



NOTTINGHAM CITY COUNCIL
SCHOOLS FORUM

Date: Thursday, 8 December 2016

Time: 1.45 pm

Place: Ground Floor Committee Room - Loxley House, Station Street, Nottingham,
NG2 3NG

Members are requested to attend the above meeting to transact the following business

Governance Officer/Clerk to the Forum: Phil Wye, Constitutional Services, Tel: 0115
8764637

AGENDA

Pages

- | | | |
|----------|--|---------|
| 1 | APOLOGIES FOR ABSENCE | |
| 2 | CHANGE TO MEMBERSHIP
To note the appointment of Sheena Wheatley as Trade Unions representative on the Schools Forum | |
| 3 | DECLARATIONS OF INTEREST | |
| 4 | MINUTES
To confirm the minutes of the meeting held on 3 November 2016 | 3 - 10 |
| 5 | WORK PROGRAMME | 11 - 12 |
| 6 | PROPOSED BUDGET FOR PUPIL GROWTH FOR 2017/18
Report of the Directors of Education and the Corporate Director for Children and Adults | 13 - 28 |
| 7 | THE REPAIR AND MAINTENANCE OF SCHOOL GYM EQUIPMENT IN MAINTAINED SCHOOLS
Report of the Directors of Education | 29 - 32 |
| 8 | YEAR 11 EAL NEW ARRIVALS PROVISION
Report of the Directors of Education and the Corporate Director for Children and Adults | 33 - 46 |
| 9 | EARLY YEARS FUNDING 2017/18
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10	FUNDING ARRANGEMENTS FOR SCHOOLS IN 2017/18 Report of the Corporate Director for Children and Adults and the Chief Finance Officer	57 - 62
11	CENTRAL EXPENDITURE BUDGET 2017/18 Report of the Corporate Director for Children and Adults and the Chief Finance Officer	63 - 74
12	FINANCING COSTS OF REDUNDANCY FOR MAINTAINED SCHOOLS Report of the Directors of Education and the Corporate Director for Children and Adults	75 - 86
13	EXCLUSION OF THE PUBLIC To consider excluding the public from the meeting during consideration of the remaining item in accordance with section 104a(4) of the Local Government Act 1972 on the basis that , having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	
14	EXEMPT MINUTES To confirm the exempt minutes of the meeting held on 3 November 2016.	87 - 88

IF YOU NEED ANY ADVICE ON DECLARING AN INTEREST IN ANY ITEM ON THE AGENDA, PLEASE CONTACT THE GOVERNANCE OFFICER/CLERK TO THE FORUM SHOWN ABOVE, IF POSSIBLE BEFORE THE DAY OF THE MEETING

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NOTTINGHAM CITY COUNCIL

SCHOOLS FORUM

MINUTES of the meeting held at Loxley House, Nottingham on 3 November 2016 from 13.49 - 15.40

Membership

Present

Sian Hampton (Chair)
Judith Kemplay (Vice Chair)
Maria Artingstoll
David Blackley
Sally Coulton
Gary Holmes
David Hooker
Andy Jenkins
Tracy Rees
Terry Smith
James Strawbridge
Marcus Wells
Sheena Wheatley

Absent

Bev Angell
Chris Manze
Janet Molyneux
Dawn Whitemore
Tracey Ydlibi
Caroline Caille

Colleagues, partners and others in attendance:

Kimberly Butler	- Behaviour Support Team Leader
Alistair Conquer	- Head of Education Partnerships
Jane Daffe	- Senior Achievement Consultant
Pat Fielding	- Director of Education
Julia Holmes	- Senior Commercial Business Partner
Jonny Kirk	- Service Manager, Access to Learning
Penny Marshall	- School Energy Officer
Della Sewell	- Employee Relations Manager
Kathryn Stevenson	- Senior Commercial Business Partner
David Thompson	- Risk, Health and Safety Officer
Janine Walker	- Service Manager, Special Educational Needs
Alison Weaver	- Service Manager, Inclusive Education Service
Phil Wye	- Governance Officer

1 ELECTION OF CHAIR

RESOLVED to appoint Sian Hampton as Chair of the Schools Forum for the 2016/17 academic year

2 ELECTION OF VICE CHAIR

RESOLVED to appoint Judith Kemplay as Vice Chair of the Schools Forum for the 2016/17 academic year

3 APOLOGIES FOR ABSENCE

Bev Angell
Caroline Caille
Janet Molyneux

4 DECLARATIONS OF INTEREST

None.

5 MINUTES

The minutes of the meeting held on 16 June 2016 were agreed and signed by the Chair.

6 WORK PROGRAMME

The work programme was noted.

7 DE-DELEGATION REPORTS

a DE-DELEGATION OF FUNDING FOR TRADE UNION TIME OFF FOR SENIOR REPRESENTATIVES (Agenda Item 8a)

Della Sewell, Employee Relations Manager, introduced the report, outlining the proposed funding arrangements for Trade Union facility time for senior trade union representatives from schools to attend negotiation and consultation meetings and to represent their members in schools in 2017/18. Della highlighted the following:

- (a) the arrangement to de-delegate funding has been in place for a number of years and so is a long-standing arrangement which results in an efficiency and benefit for schools;
- (b) the de-delegation funds senior Trade Union representatives from the main unions that represent teachers and support staff in schools to undertake collective bargaining, negotiation and engagement on terms and conditions of service and HR policies;
- (c) academies can also contribute to the Local Authority's arrangements for trade union consultation.

RESOLVED

- (1) for mainstream primary schools to approve the de-delegation of funding for senior trade union representatives at a rate of £1.52 per pupil and a lump sum of £1590.00 per school;**

(2) for maintained mainstream secondary schools to approve the de-delegation of funding for senior trade union representatives at a rate of £1.52 per pupil and a lump sum of £1590.00 per school.

b DE-DELEGATION OF FUNDING FOR THE BEHAVIOUR SUPPORT TEAM
(Agenda Item 8b)

Kimberly Butler, Behaviour Support Team Leader, introduced the report highlighting the following:

- (a) de-delegation of funding will ensure the viability of the Behaviour Support Team (BST) for a further year, in order to support their core support to schools and children;
- (b) the core service includes work with children and young people who have a primary need of Social, Emotional and Mental Health and are presenting significant needs, as well as attendance and contribution to meetings and reviews around these children;
- (c) in the last year the service supported around 80 children, and is currently supporting 10 children in maintained mainstream schools;
- (d) the BST provides further services as a traded service which schools pay for individually on varying packages. All but 2 academies in the city buy in the services of the team.

RESOLVED

(1) for maintained mainstream primary schools to approve the de-delegation of funding for statutory services provided by the Behaviour Support Team in 2017/18 at a rate of £5 per pupil eligible for free school meals and a lump sum of £0.003m per school;

(2) for maintained mainstream secondary schools to not approve the de-delegation of funding for statutory services provided by the Behaviour Support Team in 2017/18 at a rate of £55 per pupil eligible for free school meals and a lump sum of £0.003m per school.

c DE-DELEGATION OF FUNDING FOR ETHNIC MINORITY ACHIEVEMENT - IDEAL SERVICE (Agenda Item 8c)

Jane Daffé, Senior Achievement consultant, introduced the report, highlighting the following:

- (a) due to continuing success of the IDEAL Service as a traded service locally and nationally, the cost per pupil for de-delegation has reduced to £44.56 in 2017/18;
- (b) the core offer for all schools is a named consultant for advice and support, free access to the EAL network meetings, NQT training and 1 day of consultant support in school which the school can use as it sees fit;

- (c) positive work that the service has led on includes the Syrian Resettlement Programme, strategic work on the Roma and Asylum Seeker/Refugee communities and Year 11 provision and educational support.

RESOLVED

- (1) for maintained mainstream primary schools to approve the de-delegation of funding for EMA at a rate of £44.56 per EAL pupil for 2017/18 to ensure that the IDEAL team has sufficient time to create programmes and products for a more fully traded service to be established. The total estimated funding requested to be de-delegated for maintained mainstream primary schools is £0.109m (based on the autumn 2015 census);**
- (2) for maintained mainstream secondary schools to approve the de-delegation of funding for EMA at a rate of £44.56 per EAL pupil for 2017/18 to ensure that the IDEAL team has sufficient time to create programmes and products for a more fully traded service to be established. The total estimated funding requested to be de-delegated for maintained mainstream secondary schools is £0.003m (based on the autumn 2015 census).**

d DE-DELEGATION OF 2017/18 HEALTH AND SAFETY BUILDING INSPECTION FUNDING (Agenda Item 8d)

David Thompson, Schools Health and Safety Manager, introduced the report updating the Forum on the statutory and legislative health and safety responsibilities of the Local Authority in relation to maintenance and testing of maintained school properties. David highlighted the following:

- (a) de-delegation of funding for health and safety inspections will enable the council to deliver its statutory obligations regarding the health and safety of maintained, mainstream school sites;
- (b) individual schools will not have to source contracts themselves for inspections. Any required works which are identified through inspections will need to be paid for by schools themselves;

The following points were raised during the discussion which followed:

- (c) there has been a historical underspend on this service, and unused money is held in a reserve. This is held for a 5 year cycle and if there is a surplus at the end of the 5 years the fund will be reviewed by the Local Authority and options for its use will be considered. The Local Authority will then propose a use for the funding which will then be taken to Schools Forum for maintained schools to consider;
- (d) academies do not have the opportunity to buy into this service. They organise their own inspections.

RESOLVED to

- (1) note the statutory and legislative health and safety responsibilities of the Local Authority in relation to building maintenance of maintained primary**

and secondary schools and the type of costs that the requested funding will be used to fund, as detailed in paragraph 1.2 of the report;

(2) for maintained mainstream primary schools to approve the de-delegation of health and safety building inspection funding in 2017/18 based on a rate of £13.92 per pupil. The total estimated funding requested to be de-delegated for maintained mainstream primary schools is £0.172m;

(3) for maintained mainstream secondary schools to approve the de-delegation of health and safety building inspection funding in 2017/18 based on a rate of £13.92 per pupil. The total estimated funding requested to be de-delegated for maintained mainstream secondary schools is £0.018m.

8 SCHOOLS COLLABORATION ON RESOURCE EFFICIENCY - FINAL PROJECT REPORT UPDATE

Penny Marshall, School Energy Officer, gave a presentation on the outcomes of the Schools Collaboration on Resource Efficiency (SCoRE) project, highlighting the following:

- (a) the overall objective of the SCoRE Programme was to cut energy consumption and emissions from schools, also achieving:
 - financial savings;
 - lower carbon emissions;
 - a curriculum linked programme;
 - a bespoke service, training and advice for schools;
 - a programme which supports eco-schools;
 - access to SALIX funding to improve energy efficiency;
- (b) after establishing baseline data, surveys would be conducted at schools and a report produced. The report would outline recommendations with a step by step approach. It would attempt to affect behavioural change among both staff and children through training, lessons and assemblies;
- (c) SCoRE has won a National Green Apple Award received at Westminster in 2011 and was voted finalist in the local 2015 Nottingham Evening Post awards;
- (d) the school surveys identified £100,000 savings per annum from potential lighting upgrades, 12 boilers for replacement and £580,000 in cumulative savings for similar interventions over the school estate. Technical changes included replacement lighting, boiling and heating system upgrades, IT and server efficiency implementation, insulation, and timer switches;
- (e) the SCoRE Programme resulted in £36,218 energy cost savings per annum and 197 tonnes of CO₂ savings pro rata (since 2012). 9,000 pupils and 2,200 members of school staff were engaged by the programme;
- (f) even though the SCoRE programme has finished, the Schools Energy Team are still available to offer advice to schools on energy efficiency and cost savings.

RESOLVED to thank Penny for the presentation.

9 THE REPAIR AND MAINTENANCE OF SCHOOL GYM EQUIPMENT IN MAINTAINED SCHOOLS

This item was postponed to the next meeting of the Schools Forum

10 PUPIL GROWTH CONTINGENCY - PROPOSED ADDITIONAL BUDGET

Jonny Kirk, Service Manager, Access to Learning, introduced the report outlining the proposed additional budget requirements of the pupil growth contingency for 2016/17, highlighting the following:

- (a) there is a requirement to provide additional school places in Key Stage 2 classes in most areas of the city, due to movement of families into the city and a rise in the birth rate;
- (b) families that are arriving in Nottingham often have more than one child, and so these additional places will help to keep families together by being able to offer more siblings a place together;
- (c) approximately 5-6 additional classes will be required to meet the current need. Discussions with individual schools and academies as to where these will be have not yet taken place;

The following answers were given in response to questions from the Forum:

- (d) this funding is for primary schools only, but there are ongoing discussions around future expansion needs at secondary schools. Work is taking place with a Place Planning company which should provide robust data and a long term view;
- (e) there are place pressures across the city, but particularly in inner city areas where people tend to live when they first arrive in the city such as Forest Fields and Sneinton;
- (f) there are around 5-6000 in-year applications received each year in Nottingham, both from people moving around the city and moving into the city. The School Admissions Team uses various means to engage with parents, from visiting homes to one-to-one support at Loxley House in a variety of languages;
- (g) additional needs for Special Schools and PRUs is also in consideration, with recent discussions around the specialist school estate and demands of the increasing population.

RESOLVED to approve the allocation of an additional £0.300m to support pupil growth in 2016/17 from the Statutory School Reserve

11 HIGH NEEDS PLACES 2017/18

Kathryn Stevenson, Senior Commercial Business Partner, and Janine Walker, Service Manager, Special Educational Needs, gave a presentation on proposals for high needs places for the 2017/18 academic year, highlighting the following:

- (a) there is a requirement for the Local Authority (LA) to consult with the Schools Forum over proposals but not to gain agreement. The LA must submit place change notifications relating to academies and FE colleges to the Education Funding Agency (EFA) by 25 November 2016;
- (b) the purpose of notifying the EFA is so that they can directly fund these settings via a reduction in the LA's High Needs block allocation;
- (c) there is likely to be an increase in High Needs funding nationally from December 2016, but it is still unknown that Nottingham will benefit from this;
- (d) LAs also have the opportunity to request additional funding for growth in hospital education provision in the 2017/18 financial year, where there is evidence that this is linked to an increase in medical provision;
- (e) the LA identifies where a place number change may be required by examining current pupil numbers and leavers, anticipated new admissions and limits to physical capacity. This is not an exact science as it is difficult to predict how many new pupils with Special Educational Needs may move into the city;
- (f) the key proposed changes are identified below:

Setting	Place change
Nethergate Special Academy	+7
Woodlands Special School	+3
Westbury Special School	+9
Denewood PRU	-11
Bluecoat Focus Provision	+2
Total	+11

- (g) the full year impact of the extra places and associated top-up funding is estimated at £214,000. Most of the additional places will be needed by April. Any uplift to High Needs funding will be initially used for this;
- (h) failure to provide enough High Needs places within the city risks pupils having to be placed in more costly out of city provision.

RESOLVED to note the information

12 EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public from the meeting during consideration of the remaining item in accordance with Section 110A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

13 FUNDING TO SUPPORT AN EXPANDING SCHOOL - EXEMPT REPORT

Jonny Kirk, Head of Access to Learning, introduced the report.

RESOLVED to approve the recommendations in the report.

SCHOOLS FORUM WORK PROGRAMME

Title of report	Report or presentation	Author – name, title, telephone number, email address
<u>19 January 2016</u>		
1. Education Improvement Board – Update and Next Steps	Report	Jennifer Hardy Tel: 0115 8765629 Email: Jennifer.hardy@nottinghamcity.gov.uk
2. Schools Budget 2017/18	Report	Ceri Walters, Head of Commercial Finance Tel: 0115 8764128 Email: ceri.walters@nottinghamcity.gov.uk
3. Post ESG De-delegation	Report	Ceri Walters, Head of Commercial Finance Tel: 0115 8764128 Email: ceri.walters@nottinghamcity.gov.uk
Page 1 1 Dolly Parton Imagination Library	Report	Lucy Sheldon, Project Officer Tel: 0115 8763945 Email: lucy.sheldon@nottinghamcity.gov.uk

There are no reports scheduled for the meeting in February

Deadlines for submission of reports

Date of meeting	Draft reports (10.00 am)	Final reports (10.00 am)
19 January	29 December	9 January
23 February	2 February	13 February
20 April	23 March	10 April
22 June	1 June	12 June

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SCHOOLS FORUM – 8 DECEMBER 2016

Title of paper:	Proposed budget for pupil growth for 2017/18
Director(s)/ Corporate Director(s):	Pat and Sarah Fielding, Directors of Education Alison Michalska, Corporate Director for Children & Adults
Report author(s) and contact details:	Lucy Juby, Project Manager, School Organisation lucy.juby@nottinghamcity.gov.uk 0115 8765041
Other colleagues who have provided input:	Julia Holmes, Senior Commercial Business Partner, Children & Adults julia.holmes@nottinghamcity.gov.uk , 0115 8763733 Jon Ludford-Thomas, Senior Solicitor, jon.ludford-thomas@nottinghamcity.gov.uk
Summary	
<p>As part of the budget setting process for 2017/18, this report outlines the proposed requirements of the pupil growth contingency for 2017/18 and seeks Schools Forum's approval to allocate £1.052m of the Dedicated Schools Grant to fund this proposal. The funding will be used to fund pupil growth in both maintained schools and academies.</p> <p>As part of the budget setting process for 2017/18, the School Funding team must inform the Education Funding Agency (EFA) by mid-January 2017 on the level of funding allocated for pupil growth for academies for the period April 2017 to August 2017, from the pupil growth contingency fund.</p> <p>The Department for Education (DfE) Schools Forums: operational and good practice guidance document from March 2015 identifies central spend on and the criteria for pupil growth as one of the functions Forum are responsible for deciding on (Page 5).</p>	
Recommendation(s):	
1	To approve the allocation of £1.052m to support pupil growth in 2017/18.
2	To note: (a) the requirement to allocate funding to academies for the period April 2017 to August 2017 as guided by the EFA; (b) the amount to be allocated is £0.181m (c) the funding will be included on the submission of the 2017/18 Authority Pro-forma Tool sent in to the EFA which includes all school budget shares for 2017/18 and the amounts to be given out to academies for pupil growth April to August 2017; (d) the total amount of academies individual school budget shares will be netted off against the pupil growth given out for this period and the Authority's Dedicated Schools Grant for 2017/18 will be adjusted accordingly.
3	To agree the members of the sub group, to review the pupil growth contingency fund criteria for secondary schools.
4	To note that the sub group has no decision making powers and will make recommendations which Schools Forum will have to formally approve at a future meeting.

