Heading:**

**Elective Home Education (EHE)  
Transfer of Funding Between  
Schools**

**Report Author:**

**Janet James – Admissions and  
Inclusions Manager**

**Eligibility to vote:**

**All members**

### SUMMARY

This item proposes a change in the current funding arrangements to support the re-engagement of vulnerable EHE pupils back into school.

Currently, Havering has 185 EHE pupils from across all year groups many of whom could be encouraged and supported to re-engage back into mainstream education.

EHE pupils are not included in any census that determines the DSG funding received by local authorities, a loss of approximately £750,000. Schools are funded on the pupils on roll at the October census for the following financial year and currently retain this funding until the end of the year for pupils who leave mid-year.

Arrangements are already in place for the transfer between schools of AWPU and Pupil Premium funding for pupils who have been permanently excluded and for those subject to managed moves.

This document proposes to implement the same funding arrangements for pupils who are EHE to support them in engaging back into education.

## RECOMMENDATIONS

To agree the proposals for pupils removed from a school roll for EHE as follows:

- (i) AWPU and Pupil Premium to be recovered (pro rata) from schools by the LA when a pupil becomes EHE
- (ii) AWPU and Pupil Premium funding paid (pro rata) to the receiving school
- (iii) To commence these arrangements from 1<sup>st</sup> September 2019

## REPORT DETAIL

### 1. Current Provision

Havering has a range of Alternative Provision strategies in place to support vulnerable pupils. Alternative Provisions are available for pupils who have become disengaged from mainstream education including those pupils identified by schools who are at risk of, or who have been Fixed Term or Permanently Excluded.

Support for primary school aged pupils is available through the 'Waves of Intervention' with primary schools accessing Alternative Provision for those pupils who are most at risk of exclusion.

The profiles of pupils who access alternative provisions are those:

- who have medical needs
- at risk of fixed term exclusions
- at risk of permanent exclusion
- who have been permanently excluded
- at risk of criminal exploitation
- returning to education from EHE

Summary of Havering Alternative Provisions	Primary	Secondary
<b>Transition Program</b> Pupils requiring a Statutory Assessment for an EHCP and who are unable to sustain their mainstream school place	✓	✓
<b>The Bridge (24 places w.e.f. 1/9/19)</b> Pupils with medically supported conditions who are unable to attend mainstream school		✓
<b>Hospital Education</b> Pupils in hospital and are unable to attend mainstream school	✓	✓
<b>LBH Approved Alternative Provisions (AP)</b> Pupils at risk of exclusion and require an intervention.  Pupils with medically supported conditions who may require tutoring, mentoring and are unable to attend mainstream school	✓	✓
<b>Olive AP Academy (40 places w.e.f. 1/4/20 reduced from 64)</b> Pupils who have been permanently excluded from mainstream school		✓

## **2. Elective Home Education**

Elective Home Education is the term used by the Department for Education (DfE) to describe parents' decisions to provide education for their children at home instead of sending them to school and may also be used to meet the requirements to participate in education or training up to the age of 18 or 25 if an SEN pupil.

Local Authorities are currently unable to be involved in the education of Elective Home Educated (EHE) pupils.

The London Borough of Havering recognises the right of parents to educate their children at home at any stage up to the end of compulsory school age. This right applies equally for the parents of children with special educational needs (SEN).

Home education is an option that parents can consider for their children. There are many reasons that a parent may decide to electively home educate. Some parents may base their decision on their philosophical, spiritual or religious outlook. For others it may be to meet the specific needs of their child. Sometimes it may be because of dissatisfaction with the education 'system' or to be used as a short term intervention for a particular reason.

Regardless of the reason for EHE, the London Borough of Havering aims to ensure parents are fully informed when making their decision and aim to support parents with making their choice.

Currently there are 185 pupils who are home educated and the Admissions & Inclusions team is working towards reducing this figure significantly over this academic year 2019/20.

Schools currently challenge the Admissions & Inclusions Team where EHE pupils are being referred back into mainstream education. The main concern schools have voiced is because there is no funding following the pupil to assist with supporting their education.

When pupils become EHE, their funding remains with their last school. This means that schools admitting EHE pupils mid-year do not receive any funding for these pupils.

Some of these pupils may be particularly vulnerable and could potentially be an additional expense for the receiving school or require an Alternative Provision. This proposal aims to change the current arrangements so that receiving schools are given AWPU (pro rata) funding to support these pupils.

## **3. Proposals**

When a pupil is removed from their school roll for the purpose of EHE, AWPU funding currently remains with the school. The proposed changes to the current funding arrangements for EHE pupils will support the Local Authority (LA) to re-engage pupils back into mainstream education and ensure that, where schools enroll EHE pupils 'In Year', they receive appropriate funding.

This proposal is:

- (i) for any remaining AWPU and Pupil Premium funding within the financial year to be recovered from the school by the Local Authority from the date the pupil is taken off roll; and
- (ii) for AWPU and Pupil Premium funding to be allocated to the admitting school pro rata from the date of admission to the end of the financial year

This new approach is based on the same arrangements already in place for permanently excluded pupils in that money follows the pupil.

# Agenda Item 11



**Havering**  
LONDON BOROUGH

## **Schools Funding Forum 25<sup>th</sup> September 2019 ITEM 11**

**Subject Heading:**

**Financial transparency of LA  
Maintained schools and academy  
trusts**

**Report Author:**

**David Allen – Strategic Finance  
Manager**

**Eligibility to vote:**

**Representatives of LA Maintained  
Schools**

### **SUMMARY**

This item is to discuss a consultation document issued by the DfE on changes to the financial transparency of schools and academies.

### **RECOMMENDATIONS**

To consider an appropriate response to the consultation.

### **REPORT DETAIL**

While both academy trusts and maintained schools are now funded through DfE specific grants – the Dedicated Schools Grant (DSG) for maintained schools and General Annual Grant (GAG) for academy trusts – current financial transparency arrangements are different and provide different levels of assurance. Current arrangements for academy trusts therefore provide a useful comparison against which to consider maintained schools. The DfE believes that the current transparency measures used in academies are generally stronger than those in the maintained school sector, which is why this consultation will focus on using or adapting existing academy measures to help change and improve maintained schools' financial transparency and financial health. The consultation document is attached.

