



NOTTINGHAM CITY COUNCIL
SCHOOLS FORUM

Date: Tuesday, 16 January 2018

Time: 1.45 pm

Place: LB 41 - 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 Direct Dial: 0115 876 4637

AGENDA

Pages

1	APOLOGIES FOR ABSENCE	
2	DECLARATIONS OF INTEREST	
3	MINUTES OF THE LAST MEETING Minutes of the meeting held on 7 December 2017, to be confirmed.	3 - 10
4	WORK PROGRAMME	11 - 12
5	SCHOOL PLACE PLANNING Presentation by Nick Lee, Head of Access and Inclusion	
6	SCHOOLS BUDGET 2018/19 Joint report of the Corporate Director for Children and Adults and the Director of Strategic Finance	13 - 28

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

CITIZENS ATTENDING MEETINGS ARE ASKED TO ARRIVE AT LEAST 15 MINUTES BEFORE THE START OF THE MEETING TO BE ISSUED WITH VISITOR BADGES

CITIZENS ARE ADVISED THAT THIS MEETING MAY BE RECORDED BY MEMBERS OF THE PUBLIC. ANY RECORDING OR REPORTING ON THIS MEETING SHOULD TAKE PLACE IN ACCORDANCE WITH THE COUNCIL'S POLICY ON RECORDING AND REPORTING ON PUBLIC MEETINGS, WHICH IS AVAILABLE AT WWW.NOTTINGHAMCITY.GOV.UK. INDIVIDUALS INTENDING TO RECORD THE

MEETING ARE ASKED TO NOTIFY THE GOVERNANCE OFFICER/CLERK TO THE FORUM SHOWN ABOVE IN ADVANCE.

NOTTINGHAM CITY COUNCIL

SCHOOLS FORUM

MINUTES of the meeting held at Loxley House, Nottingham on 7 December 2017 from 1.47 pm - 3.52 pm

Membership

Present

Sian Hampton (Chair)
Judith Kemplay (Vice Chair)
Sally Coulton
David Holdsworth
David Hooker
Andy Jenkins
Janet Molyneux
Debbie Simon
Terry Smith
David Stewart
James Strawbridge
Stephen McLaren

Absent

Maria Artingstoll
David Blackley
Caroline Caille
Tracy Rees
Sheena Wheatley
Tracey Ydlibi

Colleagues, partners and others in attendance:

- | | |
|------------------------|--|
| Kathryn Bouchlaghem | - Early Years Manager |
| Kimberly Butler | - Behaviour Support Team Leader |
| Alistair Conquer | - Head of Educational Curriculum and Enrichment |
| Jane Daffe | - Senior Achievement Consultant, Vulnerable Groups |
| Kenneth France | - Contracts Manager, Property Maintenance |
| Lucy Juby | - Project Manager, School Organisation Team |
| Kathryn Stevenson | - Senior Commercial Business Partner (Schools) |
| David Thompson | - Schools Health and Safety Manager |
| Alison Weaver | - Service Manager, Inclusive Education Service |
| Councillor Sam Webster | - Portfolio Holder for Business, Education and Skills |
| Phil Wye | - Governance Officer, Constitutional Services (Clerk to the Forum) |

1 APOLOGIES FOR ABSENCE

Maria Artingstoll
Tracy Rees
Sheena Wheatley

2 DECLARATIONS OF INTEREST

None.

3 MINUTES OF THE LAST MEETING

The minutes of the meeting held on 9 November 2017 were approved as a correct record and signed by the Chair.

4 PROPOSED PUPIL GROWTH ALLOCATION FOR 2018/19 AND PROPOSED REVISION OF THE PUPIL GROWTH CRITERIA.

Lucy Juby, Project Manager, School Organisation, introduced the report outlining the proposed requirements of the Pupil Growth Contingency Fund (PGCF) for 2018/19, which will be used to fund growth in both maintained schools and academies. Lucy highlighted the following:

- (a) £697,645 has already been committed for pupil growth in 2018/19 due to ongoing expansions and bulge years. The contingency has been increase due to upcoming required growth in secondary schools;
- (b) the current funding criteria for primary school growth was agreed in 2013. The final planned primary school expansions are now underway and the city-wide position for primary provision at first entry is good;
- (c) the increased demand for school places is moving from the primary phase into the secondary phase and a minimum of 15-17 additional forms of entry will be required city-wide, with demand projected to peak by 2022. Therefore, there is now a requirement to include provision for the funding of secondary school pupil growth. The consultation with Head Teachers on reviewing the criteria and levels of funding resulted in minimal feedback. Therefore it was recommended that a Schools Forum Sub-group should undertake a further review;

The following additional information was provided during the discussion which followed:

- (d) Trinity Catholic School has agreed to take one additional form of entry from September 2017. This is an oversubscribed school and school places are needed in the area. Places will be allocated according to Trinity's admissions criteria;
- (e) Nottingham University Academy of Science and Technology (NUAST) is expanding its age range to admit from Year 7 which will create much needed additional school places, and The Fernwood School is submitting a bid to the DfE for funding to expand, which is supported by the local authority, though this is still at the application stage and has not been agreed;
- (f) The pupil growth funding for 2018/19 will cover all known and committed primary expansions, with a surplus to account for secondary expansions. Consideration also needs to be given to the fact that from 2019/20, the DfE have not confirmed how pupil growth will be funded, therefore further revisions to the criteria may be required once the DfE guidance is released;
- (g) the investment in Nottingham City primary schools to deliver the required expansion programmes has resulted in good provision of places for children at

first admission, in good and outstanding schools. However, there are still challenges in providing additional capacity required in some higher year groups for in-year admissions. The Council is working with schools to find solutions to this where possible;

- (h) there are greater challenges in delivering the required city-wide secondary school capacity. However, the School Organisation Team are encouraging collaborative working with all secondary schools in the city, to consider options for delivering the additional capacity requirements, based on the principles of expanding good and outstanding schools, in areas where places are needed;
- (i) the breakdown and any changes or updates to pupil growth funding allocations will continue to be reported to the Forum as a regular agenda item.

RESOLVED to

- (1) approve the allocation of £1.148m to support pupil growth in 2018/19;**
- (2) approve that a sub-group will undertake a review of the PGCF criteria for the funding of both primary and secondary school pupil growth. The sub-group will be required to review the potential models for the funding of pupil growth and to propose a recommended option to Schools Forum by April 2018;**
- (3) approve the membership of the sub-group as Sally Coulton, David Holdsworth, David Hooker, Andy Jenkins, Judith Kemplay and David Stewart;**
- (4) bring a presentation to the next Schools Forum meeting on the primary expansion programme, and principles for the secondary expansion programme;**
- (5) resend the consultation on the formula for secondary expansion funding to secondary head teachers, and members to encourage other schools to respond;**
- (6) note**
 - a. the requirement to allocate funding to academies for the period April 2018 to August 2018 as guided by the Education and Skills Funding Agency (ESFA);**
 - b. the amount to be allocated is £0.156m;**
 - c. the funding will be included on the submission of the 2018/19 Authority Pro-forma Tool sent in to the ESFA which included all school budget shares for 2018/19 and the amounts to be given out to academies for pupil growth April to August 2018;**
 - 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 2018/19 will be adjusted accordingly.

5 PUPIL GROWTH CONTINGENCY FUND UPDATE

Lucy Juby, Project manager, School Organisation presented the Forum with an update on the Pupil Growth Contingency Fund for 2017/18, which has a remaining budget of £179,570.

The update includes a pupil growth funding allocation for the increase in capacity and pupil numbers at Trinity Catholic School. If applicable, further to review of the criteria, the remaining funding for Trinity would be payable from April 2018, and the annual amount is to be confirmed.

RESOLVED to note the update.

6 DE-DELEGATION OF FUNDING FOR THE BEHAVIOUR SUPPORT TEAM (BST) IN 2018/19

Kimberly Butler, Behaviour Support Team Leader, introduced the report seeking de-delegation for funding for the Behaviour Support Team which was deferred from the November meeting of the Forum pending further information.

Maintained primary school members thanked Kimberly for the additional information provided and said that they had received positive feedback from other head teachers across the city.