1 REASONS FOR RECOMMENDATIONS

- 1.1 The pupil growth contingency fund provides funding predominantly to schools and academies who have admitted additional school children to meet growing need for school places. The level of pupil growth in Nottingham in recent years has been substantial. The Council has invested £41.9m in its school expansion programme since 2009, which will create a total of over 4000 additional school places over the period of expansion, once all year groups are full.
- 1.2 Staffing, utilities and classroom resource costs associated with these additional places must be funded through the pupil growth contingency fund, using the criteria agreed by Schools Forum in July 2013.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 For 2017/18, the level of funding for pupil growth requested from Schools Forum is £1.052m. In 2014/15 it was £1.523m, in 2015/16 it was £1.047m and in 2016/17 it was £1.318m (including the additional £0.300m which was agreed by Schools Forum on 3 November 2016). The table below demonstrates how the fund for 2017/18 is estimated to be spent. A full breakdown is shown in Appendix 1.

Planned expansions / bulge years (staffing and utilities)	£0.399m
Classroom set up	£0.072m
Additional funding for academies to fund full financial years	£0.181m
Contingency	£0.400m
TOTAL	£1.052m

The table below shows funding approved in recent years.

2016/17	£1.318m
2015/16	£1.047m
2014/15	£1.523m

- 2.2 Where growth funding has been provided to an academy from September 2016, there is a requirement by the EFA for local authorities to continue this payment until August 2017. In 2017/18 the pupil growth contingency will allocate £0.181m to academies for April 2017 to August 2017. This is because academies are funded based on an academic year rather than a financial year and this means that local authorities have to pass onto academies a full 12 months of funding whereas they only need to fund maintained schools for 7/12ths of the year.
- 2.3 To provide the local authority with the appropriate level of funding to continue these payments the EFA will make an adjustment to the amount recouped for academies in 2017/18. They will take the academies' school budget shares and then deduct the amounts given out for pupil growth for April to August 2017. This revised total is then the amount that is recouped.
- 2.4 For 2017/18, the known requirements which are already committed for the pupil growth fund total £0.652m. This relates to schools which have already expanded or which are currently expanding. When a school expands and admits additional pupils, they are not reflected in the school's budget until the following April for maintained schools, or the following September for academies. The pupil growth contingency

fund is used to fund this lag, every year that the school admit an additional class until they are full (which is usually 7 years for a permanent expansion). The funding time periods for each school are also shown in Appendix 1.

- 2.5 A further £0.400m is requested to allow for contingency as other expansions come on line. The contingency funding in the previous three financial years has been between £0.250m and £0.300m, which in all three years was required and utilised to support pupil growth. The city-wide position for primary provision is good. As we continue our ambition to provide Ofsted good-rated school places close to home for every child in Nottingham, a small number of further primary school expansions are being considered.
- 2.6 An increased contingency for 2017/18 is requested, as we also need to consider the growing need for additional secondary places, which is likely to begin taking effect from September 2017. The pupil growth fund criteria agreed in July 2013 is relevant to primary provision. A review of the criteria is required and it may need to be adapted to make it relevant for secondary provision. This is currently being explored and a report will be brought to Schools Forum with any revised proposals in the near future.
- 2.7 Updates and reporting on how the pupil growth contingency fund is spent will continue to come to Forum at every meeting, if there have been changes to report.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 None.

4 OUTCOMES/DELIVERABLES

- 4.1 Continued provision of required school places.

5 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 5.1 As per paragraph 2.1 this report seeks approval to allocate £1.052m for pupil growth for both maintained schools and academies in the city in 2017/18. The estimated funding requirement for 2016/17 has been calculated based on the Pupil Growth Contingency Fund Criteria set by Schools Forum on 18th July 2013, this totalled £0.652m plus an additional contingency of £0.400m for any further expansions that are may be required in 2016/17. If approved the funding will be included in the 2017/18 budget and will be funded from the 2017/18 Dedicated Schools Grant settlement.
- 5.2 Included in the £1.052m funding outlined in paragraph 5.1 the School Organisation Team will be allocating £0.181m to academies in 2017/18 to fund the extra pupils they took in from September 2016. Refer to paragraphs 2.2 for an explanation as to why this is required and 2.3 to obtain an explanation as to how this money is given back to the local authority. The funding reimbursed to the Authority by the EFA will be added back into the Statutory School Reserve.
- 5.3 Any unspent monies at the end of the financial year will be carried forward and allocated to the Pupil Growth Contingency in 2018/19.

- 5.4 The 2017/18 Pupil Growth for academies relating to April 2016 to August 2016 will be included in the submission of the 2017/18 school budgets to the EFA.
- 5.5 The pupil growth fund criteria agreed in July 2013 is relevant to primary provision. A review of the criteria is required and it may need to be adapted to make it relevant for secondary provision. This is currently being explored and it is proposed that a sub-group is set up to review the current pupil growth criteria and ensure it is fit for purpose once pupils hit the secondary phase. A report will then be brought to Schools Forum with any revised proposals in April 2017. The re-modelling will need to ensure that it is affordable and fits within the DSG allocation issued by the DfE.

6 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

6.1 Legal Implications

- 6.1.1 The budgetary framework for the financing of maintained schools is contained in Chapter IV of Part II of the School Standards and Framework Act 1998 (“SSFA”). This chapter of the SSFA includes sections 45A (determination of specified budgets of a local authority) and 47A (the duty on a local authority to establish a schools forum for its area).
- 6.1.2 Section 45A(2) of the SSFA states that for the purposes of Part II of the SSFA, a local authority’s “schools budget” for a funding period is the amount appropriated by the authority for meeting all education expenditure by the authority in that period of a class or description prescribed for the purposes of this subsection (which may include expenditure incurred otherwise than in respect of schools). Section 45A(2A) of the SSFA states *the amount referred to in subsection (2) includes the amount of any grant which is appropriated, for meeting the expenditure mentioned in that subsection, in accordance with a condition which –*
- (a) *is imposed under section 16 of the Education Act 2002 (terms on which assistance under section 14 of that Act is given) or any other enactment, and*
- (b) *requires that the grant be applied as part of the authority's schools budget for the funding period.*
- 6.1.3 This means that the designated schools grant (“DSG”), which is paid to local authorities under section 14 of the Education Act 2002 (“EA2002”) essentially on condition imposed by the Secretary of State under section 16 of the EA2002 that it is applied as part of an authority’s schools budget for the funding period, is part of the schools budget. Indeed, the DSG is the main source of income for the schools budget (Education Funding Agency (“EFA”) guidance *Dedicated schools grant Conditions of grant 2015 to 2016* (December 2014), paragraph 2). Local authorities can add to the schools budget from local sources of income (*ibid*, paragraph 4).
- 6.1.4 The detail is prescribed by regulations. The current regulations are the School and Early Years Finance (England) Regulations 2015, SI 2014/2033 (“SEYFR”).
- 6.1.5 Amongst other things, regulation 1 of SEYFR states the following:-

(4) *In these Regulations—*

...

“1996 Act” means the Education Act 1996;

...

“2003 Act” means the Local Government Act 2003;

...

“2014 Regulations” means the School and Early Years Finance (England) Regulations 2014;

...

“capital expenditure” means expenditure of a local authority which falls to be capitalised in accordance with proper accounting practices, or expenditure treated as capital expenditure by virtue of any regulations or directions made under section 16 of the 2003 Act;

...

“CERA” means capital expenditure which a local authority expects to charge to a revenue account of the authority within the meaning of section 22 of the 2003 Act;

6.1.6 Amongst other things, regulation 8 of SEYFR states the following:-

(5) *A local authority must not deduct the expenditure referred to in Schedule 2 (other than expenditure referred to in paragraph 12 (expenditure on licences) and Part 4 (Children and Young People With High Needs) of Schedule 2) without authorisation from its schools forum under regulation 12(1), or from the Secretary of State under regulation 12(3).*

6.1.7 Amongst other things, regulation 12 of SEYFR states the following:-

(1) *On the application of a local authority, its schools forum may authorise—*

...

(b) *the making of deductions from the authority's schools budget of expenditure under regulation 8(5);*

6.1.8 Schedule 2 to SEYFR sets out the following expenditure relevant to this report:-

3

CERA incurred for purposes not falling within any other paragraph of this Schedule or Schedule 1.

...

5

Any deductions under any of paragraphs 1, 2, 3, 4(a), 4(b), 4(c), 4(d) and 4(e) must not exceed the amount deducted under each of the corresponding paragraphs of Part 1 of Schedule 2 to the 2014 Regulations for the previous funding period.

...

8

Expenditure due to a significant growth in pupil numbers as a result of the local authority's duty under section 13(1) of the 1996 Act to secure that efficient primary education and secondary education are available to meet the needs of the population of its area.

6.1.9 Therefore, the expenditure proposed here is potentially expenditure to be made from the schools budget for Nottingham City Council (“NCC”) and NCC’s DSG at that. This is provided if the money is to be spent in the way proposed in this report that it is either spent as CERA as defined by SEYFR and in accordance with SEYFR, or it is spent due to a significant growth in pupil numbers as a result of NCC’s duty under section 13(1) of the 1996 Act to secure that efficient primary education and secondary education are available to meet the needs of the population of its area. That last point is particularly important where it is envisaged that any such expenditure would be made to assist the expansion of an Academy since any expenditure of NCC’s schools budget on an Academy without a clear legal duty or power enabling NCC to do so would be unlawful. The reasons for recommendations and the background sections to this report set out that a significant growth in pupil numbers means that section 13(1) of the 1996 Act is potentially engaged here and the proposed expenditure would be lawful on that basis alone.

6.1.10 Lastly as expenditure caught by Schedule 2 to SEYFR, regulation 8(5) of SEYFR requires NCC to seek the approval of Nottingham City Schools Forum under regulation 12(1)(b) of SEYFR for the expenditure referred to in this report, hence this report.

7 HR ISSUES

7.1 Not applicable.

8 EQUALITY IMPACT ASSESSMENT

8.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:
(Please explain why an EIA is not necessary)

Yes

Attached as Appendix 3, and due regard will be given to any implications identified in it.

9 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

9.1 None

10 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

10.1 Pupil Growth Contingency Fund – update and criteria setting – July 2013

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Appendix 1 – breakdown of schools due to receive funding from 2017/18 pupil growth contingency fund

School	Amount £	Funding criteria	Funding start date	Funding end date (up to and including)
Planned expansions / or bulge years				
Dunkirk Primary	36,841	Staffing / utilities	Sept 2012	Sept 2018
Fernwood Primary	36,841	Staffing / utilities	Sept 2015	Sept 2021
Forest Fields Primary	36,841	Staffing / utilities	Sept 2013	Sept 2019
Glenbrook Academy	36,841	Staffing / utilities	Sept 2013	Sept 2017
Mellers Primary	36,841	Staffing / utilities	Sept 2016	Sept 2022
Middleton Primary	30,555	Teacher (full year)	Sept 2015	Sept 2017
Riverside Primary Academy	36,841	Staffing / utilities	Sept 2012	Sept 2018
Rosslyn Primary Academy	36,841	Staffing / utilities	Sept 2013	Sept 2017
Rufford Primary	36,841	Staffing / utilities	Sept 2013	Sept 2019
South Wilford	36,841	Staffing / utilities	Sept 2016	Sept 2021
Sycamore Primary (Academy)	36,841	Staffing / utilities	Sept 2013	Sept 2019
Sub total	398,965			
Classroom set up				
Fernwood Primary	8,000	Classroom set up x1	Sept 2015	Sept 2021
Glenbrook Academy	8,000	Classroom set up x1	Sept 2014	Sept 2019
Heathfield Primary	16,000	Classroom set up x2	Sept 2015	Sept 2020
Mellers Primary	8,000	Classroom set up x1	Sept 2016	Sept 2022
Riverside	8,000	Classroom set up x1	Sept 2014	Sept 2018
Rosslyn Park	8,000	Classroom set up x1	Sept 2013	Sept 2017
Rufford	8,000	Classroom set up x1	Sept 2013	Sept 2019
South Wilford	8,000	Classroom set up x1	Sept 2015	Sept 2021

Sub total	72,000			
Additional funding for academies to fund full financial years (April '17 – August '17)				
Blue Bell Hill	26,315	Staffing / utilities	Apr-2014	Apr-2017
Djanogly Northgate	26,315	Staffing / utilities	Apr-2014	Apr-2017
Glenbrook	26,315	Staffing / utilities	Apr-2014	Apr-2018
Huntingdon	26,315	Staffing / utilities	Apr-2016	Apr-2017
Riverside	26,315	Staffing / utilities	Apr-2015	Apr-2019
Rosslyn	22,904	Teacher & TA	Apr-2015	Apr-2018
Sycamore	26,315	Staffing / utilities	Apr-2014	Apr-2020
Sub total	180,794			
Total committed spend	651,759			
Contingency	400,000			
Total	1,051,759			

Update on pupil growth contingency fund 2016/17– Update for Schools Forum (Dec 2016)

School	Category	Nov 2016 Figure	Funding start date	Funding end date (up to and including)
Glade Hill	Bulge year – 7/12ths (inc. 2 teachers if admit 2 nd class)	54,665	Sept 2015	TBC
Huntingdon Academy	Bulge year – 5/12ths academy funding	26,315	April 2015	April 2017
Huntingdon Academy	Bulge year – 7/12ths	36,841	Sept 2014	Sept 2016
Middleton Primary	Bulge year – Teacher cost for full year	30,555	Sept 2015	Sept 2017
Glenbrook	Classrooms	8,000	Sept 2014	Sept 2019
Heathfield	Classrooms	24,000	Sept 2015	Sept 2020
IDEAL	City wide provision – classroom set up (TBC)	8,000	Sept 2016	Sept 2016
Glade Hill	Classrooms	8,000	Sept 2016	TBC
Fernwood Primary	Classrooms	8,000	Sept 2015	Sept 2021
Huntingdon Academy	Classrooms	8,000	Sept 2014	Sept 2016
Mellers	Classrooms	8,000	Sept 2016	Sept 2022

Summary – November 2016	
16/17 fund	1,017,614
15/16 C/F balance	36,089
TOTAL FUND	1,053,703
Bulge year	148,376
Classroom set up	257,500
Late admissions – children previously without a school place	10,173
Planned expansions	627,332
Current total spend	1,043,381
Remaining balance	£10,322

Middleton	Classrooms	8,000	Sept 2015	Sept 2016
Nottingham Academy	Classrooms / set up	129,500	Sept 2016	Sept 2016 (one-off payment)
Riverside	Classrooms	8,000	Sept 2014	Sept 2018
Rosslyn Park	Classrooms	8,000	Sept 2013	Sept 2017
Rufford	Classrooms	8,000	Sept 2013	Sept 2019
South Wilford	Classrooms	8,000	Sept 2015	Sept 2021
Whitegate	Classrooms	16,000	Sept 2016	Sept 2016
Riverside	Late admissions – 5/12ths funding (Teaching Assistant)	10,173	April 2016	April 2016 (one-off payment)
Blue Bell Hill	Expansion - 7/12ths	36,841	Sept 2010	Sept 2016
Blue Bell Hill	Expansion – 5/12ths	26,315	April 2014	April 2017
Djanogly Northgate	Expansion – 7/12ths	36,841	Sept 2010	Sept 2016
Djanogly Northgate	Expansion – 5/12ths	26,315	April 2014	April 2017
Dunkirk	Expansion – 7/12ths	36,841	Sept 2012	Sept 2018
Fernwood Nursery	New build	29,225	One-off payment	
Fernwood Primary	Expansion – 7/12ths	36,841	Sept 2015	Sept 2021
Forest Fields	Expansion – 7/12ths	36,841	Sept 2013	Sept 2019

Glenbrook	Expansion – 7/12ths	36,841	Sept 2013	Sept 2017
Glenbrook	Expansion – 5/12ths	26,315	April 2014	April 2018
Mellers	Expansion – 7/12ths	36,841	Sept 2016	Sept 2022
Riverside	Expansion – 7/12ths	36,841	Sept 2012	Sept 2018
Riverside	Expansion – 5/12ths	26,315	April 2015	April 2019
Roslyn Park	Expansion – 5/12ths	24,440	April 2015	April 2018
Roslyn Park	Expansion – 7/12ths	36,841	Sept 2013	Sept 2017
Rufford	Expansion – 7/12ths	36,841	Sept 2013	Sept 2019
South Wilford	Expansion – 7/12ths	36,841	Sept 2016	Sept 2021
Sycamore	Expansion – 7/12ths	36,841	Sept 2013	Sept 2019
Sycamore	Expansion – 5/12ths	26,315	April 2014	April 2020
TOTAL SPEND		1,043,381		

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Equality Impact Assessment Form (Page 1 of 2)

Title of EIA/ DDM: Proposed budget for pupil growth 2017/18
Department: Children & Adults
Service Area: Access to Learning – School Organisation
Author (assigned to Covalent):

Name of Author: Lucy Juby
Director: Pat & Sarah Fielding
Strategic Budget EIA: N (please underline)

Brief description of proposal / policy / service being assessed:

As part of the budget setting process for 2017/18, this report outlines the proposed requirements of the pupil growth contingency for 2017/18 and seeks Schools Forum's approval to allocate £1.052m of the Dedicated Schools Grant to fund this proposal. The funding will be used to fund pupil growth in both maintained schools and academies, to ensure the continued provision of required school places.