# **Financial transparency of local authority maintained schools and academy trusts**

**Government consultation**

**Launch date: 17 July 2019**

**Respond by: 30 September 2019**

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# 1. Introduction

1.1 We are inviting interested individuals and organisations to comment on proposed new measures that aim to improve transparency of the financial health of LA maintained schools.

1.2 The purpose of this consultation is to outline the current financial transparency arrangements for maintained schools, and to consider possible changes. In doing so, this consultation also outlines the current arrangements for academy trusts. While both academy trusts and maintained schools are now funded through DfE specific grants – the Dedicated Schools Grant (DSG) for maintained schools and General Annual Grant (GAG) for academy trusts – current financial transparency arrangements are different and provide different levels of assurance. Current arrangements for academy trusts therefore provide a useful comparison against which to consider maintained schools. We believe that the current transparency measures used in academies are generally stronger than those in the maintained school sector, which is why this consultation will focus on using or adapting existing academy measures to help change and improve maintained schools' financial transparency and financial health.

1.3 We would welcome views on the new measures that we are proposing to implement across the local authority maintained schools sector, as well as any other changes to financial transparency that you believe would be of benefit to maintained schools or local authorities. We are interested to hear views from local authorities on whether you believe any of the new measures would constitute a New Burden on authorities and, if so, how much the cost would be. The department will assess the New Burdens issue as part of considering how to go forward after the consultation.

1.4 The questions we would like answers to are set out in a separate online survey. Please respond using this as other forms of response will not be so easy to analyse. Before you respond to the online survey questions, please read the rest of this document. You don't have to answer all the questions, but it would be very helpful if you would answer the initial questions so we can see whether you are responding on behalf of a particular type of organisation.

## Who this is for

1.5 This consultation is for:

- Local authorities
- Maintained schools
- Any other interested organisations or individuals

## Issue date

1.6 The consultation was issued on 17 July 2019.

## Enquiries

1.7 If your enquiry is related to the policy content of the consultation you can contact the team via email:

[Lafinancialaccountability.Consultation@education.gov.uk](mailto:Lafinancialaccountability.Consultation@education.gov.uk)

1.8 If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the DfE Ministerial and Public Communications Division by email: [consultation.unit@education.gsi.gov.uk](mailto:consultation.unit@education.gsi.gov.uk) or by telephone: 0370 000 2288 or via the [DfE Contact us page](#).

## Additional copies

1.9 Additional copies are available electronically and can be downloaded from [GOV.UK DfE consultations](#).

## The response

1.10 The results of the consultation and the Department's response will be [published on GOV.UK](#) later in 2019.



## 2. About this consultation

2.1 Since the start of the academies programme there has been a significant focus on the financial transparency of the academy sector and the department has introduced a number of measures that have improved the transparency and accountability of trusts. It has been reported by a number of trusts that they feel more accountable for their academies' financial position, now that they are in the academy sector, than they did previously as a local authority maintained school. Transparency measures such as the requirement for them to publish independently audited accounts each year, with particular scrutiny on any related party transactions, provide public assurance of the financial health and probity of trusts.

2.2 Maintained schools, like academies, are funded by grant from the Department for Education (the Dedicated Schools Grant). Local authorities (LAs) are the accountable body for maintained schools and, in line with national frameworks and guidance set by the department, monitor and intervene in these schools to reduce the risk of financial failure or misuse of funds. Each local authority has a scheme for financing schools which sets out the financial relationship between it and its maintained schools, and the department publishes guidance setting out what is required or permitted in schemes.

2.3 The table in Annex A outlines current financial transparency arrangements for the academy and maintained school sectors. Current arrangements for academies are generally stronger than those in place for maintained schools. We recognise that many local authorities do a good job in overseeing the financial affairs of their maintained schools, but financial data collected in 2016-17 and 2017-18 showed that across England as a whole a larger percentage of maintained schools had an accumulated deficit compared to academy trusts, and the rise in 2017-18 continued to be higher in maintained schools. For this reason, we believe that there is a strong case to consider whether the current academy transparency measures can be adapted and successfully implemented across the maintained school sector, in order to strengthen the arrangements for maintained schools and so reduce the future likelihood of growing deficits or misuse of funds in those schools.

2.4 We recognise that some new measures may potentially create additional burdens on local authorities and schools, and we are including that aspect in the consultation. We will ensure that the benefits of any new measures introduced outweigh potential burdens on local authorities and schools.

2.5 This consultation outlines the measures we are proposing to implement. In identifying them, we have looked at the financial measures that are already successful in the academy trust sector. Where, following the consultation, new transparency measures are to be introduced, they will be implemented in the financial year 2020-2021.

### 3. Proposed new financial transparency measures

3.1 This chapter sets out proposals for what we might do to strengthen current maintained school financial transparency arrangements by bringing them more closely in line with the arrangements for academies.

#### 3.2 **Issue 1: Making public where local authorities are failing to comply with deadlines for completing assurance returns and financial collections**

##### **Background:**

3.3 Local authorities, and maintained schools, are obliged to complete the following assurance returns and financial collections:

- Schools Financial Value Standard
- Dedicated Schools Grant

3.4 **Schools Financial Value Standard:** Schools complete the standard at the end of the financial year, with LAs submitting a signed Chief Financial Officer (CFO) statement of assurance to the department to show the number of schools that complied with the standard. For the financial year 2017 to 2018 0.20% of schools (29 out of 14,395) failed to complete/submit the SFVS. The 29 schools were across 11 LAs.

3.5 The Directed Revisions made in 2012 to the [Schemes for Financing Schools](#) make it a mandatory requirement for all LA maintained schools to complete the SFVS assessment form, other than in agreed exceptional cases – for example when a school is about to convert to academy status.

3.6 **Dedicated Schools Grant:** We require local authorities to provide an annual Dedicated Schools Grant (DSG) assurance statement signed by the chief financial officer (CFO). This is a key statement that forms part of our overall management of the DSG. The assurance statements are issued on the 31st July to coincide with the closing and publishing of LA accounts. However, 32 LAs for the 2017-18 collection failed to submit their assurance statement before the deadline of 14<sup>th</sup> September due to late internal audit.

3.7 In addition to the assurance statements above, we think that we should consider compliance over a range of other annual returns to more closely replicate the ESFA approach to academy trusts. This would include the statutory funding returns such as:

- Section 251 Budget/Outturn

- Consistent Financial Reporting

3.8 We have reviewed the approach to late returns that the ESFA has adopted this year for the academy sector, whereby they publish (on GOV.UK) the names of trusts who are late in submitting more than 2 out of 4 annual returns.

3.9 We have considered whether it would be appropriate to publish the name of schools that failed to comply with the SFVS without a good reason. As local authorities are the accountable body for maintained schools, however, we think it would be more appropriate to consider publishing compliance data at a local authority rather than school level.

#### **Proposal 1:**

3.10 Following the same principle as with academy trusts, if a local authority fails to comply with more than two deadlines from the following collections, we propose to publish the name of the local authority on GOV.UK:

- School Financial Value Standard (SFVS)
- Dedicated Schools Grant CFO assurance statement
- Consistent Financial Reporting
- Section 251 Budget
- Section 251 Outturn

This should not involve any cost burden to local authorities.

### **3.11 Issue 2: Strengthening DSG annual assurance returns**

#### **Background:**

3.12 Local authorities can withdraw delegation from schools for financial reasons or issue a notice of financial concern. We do not currently collect this information. The department publishes notices of financial concern it issues to academies on the gov.uk website. It would be possible to require local authorities to publish equivalent information on their websites; however, we cannot mandate the format or structure of local authority websites and in practice it would not therefore be particularly easy for the public to find the information.

3.13 Currently, local authorities recover funds from fraud investigations but only publish the number and value of reported cases, not the value of money recovered.

### **Proposal 2a:**

3.14 We propose to collect the number of schools with suspended budgets and notices of financial concern through the existing DSG assurance statement signed by the local authority CFO at the end of the financial year. This will enable the Department to devote further support to authorities that report a high number of suspended delegations or notices of financial concern.

### **Proposal 2b:**

3.15 We propose to add a new section to the DSG assurance statement that captures the amounts that LAs have recovered from investigating fraud. Monies recovered from fraud reported in different financial years would be reflected in the statement. The Department would analyse responses and request further details from local authorities that reported the highest incidence/value of fraud. Further details would include the nature of the case, including the steps the LA has put in place to prevent further misuse of the DSG. We would also challenge those that we think have not made sufficient efforts to recover the DSG.

We do not think that these small additions to the DSG assurance statement would place any significant cost burdens on local authorities.

## **3.16 Issue 3: Maintained schools are not required to provide local authorities with 3-year budget forecasts**

### **Background:**

3.17 Local authorities are required to maintain schemes for financing schools, which set out the financial relationship they have with their maintained schools. These cover areas such as the submission of budget plans, loans and deficits, and procurement rules. We publish statutory guidance which authorities must have regard to when determining or revising their schemes. We can only require them to incorporate specific wording, however, by making a directed revision.

3.18 The scheme guidance currently allows authorities to require multi-year budget plans from maintained schools. Some already do so, and others provide modelling software as part of their traded finance service; schools should in any case be making their own plans over several years.

3.19 We have recently introduced a requirement for academies to send us a three-year budget plan and we propose to extend the requirement to maintained schools in the form of sending a three-year budget plan to their maintaining authority.

3.20 We understand that schools will not have complete information on future levels of funding. This is no different to other parts of the public sector, however, and schools should plan on a range of scenarios. For example, it is usually the case that changes in pupil numbers have a greater effect on budgets than changes in overall levels of per pupil funding, and schools should therefore be considering the range of likely changes to their intake in future years and planning accordingly.

### **Proposal 3:**

3.21 We are proposing a directed revision of the schemes for financing schools to make it a requirement for maintained schools to provide local authorities with three-year budget forecasts. Whilst this might take maintained schools slightly longer to complete than a single year forecast we believe that any costs associated with this would be more than recouped by enabling LAs to have early sight of emerging financial issues, enabling preventive action which is almost always less costly than remedial action.

## **3.22 Issue 4: Strengthening Related Party Transaction arrangements in maintained schools**

### **Background:**

3.23 Academy trusts must report all Related Party Transactions (RPTs) to ESFA in advance of the transaction taking place, using ESFA's on-line form. This requirement applies to transactions made on or after 1 April 2019. Since April 2019, all academy trusts have had to seek approval from the ESFA for RPT payments of more than £20,000 and all transactions below £20,000 must be declared. These changes avoid unnecessary administrative burdens to the sector whilst strengthening accountability and transparency. Any transactions with related parties, over a de minimis level, must be "at cost" (i.e. must not involve any element of profit).

3.24 The arrangements for reporting RPTs in maintained schools are not as stringent as those in academy trusts. The 2019-20 version of SFVS contains only two specific questions in relation to RPTs, so we believe that it would be appropriate to strengthen the arrangements to bring them more in line with what is asked of academy trusts.

### **Proposal 4:**

3.25 We are making a number of alternative proposals for comment that could be added separately or introduced in combination with each other.

**Proposal 4a: Making schools append a list of RPTs to their response to the new question in the Schools Financial Value Standard (SFVS) about their arrangements for managing RPTs, so that the information goes to the local authority and can then be passed on to the department**

3.26 This option is the least resource intensive for both schools and authorities, as the SFVS must be discussed and agreed by the Governing Body, so there should be little additional burden if a list of RPTs was attached to the completed SFVS. The local authority would then be in a position to analyse the RPTs submitted across all maintained schools, using this information to determine audit requirements.