Information used to analyse the effects on equality:

Analysis of January 2016 school census for all schools in Nottingham, to understand the impact of this funding on the school pupil population.

Page	Could particularly benefit X	May adversely impact X	How different groups could be affected (Summary of impacts)	Details of actions to reduce negative or increase positive impact (or why action isn't possible)
1	<input type="checkbox"/>	<input type="checkbox"/>	<p>This paper requests funding to support pupil growth across Nottingham, so the latest school census data, January 2016, was used to assess the equalities impact.</p> <p>28.6% of pupils in Nottingham schools speak English as an Additional Language, 23.3% qualify for free school meals, 13.5% have special educational needs and 51% are BME.</p> <p>The proposal will therefore benefit a diverse population of young people, as it supports the funding of pupil growth across the City.</p>	None required.
People from different ethnic groups.	<input type="checkbox"/>	<input type="checkbox"/>		
Men	<input type="checkbox"/>	<input type="checkbox"/>		
Women	<input type="checkbox"/>	<input type="checkbox"/>		
Trans	<input type="checkbox"/>	<input type="checkbox"/>		
Disabled people or carers.	<input type="checkbox"/>	<input type="checkbox"/>		
Pregnancy/ Maternity	<input type="checkbox"/>	<input type="checkbox"/>		
People of different faiths/ beliefs and those with none.	<input type="checkbox"/>	<input type="checkbox"/>		
Lesbian, gay or bisexual people.	<input type="checkbox"/>	<input type="checkbox"/>		
Older	<input type="checkbox"/>	<input type="checkbox"/>		
Younger	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Other (e.g. marriage/ civil partnership, looked after children, cohesion/ good relations, vulnerable children/ adults).	<input type="checkbox"/>	<input type="checkbox"/>		
Please underline the group(s)				

*/issue more adversely affected
or which benefits.*

Outcome(s) of equality impact assessment:

- No major change needed •Adjust the policy/proposal •Adverse impact but continue
- Stop and remove the policy/proposal

Arrangements for future monitoring of equality impact of this proposal / policy / service:

Not required.

Approved by (manager signature):

Jonny Kirk, Service Manager, Access to Learning

Date sent to equality team for publishing:

22/11/16

Before you send your EIA to the Equality and Community Relations Team for scrutiny, have you:

1. Read the guidance and good practice EIA's
<http://www.nottinghamcity.gov.uk/article/25573/Equality-Impact-Assessment>
2. Clearly summarised your proposal/ policy/ service to be assessed.
3. Hyperlinked to the appropriate documents.
4. Written in clear user friendly language, free from all jargon (spelling out acronyms).
5. Included appropriate data.
6. Consulted the relevant groups or citizens or stated clearly when this is going to happen.
7. Clearly cross referenced your impacts with SMART actions.

SCHOOLS FORUM – 8 December 2016

Title of paper:	The repair and maintenance of school gym equipment in maintained schools.
Director(s)/ Corporate Director(s):	Pat and Sarah Fielding Director of Education
Report author(s) and contact details:	Mick Evans 8765022 Pupil and School Services Manager
Other colleagues who have provided input:	Julia Holmes 8763733 Senior Commercial Business Partner Jon Ludford-Thomas, Senior Solicitor
Summary Previously school funds have been de-delegated to carry out both the assessment and maintenance of maintained school's gym equipment. The work was carried out through a contract with Sportsafe, with administration for the work provided by the central Education Services Nottingham team. The contract with Sportsafe has now expired, and this report details changes to the way gym equipment in maintained schools will be dealt with going forward with the de-delegation of £120 per school for an annual safety survey, and the delegation of £380 per school to pay for associated repairs.	
Recommendation(s):	
1	For maintained mainstream primary schools to approve the de-delegation of funding for an annual safety survey of school gym equipment at a rate of £120 per school. Total estimated funding to be de-delegated for maintained mainstream primary schools is £0.005m.
2	For the maintained mainstream secondary school to approve the de-delegation of funding for an annual safety survey of school gym equipment at a rate of £120 per school. Total estimated funding to be de-delegated for maintained mainstream secondary school is £120.
3	That Pupil and School Services write to Headteachers and Governing bodies of the maintained schools informing them of the annual survey and the links to recommended suppliers.
4	That Headteachers and Governors take necessary steps to carry out school gym maintenance works for all equipment in their schools using one of the approved suppliers from the Eastern Shires Purchasing Organisation (ESPO).

1 REASONS FOR RECOMMENDATIONS

- 1.1 The authority needs assurance that it is carrying out an annual assessment of the gym equipment in the city maintained schools. These recommendations enable these to be met in the most economical manner.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 In recent years Schools Forum has de-delegated funds for the repair and maintenance of school gym and outdoor play equipment in maintained schools. It needs to be noted that this has been for repair and maintenance only and does not include replacement of obsolete equipment.
- The annual service included a site visit from a registered supplier to carry out a review of the equipment and to list any defects that needed attention. The procurement of these annual inspections gave not only a list of minor repairs, but also gave an ongoing commentary of the state of the equipment in the maintained schools.
- Minor repairs orders were placed and approved with the administration of the contract with Sportsafe carried out centrally within Pupil and School Services in the Education Department. Economies of scale meant that the best approach to this was to manage the contract centrally, but with the increase in number of academies this is no longer the case.
- The contract with Sportsafe has also expired and it is now opportune to look again at the arrangements.
- The Eastern Shires Purchasing Organisation (ESPO) carries a list of approved suppliers within their frameworks. All of these are approved and vetted for school use.
- This report is asking for the de-delegation of £120 per maintained school to carry out an annual appraisal of school gym equipment, and the delegation of £380 per maintained school for any remedial repairs.
- This annual appraisal will generate a recommended list of necessary repairs that will then be passed on to the school for action through one of the approved suppliers on the ESPO framework.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 The option was considered to leave the system as it was and continue to de-delegate funds for both annual assessment and repair works. However, VFM, and the fact that the Sportsafe contract had expired makes this untenable.

4 OUTCOMES/DELIVERABLES

- 4.1 Safe working gym equipment in the city's maintained schools.

5 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 5.1. Within the local funding formula the lump sum per school contains £500 per school for schools annual inspection and repairs and maintenance of schools gym equipment. This proposal outlines that from the financial year 2017/18 maintained mainstream primary and secondary schools are being asked to approve the de-delegation of £120 per school for the annual inspection of gym equipment only. The remaining £380 per school will be delegated to maintained mainstream schools to cover the costs of any repairs or maintenance.

- 5.2. Based on the latest Department for Education indicator data and known academy conversions the proposal would result in maintained mainstream primary schools de-delegating £0.004m and maintained mainstream secondary schools de-delegating £120. Therefore, a total of £0.005m would be de-delegated.
- 5.3 For information the proposal would result in the delegation of an estimated £0.014m to maintained schools and for repairs and maintenance. Academies would continue to receive the £500 per school in the lump sum factor for them to carry out their inspections, repairs and maintenance this would total £0.026m. Therefore, the total amount to be delegated is £0.040m.
- 5.4 The funding delegated to academies will be passed through the local funding formula through the lump sum factor and then the total of the academies Individual Schools Budget Shares will be recouped by the Education Funding Agency.
- 5.5 In the short-term some schools may incur peaks in costs but it is anticipated that these will be covered by the funding delegated through the formula over the long-term.
- 5.6 If maintained schools approve the de-delegation of funding for the gym equipment surveys in 2017/18 this would ensure that value for money is achieved through the most economic, efficient and effective means of procurement. How this will be achieved is outlined in paragraphs 2.1.

6 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

6.1 Legal Implications

6.1.1 The schools forum's powers here derive from the School and Early Years Finance (England) Regulations 2015 ("SEYFR"), made by the Secretary of State in exercise of powers under the School Standards and Framework Act 1998 and the Education Act 2002. The SEYFR came into force on 7 January 2016.

6.1.2 Chapter 2 of Part 2 of the SEYFR is entitled "Further Deductions and Variations to Limits Authorised by School Forums or the Secretary of State" and it contains regulation 12 of the SEYFR. Under regulation 12 of the SEYFR, on the application of a local authority, its schools forum may authorise *the redetermination of schools' budget shares by removal of any of the expenditure referred to in Part 5 of Schedule 2 (Items That May Be Removed From Maintained Schools' Budget Shares) [of the SEYFR] from schools' budget shares where it is instead to be treated by the authority as if it were part of central expenditure, under regulation 11(4) (SEYFR, regulation 12(1)(d)).*

6.1.3 Part 5 of Schedule 2 to the SEYFR contains paragraph 33, which states:-

Expenditure on insurance in respect of liability arising in connection with schools and school premises.

6.1.4 Part 5 of Schedule 2 to the SEYFR contains paragraph 36, which states:-

Expenditure on licence fees or subscriptions paid on behalf of schools.

6.1.5 Part 5 of Schedule 2 to the SEYFR contains paragraph 37, which states:-

Expenditure on the schools' specific contingency.

6.1.6 Therefore, provided what is proposed in this report fits within one or more of the categories above, Nottingham City Schools Forum has the power to approve the recommendations in this report by virtue of the above legislation. The schools forum's power should be exercised lawfully. Provided the amounts sought through use of this power have been correctly and lawfully calculated, the exercise of this power will be lawful. Furthermore, under regulation 8(9A) of the Schools Forums (England) Regulations 2012 (as amended), only the schools members of the schools forum who are representatives of mainstream local authority maintained primary schools may vote to decide whether or not to approve the recommendations in this report where they relate to mainstream local authority maintained primary schools, and under regulation 8(9B) of the Schools Forums (England) Regulations 2012 (as amended), only the schools members of the schools forum who are representatives of mainstream local authority maintained secondary schools may vote to decide whether or not to approve the recommendations in this report where they relate to mainstream local authority maintained secondary schools.

6.1.7 Whilst this report does in fact propose changes to how the repair and maintenance of school gym and outdoor play equipment in Nottingham City maintained schools will operate, the proposed end result would be broadly the same as previously and therefore arguably the Equality Impact Assessment appended to the previous report to the Nottingham City Schools Forum regarding this matter on 24 September 2015 remains valid.

7 HR ISSUES

7.1 Non to report

8 EQUALITY IMPACT ASSESSMENT

8.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:

There is no change to the final service being provided

9 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

9.1

10 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

10.1 None

SCHOOLS FORUM – 8 DECEMBER 2016

Title of paper:	Year 11 EAL New Arrivals Provision
Director(s)/ Corporate Director(s):	Pat and Sarah Fielding, Directors of Education Alison Michalska, Corporate Director for Children and Adults
Report author(s) and contact details:	Jane Daffé, Senior Achievement Consultant, Vulnerable Groups Email: jane.daffe@nottinghamcity.gov.uk Tel: 0015 8764680
Other colleagues who have provided input:	Kathryn Stevenson, Finance Jo Zylinski, HR Adisa Djan, Equality and Diversity Jon Ludford-Thomas, Legal Peter McConnachie, NCSEP

Summary

The Year 11 New Arrivals provision is designed to meet the needs of newly arrived asylum seeker/ refugees, Roma, EU migrants and other young people in Year 11 (and late Year 10) who are new to English and unable to access the mainstream curriculum. The provision is currently funded from the DSG high needs budget at £0.110m. Since September 2014, Nottingham City Council colleagues within the IDEAL service have worked in consultation with Nottingham’s secondary schools/academies, NCSEP and the Fair Access Panel to establish a successful full-time provision (up to a maximum of 30 places) that meets the needs of this vulnerable cohort, ensures immediate access to an appropriate education and acquisition of core subject qualifications in preparation for post-16.

The need to secure a permanent base on the site of a mainstream school/academy has been a challenge; the provision was based at Bluecoat Beechdale Academy in the 2014-15 academic year, Djanogly City Academy Sherwood Rise site for the first half of 2015-16 and has since moved to Ellis Guilford, where there is commitment to establish a permanent sustainable future for this much-needed provision. It has become clear that in order for this partnership to be economically viable and not to the detriment of Ellis Guilford’s own budget and resources, an increase in funding is necessary to ensure the future stability of the provision; it has also become evident that the extreme vulnerability and significant and complex needs of this cohort of young people require funding appropriately.

Recommendation(s):

- | | |
|----------|---|
| 1 | <p>For Schools Forum to give a view on the recommended approach to funding this provision from April 2017;</p> <ul style="list-style-type: none"> a) A total of £0.214m annual funding which equates to 30 pupils at the £7,144 (made up of KS4 AWPU + EAL formula rates). b) Where the pupils are on roll at a City school by the October census, the school will cover the annual £7,144 per pupil cost with the high needs budget providing the balance of funding. For example, in 2017/18 this means that only £0.136m of the above figure will be required, |
|----------|---|

1 REASONS FOR RECOMMENDATIONS

- 1.1 Indications are that the numbers of new arrivals to Nottingham with little or no English is set to increase further and therefore this provision will be needed for the foreseeable future in order to ease the pressure on local schools/academies for this crucial year group. We already have 14 Yr11 students attending the provision full-time in November, with 6 further new arrivals awaiting induction (this is double the number at this point in the previous 2 years).
- 1.2 There needs to be appropriate financial recognition of the significant commitment made by Ellis Guilford on behalf of all schools and academies to accommodate this necessary provision (the only viable offer presented to the Local Authority when consulting with all schools/academies in order to seek a school site).
- 1.3 Referral to this full-time provision is free to all City schools/academies unless the pupil is on their roll prior to the October census thereby triggering funding for the school. The majority of the cohort arrive during Year 11 and post-Autumn census, therefore there is no funding available to support their education.
- 1.4 We are developing a unique and important provision within the City which is now attracting referrals from beyond the City border (which would be paid places at £11K per year) as other local authorities are unable to meet the needs of this cohort in the same way; any funding generated in this way would also compensate these additional cost recommendations. We should be proud of this achievement and seek to improve our offer further.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1 Aims of the City-wide provision:

- To establish a quality full-time provision for this vulnerable group with its own accommodation within a mainstream school in order to meet the City's statutory requirement that all young people of school age are provided with an appropriate full-time education.
- To ensure the experience of a mainstream school environment and access to services and opportunities available to their peers in keeping with the Equality Act 2010 legislation and recommendations for positive action for those with protected characteristics.
- To provide a nurturing and inclusive educational provision that supports the young people's integration into British society as well as recognising and building upon their diverse experiences and knowledge.
- To secure recognised and age-appropriate qualification pathways that will support further education options.

2.2 Our vulnerable cohort:

We educate a diverse range of EAL students, many with complex needs and experiences, as follows:

201415/201516 academic years

Vulnerable groups within the last 2 Year 11 cohorts (59 students) are disproportionately represented as follows:

21 asylum seekers/refugees, of whom 11 Unaccompanied Asylum Seekers (Looked After Children)

13 Eastern European Roma

3 teenage parents

15 with little/no experience of prior education/literacy

13 with attendance/behavioural issues

A range of SEND, including

- 1 selective mute
- 1 Asperger's Syndrome

There needs to be a formal recognition of this diversity of need and vulnerability and the additional resource/support required to meet this and ensure access to all necessary services. See Appendix 2 which includes some case studies of the progress made by vulnerable students at our provision 2015-16.

- 2.3 We consulted with Head teachers of all City secondary schools and academies in the summer term of 2015 when we were seeking a permanent mainstream base for the provision. Two academies expressed a theoretical interest but were not able to accommodate the needs of the provision. Ellis Guilford was the only viable offer and they stepped up in order to secure the provision to the benefit of all City schools/academies. Ellis Guilford have detailed very clearly their intention to ensure the full integration of the New Arrivals provision into the life of their school, as follows:
- the development of a specialist on-site EAL provision that enhances the current provision in school
 - students from the provision integrated into tutor groups/Houses/pastoral systems
 - students from the provision integrated into behaviour/attendance/rewards and sanctions systems
 - students from the provision accessing teaching for maths and ICT from Ellis Guilford teaching staff
 - students from the provision accessing the full range of Ellis Guilford services e.g. SEND, safeguarding, education welfare
 - Ellis Guilford Student Ambassadors for EAL to support new students to the provision arriving through the year
 - staff from the provision to be integrated into the CPL opportunities and team meetings along with Ellis Guilford staff

This is clearly a whole-school commitment that requires adequate funding in recognition of the resources required.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 If this recommendation is not implemented, the number of student places available at the provision will need to be reduced to 15 (in order to ensure adequate resources to meet their complex needs) and the education of any late-arrival students beyond this number will become the sole responsibility of their base school. There is a concern that this would result in vulnerable young people not

being able to access an appropriate education and us not meeting our statutory duty to provide this.

- 3.2 An alternative is for no specialised provision to be made and individual schools/academies to make their own provision in-house for these Year 11 students on their roll. However, schools/academies have welcomed this specialist provision as they have not felt able to provide and resource the level of intensive English teaching required for new arrivals at that stage in their education; the expertise required to secure good outcomes for what is often a small group or even just one student would be difficult and costly to provide in an individual school. Even schools with specialist EAL teaching staff roles do not have the capacity to provide full-time input to Year 11 beginners as they have to support across the whole school.

4 OUTCOMES/DELIVERABLES

- 4.1 Student outcomes in summer 2015 and 2016 have been overwhelmingly positive with an impressive improvement in results in the second year of the provision:

Level Attained	E1	E2	E3	Level 1	GCSE
Number of students 2015	4	6	8	7	4
Number of students 2016	1	2	11	13	8

Number of qualifications attained	1	2	3	4	5
Number of qualifications attained 2015					
No. of students 2015	1	1	19	4	-
No. of students 2016	1	-	18	6	2

- 4.2 The range of subjects offered as a qualification in 2016-17 has been further increased, to include science and PSE.
- 4.3 27 students completed the course to examination in 2015-16 (the largest cohort to date since 2009 when the provision was college-based), compared to 25 students in 2014-15.

5 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 5.1 The historic £0.110m budget covered the cost of direct staffing for a class of up to 30 plus a small budget for resources.
- 5.2 Under the new approach at Ellis Guilford, the students are being integrated into the life of the school and will access support from a whole range of staff as described in paragraph 2.3. A new approach to funding is now required appropriate to the new model of delivery.

- 5.3 Using the value of the KS4 AWPU and new entrant EAL rates in the current local funding formula seems a fair and reasonable basis to use to fund Ellis Guilford for these pupils. Total funding on this basis will cover the costs anticipated by Ellis Guilford under the new model of provision.
- 5.4 The £0.214m is based upon 30 pupils at £7,144. However, as the provision is not full from the start of the academic year the true cost per place is nearer to £10k per place. This is in line with the standard per place cost for high needs/AP places nationally and significantly below the average external AP provider cost of £15k.
- 5.5 The proposed charge for Out of City pupils at £11k covers estimated full annual place cost.
- 5.6 The proposed charge to City schools for pupils on their roll in time for the October census reflects the funding that will be received into the school's budget in the following financial year as a result. Ellis Guilford will invoice other schools £7,144 for pupils on roll by the October census date. Where pupils are on roll at Ellis Guilford in time for the October census, the funding provided from the high needs budget will be reduced accordingly.
- 5.7 **The maximum high needs budget requirement for the 2017/18 financial year is £0.136m.** This is calculated as the annual funding total of **£0.214m** less **£0.078m** to be met by schools (11 pupils on roll by October 2016 census at £7,144). This will be reduced further if any places are commissioned for Out of City pupils. The high needs budget requirement for future years will vary according to the places taken up by October.
- 5.8 Detailed arrangements for this provision will be agreed and specified in a service level agreement.
- 5.9 The estimated 2017/18 high needs budget requirement is **an increase of £0.026m**. The LA's 2017/18 high needs budget allocation has not yet been issued by the EFA and it is not yet clear if this will be increased from the 2016/17 level. If this is not the case, the £0.026m increase will need to be met from the DSG reserve.

6 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 6.1 This provision will ensure positive outcomes for vulnerable EAL new arrivals in KS4 who are unable to access mainstream provision; it will ensure that they receive their entitlement to a quality full-time education whilst of statutory school age regardless of ethnic, linguistic, national or faith background. In line with the Equality Act 2010, this provision would be seen as an example of Nottingham City schools' positive action for young people with the above-listed protected characteristics.
- 6.2 The cohort includes those with an asylum seeker/refugee experience (including unaccompanied asylum seekers who are LAC), Eastern European Roma (as a particularly vulnerable group educationally), teenage parents and other newly arrived young people. The provision supports them to continue into further education, make a positive contribution and achieve economic wellbeing in the new host society.

7 HR ISSUES

- 7.1 The agreement for Ellis Guilford to accommodate the Year 11 New Arrivals provision includes the transfer to the School of the 3 staff employed by Nottingham City Council to deliver the current provision. Although the LA remains the employer in law for staff employed in Community Schools, if the staff become part of the School's establishment they will come under the delegated powers of the School Governing Body.
- 7.2 The staff team comprises 1 x 0.6 FTE teacher, 1 FTE Level 3 TA, and 1 x 0.6 FTE Level 3 TA.
- 7.3 There will be a duty to inform and consult with staff in relation to the proposed transfer, including any changes in terms and conditions of employment. Timelines for transfer will need to take into account timelines for consultation with staff.
- 7.4 If the school converts to an academy in the future, staff would then be consulted over the transfer of their employment to the academy under TUPE; transferring staff would transfer to the employment of the academy with the T&C from their school roles.
- 7.5 For the school, HR implications include the transfer of certain liabilities to the School.
- 7.6 Pension entitlements would not be affected by the transfers.
- 7.7 All recognised Trade Unions will need to be informed of the proposals, and involved in the individual consultations with staff as relevant.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:
(Please explain why an EIA is not necessary)

Yes

Attached as Appendix 3, and due regard will be given to any implications identified in it.

9 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

9.1

10 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

10.1

Appendix 2 - Case Studies

1. **Student A** is male and from Romania. He is of Roma heritage and speaks Romanis as well as Romanian. He arrived in the UK in September 2014 but the family had difficulty enrolling him at a school. He eventually was referred to the Fair Access Panel in February 2015. As a result he started at IDEAL in February 2015 as a Year 10 pupil.

At this stage his experience and knowledge of English was very limited. From February to June, A made good progress in English, mathematics and ICT. By July he had achieved;

- Entry Level 1 in ESOL
- Entry Level 3 in mathematics
- Entry Level 2 in ICT.

His attainment in mathematics and ICT was particularly notable because of the level of reading English required to understand the questions and instructions in these subjects. As Student A was in Year 10, he was told that he could continue at IDEAL in September. However, during the summer holiday, his family decided to return to Romania due to difficulties finding work and Student A did not start school again in September.

In March 2016 Student A's family returned to Nottingham from Romania. Consequently, he was offered a place at IDEAL and he started again at the end of April. Despite being out of education for nearly 9 months he had retained much of his previous learning and he again was able to make progress in a very short period of time (2 months). In June 2016 he passed;

- Entry Level 2 in Reading and Writing Functional English.
- Level 1 in Functional Mathematics
- Entry Level 3 in Functional ICT.

This will enable Student A to attend college in September, take further courses in English and mathematics and begin studying a vocational subject.

Given the circumstances of Student A's family and their mobility, it is likely that without the IDEAL provision he would have either not have accessed education or have attended a school without achieving any qualifications.

2. **Student Y** joined us at the end of February this year. He came from Afghanistan as a 15 year old unaccompanied asylum seeker; he endured great hardship during his journey to the U.K. He was able to speak Pashtu but unable to read and write. Moreover, he had received no previous schooling in Afghanistan where he lived and worked as a goatherd.

He was a popular member of the class and formed positive relationships with both staff and students. He was always willing to help others and displayed an excellent sense of humour.

Student Y was not afraid to ask questions and is inquisitive and eager to learn. These are skills and qualities which will serve him well as he begins his Post 16 pathway.

When Student Y joined us at IDEAL at the end of February he had very little English. However, he has left us having recently achieved several Functional Skills qualifications within the term. He has achieved Entry Level 1 in English Reading and ICT and Entry Level 2 in Mathematics. This is testament to his excellent attitude towards learning and an excellent, supportive foster placement. His experienced foster carers are clear that he would not have achieved these qualifications were it not for the IDEAL Year 11 provision as they have had previous foster placements from a similar background who have struggled in mainstream, or even to access a school place.

3. **Student R** arrived from Poland in November 2014; there was a considerable delay in securing a school place as the family were confused by the system. At the initial assessment meeting she was very nervous and felt under a lot of pressure; her mum talked about her having learning difficulties in Poland and mentioned her being dyslexic, however no evidence was identified to support this and in fact it turned out that her decoding skills were very good and it seemed that she was academically able and would make rapid progress. She was eventually offered a Year 11 school place in October 2015 and started attending IDEAL soon after, with provision for four days, one day in mainstream. She had studied a little English back in Poland but there were many gaps in her vocabulary.

She demonstrated a very strong character, settled in quickly and established friendships with other students, most of whom had also come from Poland; she, however, had many social issues to deal with and this would manifest itself in her behaviour, at times being defiant, challenging and disruptive, making teaching difficult. In December she made a safeguarding disclosure to the teacher at IDEAL and her mental health and wellbeing became a concern; this was an historical event that we then became aware had involved the police and Social Care services.

Student R became pregnant at about the same time, again disclosing to the IDEAL teaching staff, so Social Care and the Teenage Pregnancy Unit became increasingly involved in order for her to receive the best support possible. Staff at IDEAL and her base school also made sure that additional emotional and pastoral support was put in place for her. Initially, her attendance became poor and we were concerned about the impact of this on her future chances.

In March, she passed Entry Level 3 in Functional Maths and Entry Level 2 in Functional ICT. In the summer term, Student R appeared to have a completely changed attitude to her studies and began to make a determined effort to achieve the best she could this year. Her progress in English was also evident as she had become the spokesperson for newly arrived students and was often interpreting the instructions for her Polish classmates. Her writing improved rapidly and teachers were preparing extra work for her as she was getting through class work at such a fast pace. She was much more settled now, grew in confidence and maturity and had won over all staff with her exceptionally positive attitude and commitment to learning.

By the end of the year she had achieved Entry Level 3 in Functional Skills English and ICT and Level 1 in Mathematics. She also sat the Polish GCSE at her mainstream school. Moreover she was selected as one of our students to attend the IntoUniversity Open Day and is aware that she has the academic potential to pursue a university pathway in the future.

Student R wants to continue her studies next year once the baby is born and has achieved a good set of qualifications. She has overcome many barriers to learning and benefited from having specialist teaching in a safe and caring environment. We are very proud of her strength and achievements.

4. **Student Z** is female and from Romania. She is of Roma heritage and speaks Romanis as well as Romanian. She arrived in the UK in September 2014 but the family had problems finding her a school place mainly because they had difficulty with the procedure for applications. She eventually was offered a Year 10 school place in April 2015 and started attending school. However, by this time Student Z was pregnant and expecting the baby in October. She did not want to return to school in September.

By December 2015, Student Z was ready to go back into education. She did not want to return to the school she had previously attended because she felt that the lessons she'd had were insufficiently challenging in helping her to learn English. Therefore she was referred to IDEAL by an Education Support Worker. As a result she started at IDEAL in February 2016. Student Z's ability to speak and understand English was very limited but she was keen to learn and she tried hard in all her lessons. By April she had passed Entry Level 2 in Functional Maths. This showed that she had made progress with English as well as mathematics because of the comprehension needed to understand the functional maths questions.

During the Summer Term she continued to work hard at improving her English and mathematics. By June she had passed;

Entry Level 2 in Functional English Reading

Entry Level 3 in Functional Maths

Entry Level 1 in Functional ICT

Student Z felt that she had learnt a great deal while at IDEAL and had enjoyed the experience very much. She was very conscientious, attended regularly and managed her dual responsibilities as a student and parent with maturity. The work, whilst suitably challenging, was pitched at the right level for her developing acquisition of English. Her motivation to continue in education is now very strong. She has a place at college in September to study ESOL and to get a higher level in mathematics. This will enable her to access vocational courses the following year. Without the opportunity to study at IDEAL, it is likely that she would not have returned to education in Year 11 following the birth of her child.

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Equality Impact Assessment Form (Page 1 of 2)

Title of EIA/ DDM: Year 11 EAL New Arrivals Provision

Name of Author: Jane Daffé

Department: School Access and Improvement

Service Area: Children and Adults

Author (assigned to Covalent):

Director: Patrick and Sarah Fielding

Strategic Budget EIA Y/N (please underline)

Brief description of proposal / policy / service being assessed:

The Year 11 New Arrivals provision is designed to meet the needs of newly arrived asylum seeker/ refugees, Roma, EU migrants and other young people in Year 11 (and late Year 10) who are new to English and unable to access the mainstream curriculum. Funding for the provision is currently agreed by Schools' Forum and funded from Dedicated Schools Grant (DSG) at £110K. Since September 2014, Nottingham City Council colleagues within the IDEAL service have worked in consultation with Nottingham's secondary schools/academies, Nottingham City Secondary Education Partnership (NCSEP) and the Fair Access Panel to establish a successful full-time provision (up to a maximum of 30 places) that meets the needs of this vulnerable cohort, ensures immediate access to an appropriate education and acquisition of core subject qualifications in preparation for post-16 study/work.

The need to secure a permanent base on the site of a mainstream school/academy has been a challenge; after consultation with all schools/academies, it has recently moved to Ellis Guilford, where there is commitment to establish a permanent sustainable future for this much-needed provision. It has become clear that in order for this partnership to be economically viable and not to the detriment of Ellis Guilford's own budget and resources, an increase in funding is necessary to ensure the future stability of the provision; it has also become evident that the extreme vulnerability and significant and complex needs of this cohort of young people require funding appropriately. This service should now be commissioned out to Ellis Guilford to deliver and High Needs Funding is deemed appropriate for this purpose.

Information used to analyse the effects on equality:

- Student numbers accessing the provision 2014/15 and 2015/16
- Numbers of students referred through Fair Access criteria (hard to place/at risk)
- Numbers of schools/academies accessing the provision
- Number (%) of LAC (unaccompanied asylum seekers) accessing the provision
- Number (%) of asylum seekers (with family) accessing the provision
- Number (%) of Roma accessing the provision
- Student attainment data 2014/15 and 2015/16

We continue to experience ever increasing numbers of newly arrived EAL and other ethnic minority pupils into Nottingham City schools. We have seen a steady increase in the proportion of ethnic minority pupils, up from 43% of the school population in 2011 to 52% in the 2016 school population census. Within that, group, the percentage of EAL pupils has risen from 22% to 29%. Given this increased pressure on schools, the development of this unique provision for the City has been crucial to support both schools and vulnerable young people and has attracted referrals and interest beyond the City.

	Could particularly benefit X	May adversely impact X	How different groups could be affected (Summary of impacts)	Details of actions to reduce negative or increase positive impact (or why action isn't possible)
People from different ethnic groups.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	If ongoing sustainable funding <i>is not agreed</i> as requested for this specialised provision, individual schools/academies would become responsible for ensuring their own provision in-house for these Year 11 students on their roll. Experience shows that schools are reluctant to accept newly arrived EAL students in late Key Stage 4 due to the pressures of GCSE exams. In the past, delays and refusals have	1 Annual CPD programme to schools staff to embed best practice and knowledge/awareness of needs of pupils from a range of groups vulnerable to underachievement 2 Ongoing support, training and
Men	<input type="checkbox"/>	<input type="checkbox"/>		
Women	<input type="checkbox"/>	<input type="checkbox"/>		
Trans	<input type="checkbox"/>	<input type="checkbox"/>		

Disabled people or carers.	<input type="checkbox"/>	<input type="checkbox"/>
Pregnancy/ Maternity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
People of different faiths/ beliefs and those with none.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Lesbian, gay or bisexual people.	<input type="checkbox"/>	<input type="checkbox"/>
Older	<input type="checkbox"/>	<input type="checkbox"/>
Younger	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other (e.g. marriage/ civil partnership, <u>looked after children, cohesion/ good relations, vulnerable children/ adults</u>). <i>Please underline the group(s) /issue more adversely affected or which benefits.</i>		
Page 44	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

been common, with young people not being able to access their entitlement to a full-time education.

Schools/academies have welcomed this specialist provision to date as they have not felt able to provide and resource the level of intensive English teaching required for new arrivals at that stage in their education; in the last 2 years 13 out of 15 City schools/academies have referred students to the provision. The expertise required to secure good outcomes for what is often a small group or even just one student would be difficult and costly to provide in an individual school. Even schools with specialist EAL teaching staff roles do not have the capacity to provide full-time input to Year 11 beginners as they have to support across the whole school.

If the funding ***is not agreed*** this would also result in the teaching staff (1 teacher and 2 teaching assistants) being made redundant and a loss of EAL local expertise.