3.27 We propose also to insert additional columns into the SFVS CFO Assurance Statement to request the number of RPTs and value for each.

**Proposal 4b: Making a directed revision to the statutory Scheme for Financing Schools to require schools to report all RPTs, or RPTs above a certain threshold, directly to the local authority.**

3.28 An alternative reporting option would be to amend the scheme for financing schools to require schools to report all RPTs, or RPTs above a certain threshold, directly to the local authority. The benefit of this option would be that local authorities would have immediate visibility of the RPTs as soon as they had been agreed, though it would be more difficult for authorities to police than if it was in the SFVS, which is an annual return with a set reporting deadline.

**Proposal 4c: Making a directed revision to the statutory Scheme for Financing Schools to require schools to seek permission from the local authority to enter into RPTs above a certain amount.**

3.29 Academies now have to gain approval from the department for RPTs above £20,000. To mirror this for maintained schools, we would amend schemes to require schools to seek permission from the authority to enter into RPTs above a threshold.

**3.30 Issue 5: Maintained Schools internal audit is too infrequent**

**Background:**

3.31 Schools are within the overall audit arrangements determined by the local authority's statutory section 151 officer (CFO). Authorities operate internal audit teams whose work is then relied on by their external auditors. Most audit plans use a risk-based approach with some themed audits.

3.32 We have learned in discussion with local authorities that the cycles for auditing-maintained schools vary a great deal and, in some cases, have fallen into disuse. Consequently, we think there is a case for action.

3.33 We would prescribe a minimum frequency of audit visits by making a directed revision to the scheme guidance.

#### **Proposal 5:**

3.34 Making a directed revision to the scheme guidance to require that every maintained school be subject to internal audit at least every 3 years.

### **3.35 Issue 6: Strengthening arrangements to help schools that are in financial difficulty**

#### **Background:**

3.36 The scheme for financing schools includes a requirement for schools to manage their resources effectively to maximise pupil outcomes. LAs are also required to have a deficit and a surplus policy within their scheme for financing schools and monitor their schools' compliance with these. Across the LA schemes, there is a variance in the levels of deficit that trigger the submission of a recovery plan to LAs. There is currently no requirement for LAs to report to the department their actions to address financial difficulty and effective resource management in specific schools. We consider that this evidence base would help us to increase visibility of best practice across the whole schools sector, highlight any inconsistencies in LAs' approach and target additional support from the department. The department's monitoring of schools' financial health to date has included approaching LAs directly to find out more about their approach to managing schools' financial health. Since the end of 2018 we have also offered LAs the support of a school resource management adviser where they agree that this would help them to support or challenge schools. We have not specified thresholds of deficit that would lead to contact with the department. To ensure we work consistently with LAs, we consider that it would be helpful to clearly communicate to authorities a more structured approach at the beginning of the year.

#### **Proposal 6:**

3.37 To strengthen the arrangements to help schools in financial difficulty we propose that we should introduce the following measures, either separately or in combination:



**Proposal 6a:** Make a directed revision to the scheme for financing schools requiring schools to submit a recovery plan to their maintaining authority when their revenue deficit rises above 5%.

**Proposal 6b:** Collect information on the number of recovery plans in each LA through the DSG annual assurance return from the CFO.

**Proposal 6c:** Formalise the approach to working with LAs and include a request for high level action plans from some LAs:

- **Data-sharing and monitoring:** share published data on the school balances in each LA - highlighting the number and proportion with a revenue deficit of over 5% - and the available support from the department.  
Share published data with LAs on their schools' financial, educational performance and pupil/school characteristics.  
*Timing: after publication of Consistent Financial Reporting (CFR) data*
- **Targeted monitoring and support:** use of the above data and evidence-based requests for help from LAs to ensure support is focused where it is most needed (including school resource management advice) and challenge from the department where it is needed most.  
*Timing – throughout the year*
- **Action plan and increased monitoring:** Request high level action plans from LAs in which the number or proportion of school revenue deficits over 5% is above a certain level. We would review the thresholds each year, but an example might be LAs that had more than 10 schools or more than 10% of their schools with revenue deficits of over 5% in the previous year. We would consider contextual information - such as the school balances in the LAs in previous years - when deciding the LA action plans required.  
*Timing: after publication of CFR data*

### 3.38 **Issue 7: There is not enough transparency when it comes to reporting high pay for school staff**

#### **Background:**

3.39 Currently there is a disparity between public access to information on high salaries within maintained schools and academies. Salary ranges within the national pay framework are published annually in the School Teachers Pay and Conditions Document – these apply to teachers and leaders in maintained schools and we know that the majority of academies tend to mirror these arrangements. Information on individual leadership salaries is collected annually



through the School Workforce Census and a national summary of salaries is published in the annual statistical release – however, the individual salary information is collected through the census on the understanding that it is not published at an individual level.

3.40 Academy trusts must disclose in their published financial statements information about each individual earning over £100k - specifically (i) their total FTE salary in £10k bandings, e.g. £100k - £110k, (ii) their job role and description and (iii) whether they are predominantly focussed on curriculum and education leadership or school business management leadership.

#### **Proposal 7:**

3.41 We propose that all LA maintained schools should be required to publish annually on their websites the number of individuals earning over £100K in £10K bandings.

### **3.42 Issue 8: There is not enough transparency when it comes to reporting maintained school income and expenditure**

#### **Background:**

3.43 Local authority school accounts are part of the local authority statements of accounts that are published at a gross level for income and expenditure. .

3.44 While individual schools are not included on the LA balance sheet, individual maintained schools are required to produce annual income and expenditure statements, known as Consistent Financial Reporting (CFR), or else local authorities produce them on the schools' behalf. The department publishes all the information from CFR in a spreadsheet, but we believe it would add significantly to transparency if there were a requirement for individual schools to publish annually on their websites their latest CFR statements.

#### **Proposal: 8:**

3.45 We propose that all LA maintained schools should be required to publish annually on their website their latest Consistent Financial Reporting statement of income, expenditure and balances.