This would also:

- leave the LA with no suitable provision to support the educational needs of these vulnerable Year 11 students
- detract from the LA's ability to support raising the achievement of EAL/ethnic minority pupils which is a growing percentage of the school population and an Ofsted East Midlands regional priority as evidenced by the report and foci of the visit to Nottingham to discuss provision for and outcomes of EAL learners, amongst other vulnerable groups;
- as a City Council there is a focus on newly arrived and emerging communities across the City and the services that are required to support their integration into local communities. It would be a regressive step to lose this specialist service available to schools to support the specific needs, language acquisition and attainment of these pupils.
- schools would have to make provision for Year 11 EAL new arrivals independently and fund all necessary activities; schools would have to either train their own staff or seek external providers to support them with the specific skills required to effectively teach these groups of pupils

- guidance for individual schools
- Production of teaching resources for schools
- EAL teaching as Sold Service to schools
- Undertake assessments of newly-arrived pupils who are new to English to support rapid and appropriate school placements
- Maintained schools have an entitlement to:
 - a named consultant for bespoke advice;
 - free access to phase-based EAL network meetings to share good practice with other school staff;
 - 1 day consultant support in school (could include planning, staff training, and data analysis).

Outcome(s) of equality impact assessment:

- No major change needed
- Adjust the policy/proposal
- Adverse impact but continue
- Stop and remove the policy/proposal

Arrangements for future monitoring of equality impact of this proposal / policy / service:

Annual and ongoing evaluation and monitoring of improvement plan. Data analysis of numbers, attendance and outcomes for students accessing the provision

Approved by (manager signature):

Nicholas Lee nicholas.lee@nottinghamcity.gov.uk

0115 8764618

Date sent to equality team for publishing:

29.9.16

Before you send your EIA to the Equality and Community Relations Team for scrutiny, have you:

1. Read the guidance and good practice EIA's
<http://www.nottinghamcity.gov.uk/article/25573/Equality-Impact-Assessment>
2. Clearly summarised your proposal/ policy/ service to be assessed.
3. Hyperlinked to the appropriate documents.
4. Written in clear user friendly language, free from all jargon (spelling out acronyms).
5. Included appropriate data.
6. Consulted the relevant groups or citizens or stated clearly when this is going to happen.
7. Clearly cross referenced your impacts with SMART actions.

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SCHOOLS FORUM - 8 DECEMBER 2016

Title of paper:	Early Years Funding 2017/18
Director(s)/ Corporate Director(s):	Pat and Sarah Fielding, Directors of Education Alison Michalska, Corporate Director for Children and Adults
Report author(s) and contact details:	Kathryn Stevenson, Senior Commercial Business Partner (Schools) Kathryn.stevenson@nottinghamcity.gov.uk 0115 8763731
Other colleagues who have provided input:	Kathryn Bouchlaghem, Early Years Manager Jon Ludford-Thomas, Senior Solicitor, Legal Services Lynn Robinson, HR Business Partner Children & Adults
Summary	
<p>New national Early Years (EY) funding arrangements are being implemented from April 2017 including a new national formula for allocating the EY block to Local Authorities and new regulations around the distribution of funding to providers.</p> <p>This paper is to brief Schools Forum on the proposed changes and consult over our planned approach to allocating early years funding for 2017/18.</p> <p>Final proposals will be subject to the government response to the national consultation and the resultant LA EY block allocation.</p>	
Recommendation(s):	
1	Give a view on the draft Early Years formula for funding providers for the early education entitlement for 3 & 4 year olds from April 2017
2	Approve Early Years Central Expenditure of £1.195m for 2017/18, subject to this complying with the final regulations

1 REASONS FOR RECOMMENDATIONS

- 1.1 These proposed changes are designed to ensure we meet the new regulations as outlined in the Government consultation "An early years national funding formula" launched on 11 August 2016.
- 1.2 We consulted all early years settings on the proposed EY formula between the 8th and 23rd of November 2016.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**2.1 National consultation proposals**

The national consultation proposals incorporate;

- **A new formula** for allocating Dedicated Schools Grant (DSG) for the EY Block to Local Authorities. This will also be used to fund the extended entitlement to 30 hours from September 2017.
- This new formula had a significant 10.5% weighting for additional needs which resulted in **Nottingham gaining £1.1m** based on the indicative consultation proposals.

- **New regulations** around the proportion of EY funding that can be retained for central spend (7% in 2017/18, falling to 5% in 2018/19).
- Amended rules around how funding is distributed to providers, including;
 - a universal base rate for all provider types
 - a maximum proportion (10%) that can be distributed via supplements to the base rate
 - an amended list of permissible supplements (rurality, flexibility, efficiency, delivery of additional 15 hours)
 - new funding for children eligible for Disability Living Allowance (DLA) to be pass-ported directly to providers
- **Transitional arrangements** until 2019/20 including supplementary funding for maintained nursery schools.
- **Funding will be capped at 15 hours** for pupils not eligible for the extended 30 hours entitlement

2.2 Draft local formula proposals:

The draft proposed revised formula is as follows:

Formula element	Hourly rate £	Eligibility criteria
Base rate	4.15	Hourly base rate for all pupils/providers
Deprivation supplement	1.40	Additional hourly supplement for pupils eligible for EYPP
Flexibility supplement	0.10	Addition to the hourly rate attracted by settings open at least 50 weeks of the year

The supplements that are ceasing (quality, abatement, healthy eating) are no longer permissible.

Around **16% of our indicative new EY** funding allocation is for additional needs. It is estimated that the above formula will distribute 9% of funding to providers on the basis of supplements which is within the proposed 10% limit.

2.3 Local consultation response

We consulted early years settings over the draft proposed formula outlined in 2.2, with around 15% of providers (33) making a response. A full summary of consultation responses is provided in **Appendix 1**.

Only 42% of those responding agreed with the base rate of £4.15 on the basis that this is not high enough.

However, we are constrained by the level of funding that is coming into the local authority. The proposed local formula takes into account the proposed national formula for funding coming into the LA.

Under this, the LA receives a base rate of £4.11 plus the equivalent of £0.10/hour in funding for EAL (which we need to pass on to all providers as we can't have EAL as a supplement) and £2.48 per hour for an assumed number of deprived pupils. With 5% of funding retained for central services, to mirror the national formula for funding coming into the LA we would have base funding of £4.00 (95% of £4.21) and an hourly rate for deprivation of £2.36 (95% of £2.48).

In setting our base rate at £4.15 we are already using some of the funding received for deprived pupils to support the base rate. The rationale for this is that;

- deprivation is widespread in the City and not all deprived families qualify or register for EYPP;
- it ensures that all settings get at least as much funding before deprivation as previously;
- a maximum of 10% can be allocated through supplements

A priority is to try to ensure that the base rate we set now will be sustainable into the future so we can provide as much certainty to providers as possible.

Other aspects of the proposals were supported by a clear majority of respondents.

2.4 Impact on providers

All providers will see an increase in the base rate (3.7% in PVCI settings, 15.6% in settings attached to maintained schools which previously had an effective £0.41 reduction to base funding through the abatement factor).

All providers will be able to gain from the significant hourly supplement for pupils qualifying for the Early Years Pupil Premium.

2.5 Finalising our local formula proposals

Due to the timescales for setting the overall Schools Budget it is not practical to await the final government response and early years block allocation before designing and consulting on our local proposals.

We will update Schools Forum of any amendments necessary to align to the final government proposals/allocations in the January Budget report.

As outlined in our local consultation **our priority will be to make the base rate as close to the £4.15 as possible.** The deprivation supplement will be adjusted if necessary to balance to the available resources.

2.6 Central expenditure

Under the national consultation proposals up to 7% of early years funding can be retained centrally in 2017/18, falling to 5% from 2018/19.

Approved EY central expenditure for 2016/17 is £1.092m. This was a reduction compared to the 2015/16 EY central expenditure budget of £1.159m.

The extended entitlement to early years education is being implemented from September 2017. This will require additional support to providers from the Early years team in the transition to offering the new 30 hour entitlement to eligible families. Proposed EY expenditure of £1.195m is a £0.102m increase which

represents 5% of the DfE estimate of our allocation for the extended entitlement in 2017/18.

At this level, based on the indicative allocation we will be in line with the 7% limit for 2017/18. Schools Forum are asked to approve the proposed EY expenditure of £1.195m, subject to this being compliant with the final regulations once published.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 We considered a slightly lower base rate at £4.10 but at this level it was feasible that certain PSCI providers previously qualifying for the £0.10 quality supplement could see a reduction in their funding for pupils not eligible for the deprivation supplement.
- 3.2 We considered a slightly higher base rate at £4.20 but to compensate for this the deprivation rate would have to be reduced to around £1-£1.20 per hour. This is less than 50% of the level of funding received into the LA for deprived pupils (£2.48/hour).

4 OUTCOMES/DELIVERABLES

- 4.1 An agreed approach to setting the 2017/18 Early Years budget which meets the new regulations, as outlined in the national consultation proposals.

5 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 5.1 These proposals will need to be reviewed when the government announce the final regulations and allocations to ensure they remain compliant and affordable.
- 5.2 Under the revised formula, with a significant deprivation supplement, the funding that will be allocated to providers will be less predictable than in the past and less aligned to the final funding coming into the LA. This means there is an increased risk of under/over allocation of EY funding. It is anticipated, subject to the final regulations, that under/over allocations will be able to be adjusted for against the subsequent year's EY budget. The deprivation rate may need to be decreased in future years if there is a significant increase in the proportion of pupils registered for EYPP.

6 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

6.1 Legal Implications

- 6.1.1 The Government's proposals referred to in this report were only recently the subject of consultation, the results of which, at the time of writing, the Government has yet to publish. Furthermore, the Government has yet to publish even draft regulations setting out how these proposals could operate in law.
- 6.1.2 In view of the above, it is advisable for Schools Forum either to make any decision on this matter contingent on subsequent developments or only to note the contents of this report. Either way, it is advisable that the matter is brought back to Schools Forum as soon as possible as the Government's position becomes clearer.

7 HR ISSUES

7.1 No apparent direct impact on workforce issues

8 EQUALITY IMPACT ASSESSMENT

8.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:
(Please explain why an EIA is not necessary)

Yes

Attached as an Appendix , and due regard will be given to any implications identified in it.

9 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

9.1 None

10 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

10.1 None

Appendix 1

Summary of Consultation Responses

Question	Yes	No
<p>1. Do you support the proposal to set the universal base rate at £4.15/hour?</p> <p>Analysis of key reasons given for not agreeing with proposal:</p> <ul style="list-style-type: none"> • 3 respondents quoted the shortfall between the proposed rate and their charge for paid hours • 2 respondents stated that it would be insufficient to cover costs • 11 respondents gave general statements about it being too low 	42%	58%
<p>2. Do you support the proposal to allocate deprivation funding to pupils qualifying for the Early Years Pupil Premium (EYPP)</p> <p>Analysis of key reasons given for not agreeing with proposal:</p> <ul style="list-style-type: none"> • 4 respondents raised the issue that many children living in deprivation circumstances don't qualify for EYPP • 2 respondents felt that deprivation funding should be based on area or catchment • 1 respondent questioned how the use/effectiveness of the additional funding would be audited or monitored 	70%	30%
<p>3. These proposals are subject to the outcome of the national consultation. If final funding into the Local Authority is reduced, our first priority will be around providing stability in the base rate and making this as close to £4.15 as possible. The level of deprivation funding will be balanced to remaining resources. Do you agree with this approach?</p> <p>Analysis of key reasons given for not agreeing with proposal:</p> <ul style="list-style-type: none"> • 5 respondents gave comments but these did not disagree with the specific approach outlined in Q3 but reiterated concerns linked to the other questions 	73%	27%
<p>4. Do you support our intention to retain the £0.10 flexibility supplement?</p> <p>Analysis of key reasons given for not agreeing with proposal:</p> <ul style="list-style-type: none"> • 2 respondents raised issues about the criteria used for the flexibility supplement • 1 respondent felt the funding could be released for deprivation or additional needs instead 	82%	18%
<p>5. We are proposing not to set hourly supplements for rurality, efficiency or the delivery of the additional 15 hours. Do you agree with this</p>	67%	33%

approach?

Analysis of key reasons given for not agreeing with proposal:

- 3 respondents felt that there should be a supplement related to the delivery of the additional 15 hours
- 1 respondent stated that there should be a supplement for efficient settings

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Equality Impact Assessment Form (Page 1 of 2)

Title of EIA/ DDM: 2017/18 Early Years Funding
Department: Children and Adults
Service Area: Access & Learning
Author (assigned to Covalent): Kathryn Bouchlaghem

Name of Author: Kathryn Bouchlaghem
Director: Patrick Fielding
Strategic Budget EIA Y/N (please underline)

Brief description of proposal / policy / service being assessed:

New national Early Years (EY) funding arrangements are being implemented from April 2017 including a new national formula for allocating the EY block to Local Authorities. As outlined in the Early Years National Funding Formula consultation there will be a requirement for Local Authorities to adhere to the new regulations around the distribution to providers. [Consultation Document](#) [Equality Assessment Document](#)

Information used to analyse the effects on equality:

National funding rules, national and local consultations, Nationally the Equality assessment from the Department of Education suggests these changes will bring around a necessary balance and levelling of funding, locally the return of 20% confirmed the need to secure the base rate to ensure financial sustainability.

Page 55	Could particularly benefit X	May adversely impact X	How different groups could be affected (Summary of impacts)	Details of actions to reduce negative or increase positive impact (or why action isn't possible)
People from different ethnic groups.	<input type="checkbox"/>	<input type="checkbox"/>	<p>Positive Impact: Reforming the funding system using IDACI information and free school meal data (FSM) enables a system to deliver flexible, quality childcare and early Education for all parents, carers and children including those with disabilities special educational needs.</p>	<p>Childcare and Early Education providers within the Private, voluntary and community sector will continue to apply for Inclusive Support Grant (ISG) using the existing established application process.</p>
Men	<input type="checkbox"/>	<input type="checkbox"/>		
Women	<input type="checkbox"/>	<input type="checkbox"/>		
Trans	<input type="checkbox"/>	<input type="checkbox"/>		
Disabled people or carers.	x	<input type="checkbox"/>		
Pregnancy/ Maternity	<input type="checkbox"/>	<input type="checkbox"/>		
People of different faiths/ beliefs and those with none.	<input type="checkbox"/>	<input type="checkbox"/>		
Lesbian, gay or bisexual people.	<input type="checkbox"/>	<input type="checkbox"/>		
Older	<input type="checkbox"/>	<input type="checkbox"/>		
Younger	X	<input type="checkbox"/>		
Other (e.g. marriage/ civil partnership, looked after children, cohesion/ good relations, vulnerable children/ adults).	x	<input type="checkbox"/>		

**Please underline the group(s)
/issue more adversely affected
or which benefits.**

Outcome(s) of equality impact assessment:

- No major change needed •Adjust the policy/proposal •Adverse impact but continue
- Stop and remove the policy/proposal

Arrangements for future monitoring of equality impact of this proposal / policy / service:

Monitoring of participation in place through funding claims portal.

Approved by (manager signature):

Patrick Fielding, Director of Education

patrick.fielding@nottinghamcity.gov.uk

0115 8764333

Date sent to equality team for publishing:

25/11/2016

Before you send your EIA to the Equality and Community Relations Team for scrutiny, have you:

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1. Read the guidance and good practice EIA's
<http://www.nottinghamcity.gov.uk/article/25573/Equality-Impact-Assessment>
2. Clearly summarised your proposal/ policy/ service to be assessed.
3. Hyperlinked to the appropriate documents.
4. Written in clear user friendly language, free from all jargon (spelling out acronyms).
5. Included appropriate data.
6. Consulted the relevant groups or citizens or stated clearly when this is going to happen.
7. Clearly cross referenced your impacts with SMART actions.

SCHOOLS FORUM – 8 December 2016

Title of paper:	Funding arrangements for schools in 2017/18
Director(s)/ Corporate Director(s):	Alison Michalska, Corporate Director for Children and Adults Geoff Walker, Chief Finance Officer
Report author(s) and contact details:	Ceri Walters, Head of Commercial Finance 01158 764 128 ceri.walters@nottinghamcity.gov.uk
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Summary This report outlines the latest guidance set out by the Education funding Agency (EFA) in the “Schools revenue and funding 2017 to 2018 – Operational guide” on the funding changes that will come into effect from the financial year 2017/18. Information is then provided outlining the Local Authorities recommended methodology for the treatment of these changes.	
Recommendation(s):	
1	Note the changes to the funding arrangements changes outlined in 2.1 to 2.7 and the financial impact will be presented in January 2017.

1 REASONS FOR RECOMMENDATIONS

- 1.1 To update Schools Forum on the changes to the funding arrangements 2017/18 set out by the EFA. The impact of these is being included within the final budget preparation.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 On 7 March 2016 the Department for Education (DfE) released its consultation on the proposed National Funding Formula (NFF) which would at that point in time take effect from the financial year 2017/18. However, the implementation of the NFF has been delayed until financial year 2018/19.

Although the NFF has been delayed the DfE have outlined in the “Schools revenue and funding 2017/2018 – Operational guide” that the funding arrangements for 2017/18 will remain broadly similar to last year with some specific changes. The main changes are:

- a) The DSG blocks have been re-baselined to reflect the current spending patterns;
- b) Funding for the Education Service Grant retained duties (£15 per pupil) will be transferred into the schools block for 2017/2018;
- c) The removal of the Post 16 funding factor, but with protection through the minimum funding guarantee (MFG);
- d) That Local Authorities (LA’s) will be able to retain funding from the Dedicated Schools Grant (DSG) from maintained schools, including special schools

- and pupil referral units (PRU's), for statutory duties previously covered by ESG;
- e) Using a weighting for secondary low attainment figures;
 - f) Using new bandings for the index of deprivation affecting children (IDACI);
 - g) That LA's only need to submit one Authority Pro-forma Tool (APT) by 20 January 2017.

These are described in more detail below:

2.2 Baseline of DSG Blocks

All LA's were asked to submit their DSG Blocks baselines for 2017/18 by 12th April 2016. To date no response has been received by the DfE.

2.3 Education Service Grant retained duties

Currently the ESG retained duties funding of £15 per pupil is given to the LA; from 1 September 2017 this will be included in the Schools Block allocation. This funding is used to fund statutory duties carried out by the LA for all pupils and this funding will require approving as a central expenditure item.

Confirmation of the statutory duties has still not been issued by the EFA; when they have been finalised a paper will be presented to SF for approval of this item.

2.4 Post 16 Factor

As set out in the first stage consultation of the NFF Consultation, the Post 16 factor will be removed from the financial year 2017/18 as the DfE say it is a legacy factor which a small number of local authorities use for a small number of schools.

Nationally there is currently £13.5m allocated through this factor to schools with pre and post 16 pupils. To help schools adjust to this change, the DfE will be amending the Schools and Early Years Financial Regulations so this funding will be included in school baselines and therefore protected by the Minimum Funding Guarantee (MFG).

The pre 16 MFG for mainstream schools will continue to be set at minus 1.5% per pupil in 2017/18.

In the financial year 2016/17 funding of £0.559m was allocated through the Post 16 factor. This funding related to historical Standards Fund funding (School Development Grant) for Sixth form pupils.

This funding was mainstreamed into the core funding in 2011/12 when the ring-fenced Standards Fund ended. The number of pupils eligible for this funding was 1,543 which were taken from the October 2015 Census, the amount per pupil was £362.07. [1543 x £362.07=£0.559m].

The rate of £362.07 has been the same since financial year 2013/14, this could not be revised as per the guidance set out by the EFA. In the financial year 2016/17 9 of the 16 secondary schools within the city received this funding.

For schools who currently receive this funding the DfE will be moving towards a position where they no longer receive funding through the pre 16 funding formula for their 16-19 pupils but are funded only on the basis of the post 16 funding formula, but with phased protection for the removal of the factor to give institutions time to adapt. The DfE have said that they will communicate this directly with the affected schools.

Upon reviewing this proposal the LA has decided that as the affected schools will be protected until the funding has been phased out, it would be best to just to let the funding transfer into Headroom each year.

2.5 De-delegation of funding for statutory duties carried out by the LA

From 2017/18 the DfE will be removing the General Rate of £77 per pupil from the ESG. This funding is used to fund duties (some statutory) carried out by the LA for maintained schools, including special schools and Pupil Referral Unit's.

There will be transitional protection from April 2017 to August 2017 and the General funding rate will be removed from September 2017. The transitional rate is to be released later in 2016.

The DfE have confirmed that LA's will be allowed to retain some of the schools block funding to cover the statutory duties they carry out for maintained schools which were previously funded by ESG. Duties to be included under this arrangement will be included in the forthcoming Schools and Early Years Finance Regulations 2016 consultations.

The amount to be retained by the LA will need to be approved by Schools Forum. A report requesting this funding will be brought to Schools Forum on 19 January 2017.

2.6 National Secondary Prior Attainment weighting

The 2016 assessments are the first which assess the new, more challenging national curriculum. At a national level, a higher number of the year 7 cohort in the financial year 2017/18 will be identified as having a low prior attainment. The EFA have stated that they intend to use a national weighting to ensure that this cohort does not have disproportionate influence within the overall total.

The weighting will be confirmed in advance of finalising 2017/18 allocations and included in the APT in December, having taken into account the latest data about year 7 pupils in the October census.

LA's will not be able to change the weighting, but would be able to adjust their secondary low prior attainment unit value as usual. This will hopefully enable the LA to maintain its low prior attainment factor at previous levels without significant turbulence.

2.7 New IDACI bandings

As set out in the Schools Budget 2016/17 report tabled at the meeting of Schools Forum on the 25 February 2016 the DfE updated the IDACI dataset which caused turbulence to the LA's local funding formula.

The IDACI dataset is updated every five years by the Department for Communities and Local Government. The most recent update, which took effect in 2016/17, showed a markedly different distribution to the previous 2010 dataset. This factor is

based on pupil's postcodes with each pupil's postcode getting mapped to a Lower Layer Super Output Area (LSOA). Each LSOA is given a score which is input into a band, the bands range from 1 to 6 with 6 being the most deprived.

The impact of this was incorporated within the 2016/17 budget process but resulted in a reduction of £1.2m being allocated through this factor compared to 2015/16 even though the number of eligible pupils remained similar.

To ensure that the funding was allocated for the purpose it was given and to prevent exceptionally high levels of protection through the MFG the rates for this factor were increased by 29%. These revised rates are included in the Schools Budget 2016/17 report.

The EFA's 2017/18 Operational guidance has stated that they recognise the 2015 data update created unexpected and unhelpful turbulence in budgets, towards the latter stages of the local formula setting process. They say they have considered the concerns raised by LA's and views expressed through the first stage of the national funding formula consultation, and have decided to update the IDACI banding methodology to return the IDACI bands to roughly similar size (in terms of proportion of pupils in each band) nationally as in 2015/16. The revised bands are named "A" to "G", with the most deprived neighbourhoods being captured by band "A" (previously bands 6 and 5).

The impact of this change will be brought to the Schools Forum meeting on the 19 January 2017 as part of the Schools Budget 2017/18 report.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

Removal of Post 16 factor

- 3.1 The option considered was to allocate the savings out via the KS4 Age Weighted Pupil Unit (AWPU), but this was rejected as it would not accurately target the funding where it was needed and would in allocate funding to secondary schools who did not have sixth forms and other schools would be protected.

In addition, it was also felt that if the funding was added to the KS4 AWPU then additional pressure could be put on the DSG from 2018/19 when the NFF is introduced as if we will have allocated extra funding out to all secondary schools we would then have to pay again to protect these schools at a higher rate than would have been necessary had the AWPU been left as it was. This would make the transition to the NFF more difficult.

4 OUTCOMES/DELIVERABLES

- 4.1 To obtain an agreed 2017/18 local funding formula, enabling updated schools budgets to be submitted to the EFA by 20 January 2017 and budgets to be issued to schools within the statutory deadline of 28 February 2017.

5 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 5.1 Financial comments are contained within the body of the report.

5.2 The financial impact on schools due to the removal of the Post 16 Factor and the re-banding of IDACI pupils will be contained within the School Budget 2017/18 report and every effort will be undertaken to minimise the impact to school budgets.

6 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

6.1 The current law in force in this area is the School and Early Years Finance (England) Regulations 2015. However, these regulations apply for the financial year starting 1 April 2016 only and are updated annually. The 2016 draft regulations have not yet been produced but on the basis that the substance of the regulations will not change, in relation to the matters which are the subject of this report, from the 2015 Regulations, this report seeks to address the requirements of those Regulations. However, it will be necessary to review these proposals once 2016 regulations have been produced.

7 HR ISSUES

7.1 Non to report

8 EQUALITY IMPACT ASSESSMENT

8.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:

There is no change to the final service being provided

9 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

9.1 N/A

10 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

10.1 School and Early Years Finance (England) Regulations 2015.

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SCHOOLS FORUM - 8 DECEMBER 2016

Title of paper:	CENTRAL EXPENDITURE BUDGET 2017/18
Director(s)/ Corporate Director(s):	Alison Michalska, Corporate Director for Children and Adults Geoff Walker, Chief Finance Officer
Report author(s) and contact details:	Ceri Walters, Head of Commercial Finance 01158 764 128 ceri.walters@nottinghamcity.gov.uk
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Summary	
<p>This report presents the Council's proposed Central Expenditure budget for 2017/18 which is prepared in accordance with the financial regulations issued by the Department of Education (DfE) and forms part of the Dedicated School Grant (DSG) budget.</p> <p>This report includes a detailed analysis of central expenditure since 2014/15 as set out in Appendix A. This appendices also includes:</p> <ul style="list-style-type: none"> • A description of the service being delivered. • Where applicable the contribution the service makes to a wider service delivery. • The educational outcomes of the service. <p>Appendix B provides more information on each service being funded from within the Schools Block.</p>	
Recommendation(s):	
1	Approve Schools Block central expenditure for 2017/18 totalling £6.472m as set out in Appendix A for items 1-9.
2	Note the High Needs Block central expenditure for 2017/18 totalling £5.322m as set out in Appendix A .
3	Note that the central expenditure has not breached in 2017/18.
4	Note that the approvals gained from this report will be incorporated into the final budget report for 2017/18 to be presented to Schools Forum on 19 January 2017.
5	Note that this report does not include any recommendations relating to Education Service Grant (ESG).

1 REASONS FOR RECOMMENDATIONS

- 1.1 To enable the development of the Schools DSG budget and for the Local Authority to achieve the deadline of the 28 February 2017 for indicative budgets to be issued to Schools, this is a DfE statutory deadline.

- 1.2 Under the Schools & Early Years Financial Regulations and the Schools Forum Operational Guidance issued in March 2015, Schools Forum approval is required for individual central expenditure items in the Schools and Early Years block.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The purpose of this paper is to gain the appropriate central expenditure approvals in order to progress the budget process.
- 2.2 The budget setting process aligns to the Operational Guidance issued by the Education Funding Agency in July 2016; this is set out in **Table 1** below:

TABLE 1: CENTRAL EXPENDITURE APPROVALS	
Approval required	Services covered (and funding block)
Schools forum approval is not required (although they should be consulted)	<ul style="list-style-type: none"> ✓ High needs block provision ✓ Central licences negotiated by the Secretary of State
Schools forum approval is required on a line-by-line basis.	<ul style="list-style-type: none"> • Early years block provision • Funding to enable all schools to meet the infant class size requirement • Back-pay for equal pay claims • Remission of boarding fees at maintained schools and academies • Places in independent schools for non-SEN pupils • Services previously funded by the retained rate of the ESG
Schools forum approval is required on a line-by-line basis. The budget cannot exceed the value agreed in the previous funding period.	<ul style="list-style-type: none"> ✓ Admissions ✓ Servicing of Schools Forum
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 since April 2013.	<ul style="list-style-type: none"> ✓ Capital expenditure. ✓ Contribution to combined budgets ✓ Existing termination of employment costs ✓ Prudential borrowing costs.
Schools forum approval is required on a line-by-line basis, including approval of the criteria for allocating funds to schools.	<ul style="list-style-type: none"> • Funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy • Funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years

The ✓ denotes those services included in **Appendix A**.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 No other options are available as the recommendations align to the financial regulations issued by the DfE in relation to the allocation of DSG.

4 OUTCOMES/DELIVERABLES

- 4.1 To obtain an agreed 2017/18 Schools Budget, enabling updated schools budgets to be issued to schools within the statutory deadline of the 28 February 2017.

5 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 5.1 **Appendix A** shows the line by line detail of central expenditure totals within the following blocks:

- Schools £6.472m
- High Needs £5.322m

Appendix A also includes the following information by service:

- Description of the service
- Contribution of the service to a wider service.
- Educational outcomes of the service.
- 2014/15 and 2015/16 outturn position with variance commentary where appropriate.
- 2016/17 budget allocation, current forecast outturn and variance commentary where appropriate. Also included is a budget spend analysis of the funding allocation.
- 2017/18 budget allocation.

Appendix B provides more detail regarding what the funding supports within the Schools Block.

- 5.2 The central expenditure in the schools block has reduced by £0.634m from the 2016/17 approved budget.

The central expenditure in the High Needs block has increased by £0.350m since the 2016/17 approved budget. This is due to:

- Increased costs of £0.120m associated with Fair Access as approved 5 November 2015.
- Increase in the costs associated with Asylum Seekers course of £0.026m due to demand.
- Carbon Reduction Commitment on Pupil Referral Units has increased by £0.004m.
- Maintenance budget of £0.200m to support High Needs statutory requirements.

- 5.3 Early Years Central expenditure forms part of a report titled 'Early Years Funding Formula 2017/18' being presented on 8 December 2016 to SF.

- 5.4 The Schools and Early Years Financial Regulations 2015 require SF to approve the Schools and Early Years blocks with any in year under spends allocated back to the DSG reserve to be carried forward to support those services in 2017/18, this is set out in the Financial Regulations 2014, Part 2, Chapter 1 paragraph (8).

- 5.5 Any approvals required for the distribution of ESG will form part of a separate report once the guidance from the DfE/EFA has been received.

6 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

6.1 The current law in force in this area is the School and Early Years Finance (England) Regulations 2015. However, these regulations apply for the financial year starting 1 April 2016 only and are updated annually. The 2016 draft regulations have not yet been produced but on the basis that the substance of the regulations will not change, in relation to the matters which are the subject of this report, from the 2015 Regulations, this report seeks to address the requirements of those Regulations. However, it will be necessary to review these proposals once 2016 regulations have been produced

7 HR ISSUES

7.1 In the event that Schools Forum DO NOT support/agree the continuation of any funding arrangements as outlined in this budget report, there could be significant workforce implications that would need to be detailed in separate Chief Officer and Departmental Leadership Team reports. This could include potential employment / contractual obligations, costs and risks to the authority, taking into account appropriate timelines. Management need to consider potential exit payments of any affected post holders.

8 EQUALITY IMPACT ASSESSMENT

8.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:
(Please explain why an EIA is not necessary)

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

9 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

9.1 N/A

10 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

10.1 DfE - Schools and Early Years Financial Regulations 2015.

10.2 DfE – Children’s & Families Act 2014

CENTRAL EXPENDITURE ANALYSIS

APPENDIX A

	DESCRIPTION OF SERVICE	CONTRIBUTION TO THE WIDER SERVICE	EDUCATIONAL OUTCOMES	CENTRAL EXPENDITURE TITLE	2014/15				2015/16				2016/17			2017/18	
					Budget £m	Outturn £m	Variance - Over/ (Under) budget £m	Reason for Variance	Budget £m	Outturn £m	Variance - Over/ (Under) budget £m	Reason for Variance	Budget Approved by Schools Forum £m	Budget Latest £m	Forecast £m	Variance - Over/ (Under) budget £m	Budget £m
SCHOOLS BLOCK																	
1	Statutory provision of coordinated admission scheme.	Critical in terms of ensuring children and young people are placed in accessible school places. Therefore contributing to good attainment, attendance and safeguarding outcomes. Managing School Admission Forum to enable communication and dissemination of good practice, policy and legislative changes between LA, maintained schools and academies.	Improved progress and attainment by efficient placement of pupils into school of parental preference.	School Admissions	0.585	0.593	0.008		0.585	0.561	(0.024)		0.585	0.585	0.585	0.000	0.585
2	Cost of support to Schools Forum.	N/A	N/A	Servicing of schools forums	0.030	0.028	(0.002)		0.030	0.030	0.000		0.030	0.030	0.030	0.000	0.030
3	This budget is used to pay for ongoing pension and redundancy from historic restructures pre 1st April 2013.	N/A	Improvements to the educational staffing structure to support improvements in educational delivery.	Termination of Employment Costs	1.609	1.845	0.236	Increasing pension contributions. Based on actual charges from Nottinghamshire County Council.	1.609	1.537	(0.072)	The budget cannot be increased. The additional costs will be offset against underspends elsewhere or taken from the SSR at the year end.	1.609	1.609	1.609	0.000	1.609
4	This expenditure supports improvements in school buildings and Private Finance Initiative payments relating to building elements.	Supports the delivery of the capital programme for Schools funded through the Public Finance Initiative commitments where Schools Forum are committed a certain level of funding to meet the ongoing costs arising out of the Building Schools for the Future programme.	Ensure all buildings are maintained to a legal requirement.	Capital Expenditure from Revenue Accounts	1.508	0.768	(0.740)	This was due to slippage associated with the capital programme and was carried forward to 2015/16.	1.508	0.888	(0.620)	This was due to slippage associated with the capital programme and was carried forward to 2016/17.	1.508	0.881	0.881	0.000	0.881
5	This funding is used to meet borrowing commitments around the initial set up costs of the Building Schools for the Future Programme and Nottingham Academy.	N/A	Changing the secondary school estate in Nottingham and providing investment in a number of schools allowing children to be educated in more appropriate settings. This investment has also cleared a significant maintenance backlog which has in many cases allowed the leadership of schools to focus on the use of buildings rather than their maintenance.	Prudential borrowing costs	0.326	0.326	(0.000)		0.326	0.326	0.000		0.297	0.326	0.326	0.000	0.302
6	Family support is provided through Extensive and Early Help Services which is set up to prevent children growing up to experience behavioural problems, mental illness, substance misuse, teenage parenthood, crime and antisocial behaviour all of which impact on a child's ability to reach their potential educational outcomes. The Family Support Pathway sets out how we ensure children and families receive the right help at the right time.	Family Support Extensive and Early Help services are high on the national and local agenda as a key principle to achieve better outcomes at a less cost. Nottingham City is an Early Intervention City with a key priority to improve Educational Attendance and attainment of Nottingham's children. Family Support through Common Assessment Frameworks aim to break the cycles of intergenerational underachievement and deprivation experienced by some children, families in the City. The cost of educational underachievement has been projected at £18 billion per year by the London School of Economics for the Prince's Trust.	Family Support through their support and intervention with children and families have contributed to improvement in school attendance. They have also through their partnership working contributed to children's improvements across core subjects.	Combined Services - Family Support	0.981	0.981	(0.000)		0.981	0.981	0.000	The service overspent in 2015/16.	0.981	0.981	0.981	0.000	0.981