## **Academy Self-Assessment Tool and the Schools Financial Value Standard (SFVS)**

4.1 There is one area in which arrangements for maintained schools are currently more rigorous than for academy trusts. Maintained schools are required to complete annually the Schools Financial Value Standard (SFVS) - signed by the chair of governors and returned to the local authority. The SFVS comprises 29 questions in relation to value and governance, and with effect from 2019-20 it also includes a dashboard enabling schools to look at where they stand on a range of measures compared to similar schools. The SFVS has been designed with local authorities and schools to help schools in managing their finances and to give assurance that they have secure financial management in place. In 2018 we launched a similar tool for academies, the Self-Assessment Tool for academy trusts. This has been widely used by academies but is currently not mandatory. We said publicly in the SRM strategy published in August 2018 that we would consider making the use of this tool mandatory for academies.

4.2 We have now decided to make the Self-Assessment Tool mandatory for academies with effect from the end of the academic year 2018/19. This will ensure that there is no area in which we are requiring a weaker accountability of academies than of maintained schools.

## 5. Annex A: Financial Transparency Comparison Table

	Local Authority Maintained Schools	Academies
<b>Accountable body</b>	<p><b>LOCAL AUTHORITY = ACCOUNTABLE BODY</b></p> <p>Departmental frameworks, guidance and conditions of funding agreements apply at LA level. LAs are then responsible for setting local frameworks for their schools. Required to maintain <i>schemes for financing schools</i> (School Standards and Framework Act 1998).</p>	<p><b>ESFA = ACCOUNTABLE BODY</b></p> <p>Academies Financial Handbook (AFH) and conditions of individual funding agreements apply.</p> <p>The prime responsibility sits with the board of trustees, but the Secretary of State (SoS) acts as charitable regulator and this regulation is communicated through the ESFA's Academies Financial Handbook and conditions of individual funding agreements apply.</p> <p>The funding agreements set out the overall relationship with the SoS and provide for the AFH to detail financial management and governance the requirements. The AFH is effectively an appendix to the FA.</p>
<b>Annual Accounts</b>	<p>LA submits annual accounts at LA level. These do not contain any details relating to individual schools.</p> <p>Maintained schools, or LAs on their behalf, make annual Consistent Financial Reporting returns to DfE giving details of their income, expenditure and balances.</p>	<p>All academy trusts must produce an annual report and accounts in a format prescribed by the ESFA in its annual Accounts Direction and based on accounting standards which reflect their status as companies and charitable trusts.</p> <p>Academy trusts are also required to submit an annual accounts return, which the ESFA will consolidate into an annual Sector Annual Report and Accounts (SARA).</p>

<b>Annual assurance returns to Department</b>	<p>LA Chief Financial Officers submit signed annual assurance statement and notes to accounts. They gain assurance from schools via the schools financial value standard (SFVS) described below.</p>	<p>The accounting officer must complete and sign a statement on regularity, propriety and compliance each year and submit this to ESFA with the audited accounts. The accounting officer must also demonstrate how the trust has secured value for money via the governance statement in the audited accounts</p>
<b>Self-assessment</b>	<p>The ESFA requires all LAs to return a signed CFO statement to confirm the number of schools that have complied with the SFVS.</p> <p>For the 2017/18 cycle LAs had until 31/5/2018 to return their SFVS assurance statements to the ESFA.</p> <p>From 2019 to 2020 the SFVS is being updated to match the academy school resource management self-assessment tool.</p> <p>The new version of the SFVS is split into two sections:</p> <ul style="list-style-type: none"> <li>• A checklist, which asks questions in six areas of resource management to provide assurance that the school is managing its resources effectively.</li> <li>• A dashboard, which shows how a school's data compares to thresholds on a range of statistics that have been identified as indicators for good resource management and outcomes.</li> </ul>	<p>Academy trusts are required to submit Financial Management and Government Self-assessment (FMGS) in their first year followed by annual Accounting Officer value for money statements from there on.</p> <p>Tailored version of the revised self-assessment was developed this year for academies.</p> <p>The academy version of the school resource management self-assessment tool went live in September 2018 and is available here <a href="https://www.gov.uk/government/publications/school-resource-management-self-assessment-tool">https://www.gov.uk/government/publications/school-resource-management-self-assessment-tool</a></p>

<b>Budget Setting and Monitoring</b>	<p>Our guidance states that the scheme of finance “should contain a provision requiring each school to submit a plan to the authority by a stipulated date showing its intentions for expenditure in the current financial year and the assumptions underpinning the budget plan. The provision may require the submission of revised plans throughout the year.”</p> <p>It also says the school’s formal annual budget plan must be approved by the governing body or a committee of the governing body.</p> <p>LAs may insert in their schemes a requirement that provisional budget plans be submitted by a certain date; but these should be differentiated from the formal budget plan which should not be required before 1 May.</p>	<p>Academies must set a balanced budget and must produce monthly management accounts which must be shared with the chair of trustees each month and other trustees at least six times a year</p>
<b>Forecasts</b>	<p>LAs submit annual forecasts of their planned spend on children’s services including schools. These are published in a statistical release.</p> <p>Our guidance for local authority schemes for financing schools states the LA “may require schools to submit a financial forecast covering each year of a multi-year period.” We ask LAs to consider and explain how forecasts will be used and to ensure requirements are “proportionate to need.”</p> <p>We don’t specify the timelines for forecasts or collect information on what is requested.</p>	<p>It is a requirement for academy trusts to submit three-year financial forecasts. The ESFA, using financial data supplied by trusts, is also generating wider improvements and delivering value for money for the taxpayer by working with trusts to support effective school resource management, three-year financial forecasting and developing buying hubs and national deals for all schools.</p>