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CENTRAL EXPENDITURE ANALYSIS

APPENDIX A

	DESCRIPTION OF SERVICE	CONTRIBUTION TO THE WIDER SERVICE	EDUCATIONAL OUTCOMES	CENTRAL EXPENDITURE TITLE	2014/15				2015/16				2016/17			2017/18	
					Budget £m	Outturn £m	Variance - Over/ (Under) budget £m	Reason for Variance	Budget £m	Outturn £m	Variance - Over/ (Under) budget £m	Reason for Variance	Budget Approved by Schools Forum £m	Budget Latest £m	Forecast £m	Variance - Over/ (Under) budget £m	Budget £m
7	This funding contributes to the cost of Nottingham's looked after child population. It supports safe and stable placements which meet the varied safeguarding, emotional wellbeing and behavioural needs of the children and young people in our care to enable them to access mainstream education provision.	Nottingham City Council currently supports in excess of 600 children in care. This funding contributes to placements costs of this cohort of children who are in mainstream education provision. The support they receive in placement enables them to access educational opportunities in a school setting which in turn will support their development into young adults, able to live independently and make a positive contribution to their community.	Placement costs include a range of support for children and young people in care. As well as providing a safe and stable environment which enables young people to access learning opportunities this support helps young people to develop personal confidence, manage behavioural issues and contributes to key priorities like attendance and achievement by working with young people to ensure that they attend school and have the right plan to help them attain and make progress in line with their peers.	Combined Services - Integrated placements	1.327	1.327	0.000		1.327	1.327	0.000		1.327	1.327	1.327	0.000	1.327
8	Statutory provision of educational oversight for Looked After Children (LAC), through provision of Virtual School Service comprising of Head Teacher, 2 x achievement consultants, 2x teaching assistants and admin support. Statutory provision of Elective Home Education (EHE) support service that manages overview (including ensuring safeguarding risks are managed) and provides QA support for all EHE pupils in the city.	Ensuring the educational needs of many of the most vulnerable pupils in city are prioritised, actioned and monitored. Supporting schools and academies to meet the individual needs and raising attainment of vulnerable pupils. Managing support network for designated teacher leads for LAC. Ensuring safeguarding risk for these pupils in relation to school placements are managed.	Ensuring LAC pupils have high quality PEPS that ensure at least expected progress and attainment at all key stages and support meeting their individual aspirations. Ensuring EHE pupils are supported to access educational opportunities and pathways that enable them to attain and meet their own aspirations	Combined Services - Serving Vulnerable Groups - Looked After Children	0.483	0.408	(0.075)	Staff vacancies	0.483	0.481	(0.002)		0.483	0.483	0.483	0.000	0.470
9	Safeguarding training within schools	N/A	Ensures that all school employees are trained and upto date on the latest legislation regarding safeguarding of children.	Combined Services - Safeguarding Training	0.114	0.086	(0.028)	Staff vacancies	0.114	0.094	(0.020)	Staff vacancies	0.109	0.109	0.109	0.000	0.109
10	The DfE began negotiating copyright licences for schools in 2013/14, prior to this schools were responsible for purchasing their own.	N/A	To enable the school to operate within legal boundaries.	Copyright Licences	0.103	0.100	(0.003)		0.166	0.170	0.004		0.178	0.178	0.178	0.000	0.178
TOTAL SCHOOLS BLOCK					7.065	6.462	(0.605)		7.128	6.394	(0.734)		7.106	6.508	6.508	0.000	6.472

CENTRAL EXPENDITURE ANALYSIS

APPENDIX A

	DESCRIPTION OF SERVICE	CONTRIBUTION TO THE WIDER SERVICE	EDUCATIONAL OUTCOMES	CENTRAL EXPENDITURE TITLE	2014/15				2015/16				2016/17			2017/18	
					Budget £m	Outturn £m	Variance - Over/ (Under) budget £m	Reason for Variance	Budget £m	Outturn £m	Variance - Over/ (Under) budget £m	Reason for Variance	Budget Approved by Schools Forum £m	Budget Latest £m	Forecast £m	Variance - Over/ (Under) budget £m	Budget £m
HIGH NEEDS BLOCK																	
11	Statutory Requirement for the Local Authority.	Discharging the LA's statutory duty	Supporting the inclusion, educational and aspirational attainment of vulnerable city resident school age.	Fair Access	0.270	0.216	(0.054)	Surplus at year end due to the overspend in secondaries being netted off against the underspend in primaries.	0.270	0.263	0.007		0.270	0.270	0.390	0.120	0.390
12	Contribution to further educational course for Asylum seekers.	Statutory requirement associated with Unaccompanied Asylum Seekers.	N/A	Other AP - Asylum Seekers course	0.110	0.086	(0.024)	Demand led	0.110	0.115	(0.005)	Demand led	0.110	0.110	0.109	(0.001)	0.136
13	Statutory Requirement for the Local Authority.	Discharging the LA's statutory duty	Supporting the inclusion, educational and aspirational attainment of vulnerable city resident school age.	Other AP - Teenage Parents	0.035	0.034	(0.001)		0.035	0.003	0.032		0.035	0.035	0.035	0.000	0.035
14	The funding contributes to the cost of children in care of statutory school age who have special educational needs or disabilities, who are in secure accommodation or who are remanded in custody. This funds the specialist educational elements of their Looked After Child Plan and placement to ensure that they are able to access appropriate education that meets their individual needs and statutory requirements.	A number of children in the looked after child cohort have very complex needs and these needs can not be met in a mainstream education setting. This incurs additional costs as placements have to be found which can support their educational needs - this may mean a placement out of the City, additional transport costs to enable young people to attend specialist provision outside of the City or high cost residential placements which include an element of direct education provision on site.	This funding supports children in care to access placements which meet their very complex needs, supporting specialist education provision to ensure these young people have access to appropriate learning opportunities.	Other AP - Education cost of residential placements	0.756	1.051	0.295	8 additional HLN pupils placed in external residential.	0.756	1.051	(0.295)		1.051	1.051	1.051	0.000	1.051
15	Statutory Requirement for the Local Authority.	Discharging the LA's statutory duty	A contribution towards the delivery of the Local Authority expenditure associated with it statutory responsibility for inclusion, educational and aspirational attainment of vulnerable groups of school age children.	Other AP - Central PRU service	0.319	0.305	(0.014)		0.319	0.317	0.002	Staff vacancies	0.319	0.319	0.374	0.055	0.319
16	Statutory Requirement for the Local Authority.	Discharging the LA's statutory duty	Supporting the inclusion, educational and aspirational attainment of vulnerable city resident school age.	Other AP - Statemented boys behaviour	0.110	0.110	0.000		0.110	0.000	0.110	Due to realignment in timing of payments, 2015-16 provision funded from 2014-15 FY budget allocation	0.110	0.110	0.110	0.000	0.110
17	Statutory Requirement for the Local Authority.	Discharging the LA's statutory duty	Supporting the inclusion, educational and aspirational attainment of vulnerable city resident school age.	SEN support services - SEN team	0.322	0.263	(0.059)		0.322	0.309	0.012		0.322	0.322	0.322	0.000	0.322
18	Statutory Requirement for the Local Authority.	Discharging the LA's statutory duty	Supporting the inclusion, educational and aspirational attainment of vulnerable city resident school age.	SEN support services - SEN specialist equipment	0.082	0.037	(0.045)	The budget is demand led.	0.082	0.041	0.041		0.082	0.082	0.062	(0.020)	0.082
19	Statutory Requirement for the Local Authority.	Discharging the LA's statutory duty	Supporting the inclusion, educational and aspirational attainment of vulnerable city resident school age.	Support for Inclusion - Sensory Team	0.621	0.481	(0.140)	Staff vacancies	0.621	0.532	0.089	Staff vacancies	0.621	0.621	0.521	(0.100)	0.621
20	Statutory Requirement for the Local Authority.	Discharging the LA's statutory duty	Supporting the inclusion, educational and aspirational attainment of vulnerable city resident school age.	Support for Inclusion - Learning Support Team	0.482	0.433	(0.049)	Staff vacancies	0.482	0.459	0.023	Staff vacancies	0.482	0.482	0.449	(0.033)	0.482
21	Statutory Requirement for the Local Authority.	Discharging the LA's statutory duty	Supporting the inclusion, educational and aspirational attainment of vulnerable city resident school age.	Support for Inclusion - Autism Team	0.444	0.477	0.033	Staff vacancies	0.444	0.433	0.010		0.444	0.444	0.454	0.010	0.444
22	Statutory Requirement for the Local Authority.	Discharging the LA's statutory duty	Supporting the inclusion, educational and aspirational attainment of vulnerable city resident school age.	Support for Inclusion - General	0.114	0.100	(0.014)	Staff vacancies	0.114	0.100	0.015	Staff vacancies	0.114	0.114	0.062	(0.052)	0.114
23	Statutory Provision of transport to and from special schools and academies in the City	SEN transport has seen rising costs due due to the increase in numbers since 2012/13 of 40. The cost of the service for 2017/18 is £2.873m after delivering contractual efficiencies.	Ensures access and equal opportunity for those with learning disabilities	Special Education Needs Transport	1.000	1.000	0.000		1.000	1.000	0.000		1.000	1.000	1.000	0.000	1.000
25	Expenditure on the purchase of the CRC Scheme Energy Efficiency allowances operated by the Environment Agency for Pupil Referral Units	N/A	N/A	Carbon Reduction Commitment - Pupil Referral Units	0.012	-0.015	(0.027)	Credit in actual is due to being overcharged in previous years for the carbon reduction scheme.	0.012	0.016	(0.004)		0.012	0.012	0.016	0.004	0.016

CENTRAL EXPENDITURE ANALYSIS

APPENDIX A

	DESCRIPTION OF SERVICE	CONTRIBUTION TO THE WIDER SERVICE	EDUCATIONAL OUTCOMES	CENTRAL EXPENDITURE TITLE	2014/15				2015/16				2016/17			2017/18	
					Budget £m	Outturn £m	Variance - Over/ (Under) budget £m	Reason for Variance	Budget £m	Outturn £m	Variance - Over/ (Under) budget £m	Reason for Variance	Budget Approved by Schools Forum £m	Budget Latest £m	Forecast £m	Variance - Over/ (Under) budget £m	Budget £m
26	The Schools Accesibility Programme will fund projects to improve accessibility for children with disabilities and / or children with special educational needs within mainstream schools. Projects include: creating wheelchair access/ramps, modifying toilets and creating changing/hygiene rooms.	All works are compliant under the Equality Act 2010 and meet the Authorities requirements to promote equal opportunity under the Act. The schemes are designed to meet the needs of the Child and improve the accessibility of the School for future use. The proposals promote integration and cohesion.	Improved accessibility in schools will help children learn in appropriate environments, allowing children with disabilities and / or children with special educational needs to attend mainstream education, which should have a positive impact on their educational achievements.	Disability Access									0.000	0.200	0.200	0.200	0.200
TOTAL HIGH NEEDS BLOCK					4.677	4.578	(0.099)		4.677	4.640	(0.037)		4.972	5.172	5.155	0.184	5.322

CENTRAL EXPENDITURE - SCHOOLS BLOCK DETAIL

School Admissions

A statutory provision of coordinated admission scheme for first entry to school at primary and secondary phase.

The team:

- Processes all in year admissions processing for all maintained schools and provide a provision of traded service for own admissions authorities.
- Provides scrutiny of application of Admissions Code and management of compliance relating to all aspects of school admissions legislation.

The cost of the service is £0.687m and is 85.2% funded from DSG.

Cost of support to Schools Forum.

The servicing of schools forum; this cost relates to:

- The activities undertaken by Constitutional Services to ensure that Schools Forum complies with legislation in its function and membership.
- Professional advice required to enable Schools Forum to make informed decisions.
- Attendance at meetings – chairs briefings, Schools Forum, Sub Groups, fact finding meetings.

These costs equate to 0.56 FTE on average supporting all the above services.

Termination of Employment Costs

This budget is used to pay for ongoing pension and redundancy from historic restructures pre 1st April 2013.

This information has been submitted to the DfE as part of the baseline assessment and current commitments are £1.637m.

Capital Expenditure from Revenue Accounts

This expenditure supports improvements in school buildings and Private Finance Initiative payments relating to building elements.

Any spend associated with High Needs has been moved into the High Needs block.

Prudential borrowing costs

The profile of prudential borrowing is set out in **Table 1** below:

TABLE 1: PRUDENTIAL BORROWING COSTS

Scheme	Loan Value £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Education BSF	0.400	0.031	0.030	0.028	0.027			
BSF 06/07	1.149	0.094	0.090	0.086	0.082	0.079		
BSF Academies	0.026	0.002	0.002	0.002	0.002	0.002	0.002	
Southwark Primary	0.294	0.024	0.024	0.023	0.022	0.021	0.020	
BSF - In lieu of Revenue Costs Transfer	0.900	0.075	0.072	0.069	0.067	0.064	0.061	
Emanuel School	0.265	0.022	0.021	0.020	0.020	0.019	0.018	
Nottingham Academy	1.078	0.054	0.054	0.054	0.054	0.054	0.054	0.054
TOTAL	4.113	0.302	0.293	0.283	0.274	0.238	0.155	0.054

Combined Services - Family Support

Family support is provided through Extensive and Early Help Services and the contribution from the DSG is towards the overall cost of Family Support Workers within the Extensive Services undertaking Common Assessment Framework (CAF) activity and the support required to deliver their service.

The aim of this service is to improve low educational attainment, improve attendance in schools and provide support at the earliest opportunity reducing the demand for specialist services and is supported by The Family Support Pathway which sets out how we ensure children and families receive the right help at the right time.

The CAF is key to the effective delivery of the pathway and will ensure that the needs of children and families are assessed and identified earlier and that co-ordinated multi agency action plans are produced and implemented appropriately.

Educational attendance and attainment is identified as a need within the CAF and there are multiple teams, Team Managers and Specialist support to provide case supervision to Family support workers (FSW).

FSW work within an Extensive CAF, using evidenced based interventions through individual and group work to reduce those issues which impact on their education and/or prepare children and their carers for school. At the end of the CAF process families are signposted to universal services and other agencies as appropriate.

Cases held at any one time are in excess of 1,400. The overall total cost of this service is £7.728m and employees constitute £6.867m; the DSG contributes 13%.

Combined Services – Integrated placements

This funding contributes towards the provisions of safe and stable placements which meet the varied safeguarding, emotional wellbeing and behavioural needs of the children and young people in our care to enable them to access mainstream education provision. This care will support the educational outcomes by managing behavioural issues and focus on attendance and achievement.

The total cost of Childrens placements is £35.747m however current projections show this will overspend by in year. This budget is currently supporting in excess of 600 children which has increased by 4% in headcount since 2015/16. What is also evidenced is the level of complexity of cases which increases costs.

The contribution equates to 3.71% of the total cost.

Combined Services - Serving Vulnerable Groups - Looked After Children

This service ensures all Looked after Children in education have high quality Personal Educational Plans (PEP's) that ensure at least expected progress and attainment at all key stages and supports their individual aspirations. This is a statutory provision required by the Local Authority.

This service also provides an Elective Home Education support for all EHE within the City. All EHE pupils are supported to access educational opportunities and pathways that enable them to attain and meet their own aspirations.

The cost of this service is £0.666m and the DSG contributes 71% however through efficiencies in delivery the cost of this service will reduce slightly in 2017/18 and to maintain the DSG contribution at 71% a reduction has been recognised of £13k within the central expenditure allocation.

Combined Services – Safeguarding Training

This service ensures that all school employees are trained and up to date on the latest legislation regarding safeguarding of children. It is the requirement of the Director of Childrens Services to ensure this is undertaken.

The team support all maintained and academy schools and are 100% funded by the DSG. Due to the size of this service devolving the budget to schools and undertaking buy back would result in the loss of economies of scale and the financial viability of the team.

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SCHOOLS FORUM - 8 December 2016

Title of paper:	Financing the Costs of Redundancy for Maintained Schools
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Summary

The purpose of this report is to outline the proposed arrangements and future policy for circumstances when the costs of redundancy and the costs of annual pension in early retirement (including where redundancy activates access to pension) may/will be paid in full or part by the Local Authority for school based staff in maintained schools.

Recommendation(s):

1	To note the requirements of section 37 of the Education Act 2002, for costs incurred by Local Authorities in respect of any premature retirement and any dismissal for the purpose of securing resignation, of any member of staff of a maintained school.,
2	To note the review of Policy and proposed future arrangements, outlined in the document 'Financing of Costs of Redundancy for Maintained Schools', which sets out the default position and parameters, for the individual responsibilities of the Local Authority and maintained schools for costs incurred for (i) dismissal by reason of redundancy and (ii) premature retirement.
3	To note that it is proposed that the revised policy be implemented with effect from 1 January 2017, and that further policy work will be undertaken to consider the impact of pension costs and payments on budgets.