<b>Audit</b>	<p><u>Internal Audit</u></p> <p>The LA will determine an annual risk-based audit programme by reviewing the SFVS. Therefore, not all maintained schools will be subject to internal audit each year. The period within which all schools would be audited at least once will vary between LAs.</p> <p><u>External Audit</u></p> <p>Maintained schools are allowed but not required to procure independent external audits. Maintained schools are included in the remit of the LA statutory external audit but will not be individually audited.</p>	<p>All academy trusts must have an audit committee or equivalent.</p> <p>Academies are required to have an annual independent external audit of their annual report and accounts.</p>
<b>Fraud prevention and reporting</b>	<b>Both academies and maintained schools have a duty to prevent and detect fraud</b>	
	<b>Both academies and maintained schools are required to have whistleblowing policies and procedures in place</b>	
	<p>The LA are required to report instances of fraud (no minimum threshold) to the ESFA on an annual basis via the assurance statement. They provide value and description of fraud and action taken to address the issue: they do not report amounts recovered. Amounts reported in the last 5 years are:</p>	<p>The trust must notify ESFA, as soon as possible, of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any academy financial year. They are required to provide full details of the event(s) with dates, the financial value of the loss, measures taken by the trust to prevent recurrence, whether the matter was referred to the police (and if not why), whether insurance or the RPA have offset any loss. Amounts reported in the last 5 years are:</p>

Year	Total (£ million)
2013-14	1.7
2014-15	2.8
2015-16	1.6
2016-17	1.4
2017-18	0.5

Fraud definition – included in footnote in the CFO assurance statement.

“We define fraud as an intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss. We include cases where management authorised action has been taken, including, but not limited to, disciplinary action, civil action or criminal prosecution. Further information about fraud can be found in Cabinet Office guidance”

Year	Total (£ million)
2013-14	2.8
2014-15	1.0
2015-16	1.4
2016-17	1.1
2017-18	0.9

ESFA may conduct or commission its own investigation into actual or potential fraud, theft or irregularity in any academy trust, and involve other authorities, including the police. ESFA will publish reports about its investigations and about financial management and governance reviews at academy trusts.

ESFA also publishes guidance on reducing fraud in academy trusts. Trusts are required to refer to this and to the findings from ESFA's investigation reports, as part of its risk management approach.

Proven fraud since 2012 totals £4.9m. This involved theft of money by a member of staff over a substantial period.

Last year the value of reported fraud committed against academy trusts was **£778,894** and the amount recovered by academy trusts was £429,681

<b>Reporting of Related Party Transactions (RPTs)</b>	<p>The 2019-20 version of SFVS contains specific questions relating to RPTs:</p> <p>Question 4: “Are business interests of governing body members and staff properly registered and taken into account so as to avoid conflicts of interest?”</p> <p>Question 24: “Are there adequate arrangements in place to manage conflicts of interest or any related party transactions?”</p>	<p>Trusts must report all RPTs to ESFA in advance of the transaction taking place, using ESFA's on-line form. This requirement applies to transactions made on or after 1 April 2019.</p> <p>From April 2019, all academy trusts have to seek approval from the ESFA for RPT payments of more than £20,000 and all transactions below £20,000 will be declared. These changes will focus on high-risk transactions, but will avoid unnecessary administrative burden to the sector whilst strengthening accountability and transparency.</p> <p>Any transactions with related parties, over a de minimis level, must be “at cost” (i.e. must not involve any element of profit).</p>
<b>Reporting on high pay</b>	<p>LAs are required to list the salaries of all senior officer posts by job title in their statutory accounts. They are also required to list the total number of salaries in pay bands from £50k.</p> <p>Maintained schools are not required to publish salary levels</p>	<p>Academy trusts are required to make an anonymised disclosure of any staff earning over £60,000 in their annual report and accounts. It should be noted that this is a charity accounting requirement rather than something the ESFA has imposed.</p> <p>Effective from the 2018/19 Accounts Return, academy trusts will be required to report the total salary expenditure, broken down into teachers, leadership, and administration and support. For individuals whose full-time equivalent emoluments exceed £100,000, the job title and role description should be disclosed per £10,000 bands; and whether the role is predominantly curriculum and education leadership, (e.g. improving pupil attainment and examination performance), or school business management leadership, (e.g. HR and facilities management functions).</p>



<b>Governance and personal liability</b>	<p>In all types of maintained school the governing body is responsible for selecting, appointing and holding the head teacher to account, and for overseeing the financial performance of the school and making sure its money is well spent.</p> <p>Individual maintained schools have autonomy over the use of their budgets and their governing bodies are responsible and accountable in law and in practice for all of their schools' major decisions.</p> <p>It is the overall governing body that in all cases remains accountable in law and to Ofsted for the exercise of its functions.</p>	<p>Academies differ in three key ways:</p> <ol style="list-style-type: none"> <li>1. trustees have additional duties under the Companies Act, which reflect their parallel status as company directors, including acting in the public interest, exercising independent judgement and avoiding conflicts of interest.</li> <li>2. trusts must appoint a senior executive as accounting officer who is personally responsible for the proper stewardship of public funds, including the securing of propriety, regularity and value for money. This is personal responsibility which cannot be delegated. These arrangements ensure that there is a chain of accountability for public money. This chain runs from parliament to the Permanent Secretary as Principal Accounting Officer, through the Chief Executive and Accounting Officer of the Education and Skills Funding Agency to each individual accounting officer of an academy trust.</li> <li>3. Academies have a greater degree of flexibility in determining the make-up of boards (governed by their Articles of Association) and the prime responsibility for determining the suitability of individuals joining academy trusts rests with trusts themselves.</li> </ol>
<b>The Department's Governor's Handbook applies to both academies and maintained schools and sets out in detail the responsibilities and required high standards, behaviours and skills for all members of governing bodies.</b>		
<b>Intervention and powers to remove governing bodies</b>	<p>Local authorities can:</p> <ul style="list-style-type: none"> <li>- Issue a notice of concern which may place restrictions, limitations and prohibitions on the governing body.</li> <li>- Require the governing body to appoint additional governors.</li> </ul>	<p>Where an academy breaches its terms and conditions the ESFA may issue a Financial Notice to Improve (FNtI).</p> <p>The ESFA can require a trust to dismiss an individual.</p> <p>If the trust refuses to act on such requirements the ESFA ultimately reserves the right to withdraw the academy's funding agreement.</p> <p>Because academy trusts are a charity, they are subject to intervention by the Charity Commission in certain circumstances</p> <ul style="list-style-type: none"> <li>• Number of FNtIs issued (Total): 79</li> <li>• Number of live FNtIs (Total): 42</li> </ul>

	<ul style="list-style-type: none"> <li>- Suspend the delegated budget of a school.</li> <li>- Suspend a governing body and appoint an Interim Executive Board</li> </ul> <p>The DfE does not collect data on how often LAs use these powers.</p>	<ul style="list-style-type: none"> <li>• Number of FNTIs issued (since October 2013 – last 5 years): 76</li> <li>• Number of live FNTIs (since October 2013 – last 5 years): 42</li> </ul>
<b>Procurement</b>	Both academies and LA schools operate within the public sector and are required to follow public sector procurement rules concerning free and full competition.	

## 6. Annex B: Consultation Questions

### About You

**A) Please provide your name:**

**B) What is your email address?**

**C) Are you responding as an individual, or as part of an organisation? (Circle)**

**D) What is your role?**

**E) What is the name of your organisation?**

**F) What type of organisation is this?**

**G) Which local authority are you responding from?**

**H) Are you happy to be contacted directly about your response?**  
**Yes / No**

**I) How did you hear about the consultation?**

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Information provided in response to consultations, including personal data, may be subject to publication or disclosure under the Freedom of Information Act 2000, the Data Protection Act 2018 or the Environmental Information Regulations 2004.

If you want all, or any part, of a response to be treated as confidential, please explain why you consider it to be confidential.

If a request for disclosure of the information you have provided is received, your explanation about why you consider it confidential will be taken into account, but no assurance can be given that confidentiality can be maintained. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department for Education will process your personal data (name and address and any other identifying material) in accordance with the Data Protection Act 2018, and your personal information will only be used for the purposes of this consultation. Your information will not be shared with third parties unless the law allows it.

You can read more about what the DfE does when we ask for and hold your personal information in our [personal information charter](#).

**I ) Do you wish for your response to remain confidential?**

**Yes / No**

## Proposals

### Proposal 1: Making public where local authorities are failing to comply with deadlines for completing assurance returns and financial collections

Please refer to **paragraphs 3.2 - 3.10** of the consultation document before responding to this proposal.

Local authorities, and maintained schools, are obliged to complete the following assurance returns and financial collections:

- Schools Financial Value Standard
- Dedicated Schools Grant

We have reviewed the approach to late returns that the ESFA has adopted this year for the academy sector, whereby they publish (on GOV.UK) the names of trusts who are late in submitting more than 2 out of 4 annual returns and believe similar measures could be used in the LA maintained schools sector.

**1) Please indicate whether you agree or disagree with the proposal below.**  
**Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
<p>We propose to publish the names of local authorities on GOV.UK who fail to comply in any financial year with more than two deadlines from the following collections:</p> <ul style="list-style-type: none"><li>▪ School Financial Value Standard (SFVS)</li><li>▪ Dedicated Schools Grant CFO assurance statement</li><li>▪ Consistent Financial Reporting</li><li>▪ Section 251 Budget</li><li>▪ Section 251 Outturn</li></ul>			

Comments

**Proposal 2a: Strengthening DSG annual assurance returns: Collecting the number of schools with suspended budgets and notices of financial concern through existing DSG assurance statement**

Please refer to **paragraphs 3.11 - 3.14** of the consultation document before responding to this proposal.

- 1) Please indicate whether you agree or disagree with the proposal below.**  
**Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
We propose to collect the number of schools with suspended budgets and notices of financial concern through the existing DSG assurance statement signed by the local authority CFO at the end of the financial year.			

Comments

**Proposal 2b: Strengthening DSG annual assurance returns: Adding a new section to the DSG assurance statement that captures the amounts that LAs have recovered from investigating fraud**

Please refer to **paragraphs 3.11 - 3.15** of the consultation document before responding to this proposal.

Currently, local authorities recover funds from fraud investigations but only inform DfE of the number and value of reported cases, not the value of money recovered

- 1) Please indicate whether you agree or disagree with the proposal below.**  
**Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
We propose to add a new section to the DSG assurance statement that captures the amounts that LAs have recovered from investigating fraud			

Comments

**Proposal 3: Requiring maintained schools to provide local authorities with 3-year budget forecasts**

Please refer to **paragraphs 3.16 – 3.21** of the consultation document before responding to this proposal.



Local authorities are required to maintain schemes for financing schools, which set out the financial relationship they have with their maintained schools. We have recently introduced a requirement for academies to send the department a three-year budget plan and we believe that this could be extended to maintained schools in the form of sending a three-year budget plan to their maintained authority.

- 1) Please indicate whether you agree or disagree with the proposal below.**  
**Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
We propose a directed revision of the schemes for financing schools to make it a requirement for maintained schools to provide local authorities with three-year budget forecasts			

Comments

### **Proposals 4 (a,b,c): Strengthening Related Party Transaction arrangements in maintained schools:**

Please refer to **paragraphs 3.22 – 3.29** of the consultation document before responding to these proposals. The three proposals are alternatives to one another.

Academy trusts must report all Related Party Transactions (RPTs) to ESFA in advance of the transaction taking place, using ESFA's on-line form. This requirement applies to transactions made on or after 1 April 2019. Since April 2019, all academy trusts have had to seek approval from the ESFA for RPT payments of more than £20,000 and all

transactions below £20,000 must be declared. The arrangements for reporting RPTs in maintained schools are not as stringent as those in academy trusts.