1 REASONS FOR RECOMMENDATIONS

1.1 Section 37 of the Education Act 2002 states that

- Any costs incurred by the Local Authority in respect of any premature retirement of a member of staff of a maintained school, shall be met from the school's budget share.
- That costs incurred by the Local Authority in respect of dismissal or for the purpose of securing a resignation shall not be met from the school's budget share, except in so far as the Local Authority have good reason for deducting those costs or any part of those costs.

Due to increasing financial pressures placed upon the Local Authority, and changes to the context and demographics of the City, it is appropriate that the application of these requirements should be reviewed.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The default position is that premature retirement costs must be charged to the school's delegated budget, while redundancy costs must be charged to the local authority's budget. In the former case, the local authority has to agree otherwise for costs to be centrally funded, while in the latter case, there has to be a good reason for it not to be centrally funded, and that cannot include having a no redundancy policy.
- 2.2 Historically, the City Council's default practice has been to exercise their discretion and to agree to fund early retirement costs, particularly as the majority of schools who have needed to take decisions involving dismissal or the early retirement of staff have usually experienced ongoing long term reduction in pupil numbers, and/or did not have sufficient balances in the central schools budget to cover existing establishment costs, or the costs of exit payments and were therefore unable to absorb the budget deficit. On this basis, not to do so would ultimately have had a negative impact on the school's ability to maintain standards of achievement.
- 2.3 The growth in pupil numbers has been particularly marked in the city since 2009. The most significant growth has come through initial entry to school in foundation stage, where we have seen, on average, 4% growth in numbers entering the system each year between 2009 and 2012. Whilst the numbers entering the school system at first entry appear to have plateaued in 2015, they are still entering the system in far greater number than pre 2009. These larger cohorts of pupils are, of course moving through the school system and we are beginning to see the impact in terms of secondary school application numbers. School place capacity has been added in over 40 city primary schools. Consideration of adding capacity in secondary schools is currently being reviewed.
- 2.4 The current financial climate has led to the Council needing to review its practice and criteria in determining to fund the costs for redundancy and premature retirement. These are outlined in 2.5 and 2.6 of this report.
- 2.5 **Payment of Redundancy Costs** - The Local Authority, in line with section 37 of the Education Act 2002, will meet their obligations to meet the costs of the redundancy payment, unless there is 'good reason' to pass the costs (in full or part) to the school's delegated budget. The circumstances whereby 'good reason' to pass on costs may apply are outlined in the Policy – Financing of Costs of Redundancy for Maintained Schools (PMH4S), and are listed below:
- If a school has decided to offer more generous terms than the Local Authority's policy, then it would be deemed reasonable to charge the excess to the school's budget;
 - If the school is otherwise acting outside of the Local Authority's policy;
 - Where the school is making staffing reductions which the Local Authority does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit;
 - Where staffing reductions arise from a deficit caused by factors within the school's control;

- Where the school has excess surplus balances and no agreed action plan to use these;
- Where a school has refused to engage with the Local Authority's redeployment policy.

2.6 **Payment of Early Retirement/Premature Retirement Costs** - The Local Authority, in line with the Education Act 2002, will not, apart from exceptional circumstances, fund in full or in part early/premature retirement costs for staff in maintained schools. Any application by the school for exceptional circumstances would be considered on a case-by-case basis and would need to be supported by a business case. The circumstances that might be considered as exceptional include:

1. In conjunction with other circumstances, where the school has an ongoing long term reduction in pupil numbers and charging such costs to their budget would impact upon maintaining standards of achievement.
2. Where a school is closing and does not have sufficient balances to cover the costs and where the central schools budget does not have the capacity to absorb the deficit. This does not include schools converting to academy status. Any balance remaining will need to have been mitigated as far as possible by the school with the appropriate supporting evidence, this will also need to include why any remaining balance cannot be contained within budget.
3. Where a school is in special measures, does not have excess balances and employment of the relevant staff is being/has been terminated as a result of the Local Authority or government interventions to improve standards.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 If this is not supported the authority will need to consider the implications of a continued approach that is likely to have a significant impact on non-schools budgets, in a context of significant financial challenge and pressure on Council services to citizens.
- 3.2 It is also expected that the authority would review its practice aligned to the intentions/requirement outlined under Section 37 of the Education Act 2002.

4 OUTCOMES/DELIVERABLES

- 4.1 It is intended that the Local Authority and schools would act in a way that is both fair and reasonable.

5 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 5.1 Nottingham City Council's Fair Funding scheme (dated April 2016) incorporates the requirements of the Education Act 2002 Section 37 as referred to in Section 1 of this report.

- 5.2 Schools & Early Years Financial Regulations states that costs of new early retirements or redundancies may only be charged to the central part of the Schools Budget where the expenditure is to be incurred as a result of decisions made before 1st April 2013.

This position is reflected within the budget.

- 5.3 **Appendix 1 - Financing of Costs of Redundancy for Maintained Schools** will be incorporated within all decisions from 1 January 2017 and included into the Fair Funding Scheme guidance.

6 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

6.1 Legal Implications

- 6.1.1 The subject matter of this report engages section 37 of the Education Act 2002 (“EA2002”) and the Teachers’ Pension Scheme Regulations 2014 (as amended) (“TPS Regs”).
- 6.1.2 As this report correctly states, under section 37(4) of the EA2002, costs incurred by the local authority in respect of any premature retirement of a member of the staff of a maintained school shall be met from the school's budget share for one or more funding periods except in so far as the authority agree with the governing body in writing (whether before or after the retirement occurs) that they shall not be so met. This would ultimately include costs often described as ‘employer pension strain’.
- 6.1.3 Where a teacher aged 55+ but under normal pension age is made redundant, s/he potentially becomes eligible for premature retirement for the purposes of the TPS Regs.
- 6.1.4 Entitlement to a premature retirement pension is governed by regulation 101 of the TPS Regs, which states the following:-
- (1) *A person (P) is entitled to payment of a premature retirement pension from the entitlement day if—*
- (a) *P has reached normal minimum pension age but has not reached normal pension age;*
- (b) *P is qualified or re-qualified for retirement benefits;*
- (c) *P's pensionable service in relation to an employment is terminated by reason of P's redundancy or in the interests of the efficient discharge of the functions of P's employer;*
- (d) *P's employer gives written notice to the scheme manager stating that—*
- (i) *P's pensionable service was terminated by reason of P's redundancy or in the interests of the efficient discharge of the employer's functions; and*

- (ii) *the employer agrees that a premature retirement pension should become payable to P;*
- (e) *P receives no compensation under Part 3 of the Teachers (Compensation for Redundancy and Premature Retirement) Regulations 2015 as a result of P's pensionable service being terminated;*
- (f) *P has left all eligible employment;*
- (g) *P has applied under regulation 162 for payment of a premature retirement pension; and*
- (h) *P has not applied under that regulation for payment of any other retirement pension.*
- (2) *P is not entitled to payment of a premature retirement pension in respect of any pensionable service after P reaches normal pension age.*
- (3) *If the employer is not the local authority, the local authority must give the notice under sub-paragraph (1)(d) if—*
 - (a) *P's pensionable service was in relation to an employment that falls within category A (as defined by regulation 34(1) of the Teachers (Compensation for Redundancy and Premature Retirement) Regulations 2015; and*
 - (b) *the governing body of the school or institution mentioned in that provision asks the local authority to do so.*
- (4) *A premature retirement pension is payable for life.*

6.1.5 “Normal minimum pension age” is effectively now defined by the TPS Regs, regulation 3 and the Finance Act 2004, section 10(1) as age 55.

6.1.6 “Employer” here is not simply confined to the local authority where the contract of employment is between the local authority and the employee (as it is with an employee in a community school, a community special school, a voluntary controlled school, a maintained nursery school or a Pupil Referral Unit (“PRU”)). For the purposes of the TPS Regs, regulation 3 of the TPS Regs states:-

“employer”, for a person employed by the governing body of a school maintained by a local authority, means—

- (a) *the local authority; or*
- (b) *for the purpose of an additional pension election, the local authority and the governing body;*

Therefore, for the purposes of most of the TPS Regs (including premature retirement), “employer” means the local authority even where the contract of employment is between the governing body and the employee (as it is with a foundation or voluntary aided school).

- 6.1.7 Clearly, under the TPS Regs the employer has a discretion whether or not to agree that a premature retirement pension is paid to an employee who is otherwise eligible under regulation 101 of the TPS Regs. Therefore, the operation of this discretion is up to the local authority, provided that discretion is operated in accordance with public law. That is, its operation is neither irrational nor subject to a blanket policy that could fetter the local authority's discretion. This is where a clear and sensible policy is required.
- 6.1.8 Given all the above, it is advisable that a policy along the lines referred to in this report is put in place for Nottingham City Council ("NCC") maintained schools and PRUs to determine when the discretion under the TPS Regs to grant premature retirement could be exercised.

7 HR ISSUES

- 7.1 HR supports this proposal which is in line with section 37 of the Education Act 2002, and commits the local authority to meeting the costs of any redundancy payments in Maintained Schools, unless there is 'good reason' to pass on the costs (in full or part) to the school's delegated budget, but will not, apart from in exceptional circumstances, fund (in full or in part), early/premature retirement costs for staff in Maintained Schools.
- 7.2 This proposal has no direct impact on individuals either employed or made redundant from a Maintained School, who will continue to receive their calculated entitlements appropriate to their individual circumstances. The proposed change is a financial administrative change which should go unnoticed to individual employees / ex-employees.
- 7.3 Communication with regard to this change should be sent to all Maintained Schools so they understand the local authority's position and any implications as a result of the proposed change.
- 7.4 Any further review and policy change to pension and redundancy costs for staff in Maintained Schools should be consulted upon in the usual manner and follow due process.

Gareth Sayers
Service Redesign Manager
 0115 87 63628

8 EQUALITY IMPACT ASSESSMENT

- 8.1 Has the equality impact of the proposals in this report been assessed?

No

x

An EIA is not required because:

This is an enactment of existing regulations under the Education Act 2002. The Policy will not directly impact on employees or service users.

Yes

9 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

- 9.1 (i) Financing of Cost of Redundancy for Maintained Schools - November 2016

10 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 10.1 None.

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Financing of Costs of Redundancy for Maintained Schools

1. INTRODUCTION

- 1.1 This Policy sets out the circumstances when the costs of redundancy and the costs of annual pension in early retirement (including where redundancy activates access to pension) may/will be paid in full or part by the Local Authority for employees appointed by and working in maintained schools.
- 1.2 With regards to staff employed directly by Academies within the City, the liability for these costs remains the responsibility of the governing body of the Academy (as the employer of their staff). All liability for such costs passes to the governing body of the Academy at the point the TUPE transfer takes place.

2. BACKGROUND

- 2.1 Section 37 of the Education Act 2002 states that:

- (4) costs incurred by the Local Education Authority in respect of any premature retirement of a member of the staff of a maintained school shall be met from the school's budget share for one or more financial years except in so far as the Local Authority agree with the governing body in writing (whether before or after the retirement occurs) that they shall not be so met.
- (5) costs incurred by the Local Education Authority in respect of the dismissal or for the purpose of securing the resignation, of any member of staff of a maintained school shall not be met from the school's budget share for any financial year except in so far as the authority have good reason for deducting those costs, or any part of those costs from that share.
- (6) the fact that the Local Authority has a policy precluding dismissal of their employees by reasons of redundancy is not regarded as a good reason for the purposes of the subsection (5); and in this subsection the reference to dismissal by reason of redundancy shall be read in accordance with section 139 of the Employment Rights Act 1996 (c.18).

- 2.2 Therefore the default position is that premature retirement costs must be charged to the school's delegated budget, while redundancy costs must be charged to the Local Authority's budget. In the former case, the Local Authority has to agree otherwise for costs to be centrally funded, while in the latter case, there has to be a good reason for it not to be centrally funded, and that cannot include having a no redundancy policy.

2.3 Ultimately it would be for the courts to decide what a good reason was, but the examples provided within DFE guidance on Schemes for Financing Schools indicates the situations in which exceptions to the default position may be taken.

3. PAYMENT OF REDUNDANCY COSTS

3.1 The Local Authority will view it as 'good reason' to pass the costs (in full or part) to the school's delegated budget if any of the reasons below occur:

1. If a school has decided to offer more generous terms than the Local Authority's policy, then it would be deemed reasonable to charge the excess to the school's budget;
2. If the school is otherwise acting outside of the Local Authority's policy;
3. Where the school is making staffing reductions which the Local Authority does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit;
4. Where staffing reductions arise from a deficit caused by factors within the school's control;
5. Where the school has excess surplus balances and no agreed action plan to use these;
6. Where a school has refused to engage with the Local Authority's redeployment policy.

3.2 All schools would be expected to comply and fully engage with all the provisions of the current Restructuring Principles and Redundancy Guidelines for Schools taken from the People Management Handbook for Schools.

3.3 Schools would also be expected to adhere to the advice provided by the Local Authority representative in respect of the procedure, best practice and any relevant employment legislation.

3.4 Schools are also fully expected to maintain close liaison with the Schools Finance Team. Not to do so may justify as 'good reason' to pass all costs associated with any redundancy to the school's delegated budget.

3.5 In addition, the Local Authority deems it both fair and reasonable to only accept to meet such costs that would otherwise result in the school having a deficit budget. Therefore reductions made on grounds other than a deficit budget would need to be met by the school's delegated budget.

Supporting Documentation

- 3.6 With any redundancy situation in any maintained school, there are a series of documents that are required by the Local Authority to demonstrate that the correct process has been followed and that the situation in the school is a genuine redundancy situation.
- 3.7 The documentation that is required from maintained schools in order for consideration to be given as to whether the Local Authority will meet any redundancy costs are as follows:
1. *Minutes from Governing Body Meetings* – this will need to include the initial discussions where the staffing reductions are proposed and then when the proposals have been accepted after consultation. Evidence should be submitted in addition to demonstrate that the school has considered alternative proposals to making the reductions even if this has been discussed formally with the HR representative from the Local Authority.
 2. *The budget sheet* – confirming that the school is in a deficit budget or would be in a deficit budget if the staffing reductions were not made.
 3. *Recovery plan for budget* – obtained through Finance by the school to demonstrate the impact of any reductions over the three year budget plans.
 4. *Section 188 notification* – which confirms the reductions that need to be made and to demonstrate that formal consultation has been undertaken with the recognised Trade Unions.
 5. *Structure charts* – both the existing and the proposed structure charts highlighting where posts have been removed from the structure.
 6. *Formal correspondence* – any documentation regarding the consultation process and the Staff Dismissals Hearings which help to demonstrate that due process has been followed by the school. This will need to include the minutes from the Staff Dismissal Hearing and the school decision letter following the hearing. Evidence of consultation having taken place should also be submitted to demonstrate due process has been undertaken.
- 3.8 Upon receipt of the above documentation, the Local Authority will make a decision as to whether the redundancy costs will be met by the Local Authority's budget or whether the costs should be passed on in full or part to the school's delegated budget.

4. PAYMENT OF EARLY/PREATURE RETIREMENT COSTS

4.1 Support Staff

If a member of support staff is made redundant at age 55 years or over, and they pay into the Local Government Pension Scheme, then the employee's

- 3 -

pension will automatically be released early. In such cases, all costs associated with the early release of the pension will fall to the school's delegated budget.

4.2 Teaching Staff

The procedure within the Local Authority at this time is that if a member of the teaching staff is made redundant at age 55 years or over, and they pay into the Teachers' Pensions Scheme, then subject to the conditions of Teachers' Pensions, the employee's pension may automatically be released early. In such cases, the annual pension costs associated with the early release of the pension under the Teachers' Pension Scheme Regulations 2014 will fall to the school's delegated budget.

5. PAYMENT OF EARLY/PREATURE RETIREMENT ANNUAL PENSION COSTS FROM A NON-SCHOOLS' BUDGET

5.1 The default position is that premature retirement costs must be charged to the school's delegated budget. In exceptional circumstances, and in accordance with DFE guidance on Schemes for Financing Schools, the Local Authority may agree to fund in full or in part early retirement annual pension costs for staff from a central non-school's budget.

5.2 In such exceptional circumstances, an assessment would be made on a case-by-case basis and would be subject to final approval of a business case by the Corporate Director responsible for schools and academies. Consideration will be given where the following circumstances apply:

1. In conjunction with other circumstances, where the school has an ongoing long term reduction in pupil numbers and charging such costs to their budget would impact upon maintaining standards of achievement.
2. Where a school is closing and does not have sufficient balances to cover the costs and where the central schools budget does not have the capacity to absorb the deficit. This does not include schools converting to academy status. Any balance remaining will need to have been mitigated as far as possible by the school with the appropriate supporting evidence, this will also need to include why any remaining balance cannot be contained within budget.
3. Where a school is in special measures, does not have excess balances and employment of the relevant staff is being/has been terminated as a result of the Local Authority or government interventions to improve standards.

5.3 The school would need to compile a business case outlining their rationale as to why the costs should be picked up by the Local Authority rather than being charged to the school's delegated budget. Evidence would be needed to confirm that alternative approaches to the reductions have been considered. It will then be a decision for the Local Authority, namely the Corporate Director for Childrens and Adults Services, as to whether the Local Authority assists partly or fully with the costs associated with the early/premature retirement.

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