**Proposal 4a: : Making schools append a list of RPTs to their response to the new question in the Schools Financial Value Standard (SFVS) about their arrangements for managing RPTs, so that the information goes to the local authority and can be passed on to the department**

- 1) Please indicate whether you agree or disagree with the proposal below.  
Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
<p>We propose to make schools append a list of RPTs to their response to the new question in the SFVS about their arrangements for managing RPTs.</p> <p>In addition, we would insert additional columns into the CFO Assurance Statement, to request the number of RPTs and value for each to be disclosed.</p>			

Comments

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**Proposal 4b: Making a directed revision to the statutory Scheme for Financing Schools to require schools to report all RPTs, or RPTs above a certain threshold, directly to the local authority**

**1) Please indicate whether you agree or disagree with the proposal below.  
Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
We propose to amend the scheme for financing schools to require schools to report all RPTs, or RPTs above a certain threshold, directly to the local authority.			

Comments

**Proposal 4c: Making a directed revision to the statutory Scheme for Financing Schools to require schools to seek permission from the local authority to enter into RPTs above a certain amount.**

**Please indicate whether you agree or disagree with the proposal below. Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
We propose to amend schemes to require schools to seek permission from the authority to enter RPTs above a threshold.			

## Comments

### **Proposal 5: Requiring maintained schools to be subject to internal audit at least every 3 years**

Please refer to **paragraphs 3.30 – 3.34** of the consultation document before responding to this proposal.

Schools are within the overall audit arrangements determined by the local authority's statutory section 151 officer (CFO). Authorities operate internal audit teams whose work is then relied on by their external auditors. Most audit plans use a risk-based approach with some themed audits. We have learned in discussion with local authorities that the cycles for auditing-maintained schools vary a great deal and, in some cases, have fallen into disuse. Consequently, we think there is a case for action.

- 1) Please indicate whether you agree or disagree with the proposal below.**  
**Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
We propose to make a directed revision to the scheme guidance to require that every maintained school be subject to internal audit at least every 3 years.			

### **Proposals 6 (a,b,c): Strengthening arrangements to help schools that are in financial difficulty:**

Please refer to **paragraphs 3.35 – 3.37** of the consultation document before responding to these proposals. These proposals are additive, and we could implement all three together.

There is currently no requirement for local authorities to report to the department their plans for addressing financial difficulty in specific schools. Local authorities include both a deficit and surplus policy within their scheme for financing schools and monitor their schools' compliance with these. We have not previously collected information from authorities on the number of schools they intervene in but consider that this evidence base would help us to understand any variances in the level of support provided and target additional support from the Department.

### **Proposal 6a: Requiring schools to submit a recovery plan to their maintaining authority when their deficit rises above 5%**

- 1) Please indicate whether you agree or disagree with the proposal below.  
Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
We propose to make a directed revision to the scheme for financing schools requiring schools to submit a recovery plan to their maintaining authority when their deficit rises above 5%.			

Comments

**Proposal 6b: Collecting information on the number of recovery plans in each LA through DSG annual assurance returns from the CFO**

**1) Please indicate whether you agree or disagree with the proposal below.  
Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
We propose to collect information on the number of recovery plans in each LA through the DSG annual assurance return from the CFO.			

Comments

**Proposal 6c: Writing to local authorities each year when the end-year data is published, specifying the threshold of deficit that would trigger contact with the Department**

**1) Please indicate whether you agree or disagree with the proposal below.  
Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
<p>We propose to formalise the approach to working with LAs and include a request for high level action plans from some LAs. This will be achieved by:</p> <ul style="list-style-type: none"> <li>• Sharing published data on the school balances in each LA</li> <li>• Use this data and evidence-based requests from LAs to ensure support is focused where it is needed</li> <li>• Request high level action plans from LAs in which the number or proportion of school revenue deficits over 5% is above a certain level.</li> </ul>			

Comments





## Proposal 8: Increasing transparency in reporting maintained school income and expenditure

Please refer to **paragraphs 3.42 – 3.45** of the consultation document before responding to this proposal.

Local authority school accounts are part of the local authority statements of accounts that are published at gross level for income and expenditure. While individual schools are not included on the LA balance sheet, individual maintained schools are required to produce annual income and expenditure statements, known as Consistent Financial Reporting (CFR), or else local authorities produce them on the schools' behalf. The department publishes all the information from CFR in a spreadsheet but we believe it would add significantly to transparency if there were a requirement for individual schools to publish annually on their websites their latest CFR statements.

**Please indicate whether you agree or disagree with the proposal below. Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
We propose that all LA maintained schools should be required to publish annually on their websites their latest Consistent Financial Reporting statement of income, expenditure and balances.			

Comments

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## New financial burdens on local authorities

Local authorities are invited to fill in the table below to indicate and quantify any new burdens they believe would arise from the proposals in this document. Please specify in as much detail as possible what costs you believe would arise and provide figures.

Proposal	Yes/No	Details and quantification of cost
2a		
2b		
3		
4a		
4b		
4c		
5		
6a		
6b		
Other proposals (please specify)		

## Additional costs for schools

Respondents are invited to fill in the table below to indicate and quantify any additional costs they believe would arise for schools from the proposals in this document. Please specify in as much detail as possible what costs you believe would arise and provide figures.

Proposal	Yes/No	Details and quantification of cost
3		
4a		
4b		

<b>4c</b>		
<b>5</b>		
<b>6a</b>		
<b>7</b>		
<b>8</b>		
<b>Other proposals (please specify)</b>		

## 7. Respond Online

7.1 To help us analyse the responses please use the online system wherever possible. Visit [www.education.gov.uk/consultations](http://www.education.gov.uk/consultations) to submit your response.

### Other ways to respond

7.2 If for exceptional reasons, you are unable to use the online system, for example because you use specialist accessibility software that is not compatible with the system, please email or write to the addresses below and we will send you a word document version.

#### By email

- [LAFinancialTransparency.CONULTATION@education.gov.uk](mailto:LAFinancialTransparency.CONULTATION@education.gov.uk)

#### By post

LA Financial Transparency Measures  
Department for Education  
5<sup>th</sup> Floor  
2 St Pauls Place  
125 Norfolk Street

Sheffield  
S1 2JF

### Deadline

7.3 The consultation closes on 30 September 2019



Department  
for Education

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write to: Information Policy Team, The National Archives, Kew, London, TW9 4DU

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