RESOLVED

(1) for maintained mainstream primary schools to approve the de-delegation of funding for statutory services provided by the BST in 2017/18 at a rate of £55 per pupil eligible for free school meals and a lump sum of £0.003m per school. Total funding available for de-delegation by maintained mainstream primary schools is £0.227m. This is made up of £0.137m generated by pupils eligible for free school meals and £0.090m lump sum funding;

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

7 DE-DELEGATION OF 2018/19 HEALTH AND SAFETY BUILDING INSPECTION FUNDING

David Thompson, Schools Health and Safety Manager, introduced the report seeking approval from Schools Forum to allocate funding for schools health and safety building equipment inspections for maintained primary and secondary schools, which was deferred from the November Forum meeting, pending further information and options for usage of the reserve.

Maintained school members thanked David for the additional information provided, and said that they had had positive feedback from other head teachers across the city.

RESOLVED

- (1) to 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;**
- (2) for maintained mainstream primary schools to approve the de-delegation of health and safety building inspection funding in 2018/19 based on a rate of £9.79 per pupil. Total estimated funding requested to be de-delegated for mainstream maintained primary schools is £0.109m;**
- (3) for the maintained mainstream secondary school to approve the de-delegation of health and safety building inspection funding in 2018/19 based on a rate of £9.79 per pupil. Total estimated funding requested to be de-delegated for the mainstream maintained secondary schools is £0.013m;**
- (4) for both maintained primary and secondary schools to approve the allocation of £0.257m of the health and safety buildings maintenance to cover the costs of tests and inspections from 2018/19 to 2022/23.**

8 DE-DELEGATION OF FUNDING FOR ETHNIC MINORITY ACHIEVEMENT (EMA) - IDEAL SERVICE

Jane Daffe, Senior Achievement Consultant, Vulnerable Groups, introduced the report requesting that maintained schools approve de-delegation of funding to enable proposals for the IDEAL service to secure a fully traded position from 2019/20, which was deferred from the November Forum meeting pending further information.

The report provided more information on individual school contributions, and provides a review of the core offer to maintained schools.

Maintained primary school members reported that feedback from other head teachers across the city had felt that the de-delegation does not provide best value for money. However, the service is extremely valued by schools and would better continue as a fully traded service.

RESOLVED

- (1) for maintained mainstream primary schools to not approve the de-delegation of funding for EMA at a rate of £44.56 per EAL3-funded pupil for 2018/19 to ensure that the IDEAL team has sufficient time to create programmes and products for a more fully traded service to be established;**
- (2) for maintained mainstream secondary schools to approve the de-delegation of funding for EMA at a rate of £44.56 per EAL3-funded pupil for 2018/19 to ensure that the IDEAL team has sufficient time to create programmes and**

products for a more fully traded service to be established (£0.003m);

(3) for members to continue to support the service as it moves to a fully traded service, including by promoting it in their relevant sectors.

9 EARLY YEAR CENTRAL EXPENDITURE 2018/19

Kathryn Stevenson, Senior Commercial Business Partner, and Kathryn Bouchlagham, Early Years Service Manager, introduced the report highlighting the following:

- (a) revised national arrangements from April 2017 reduced the amount of Early Years funding that can be retained for central spend to 5% for 2018/19. This is to ensure a high pass-through rate of funding to providers;
- (b) the new arrangements also require all local authorities to introduce an SEN inclusion fund for children with lower level emerging needs. Early Years settings were consulted on the value and criteria for this in September 2017;
- (c) the number of early years pupils in Nottingham assessed as having reached a 'good level of development' has increased year on year since 2013 from 40% to 66.2%;

Some schools members reported difficulty in admitting enough children to nursery this year. This could be due to a lower birth rate in 2013, or other factors such as some private nurseries offering 30 hours free nursery provision;

RESOLVED to

- (1) approve Early Years Central Expenditure of £0.961m for 2018/19, subject to this meeting the high pass-through requirement;**
- (2) note the creation of a £0.100m SEN inclusion fund within the Early Years budget for 2018/19, as required in statutory guidance for local authority early education.**

10 ARRANGEMENTS FOR FUNDING SCHOOLS IN 2018/19 AND 2019/20 AND THE SCHOOLS CONSULTATION OUTCOME

Kathryn Stevenson, Senior Finance Business Partner, introduced the report highlighting the following:

- (a) the local authority's intention is to implement the national funding formula with a minimum funding guarantee of up to 0.5% in the 2018/19 financial year;
- (b) under final proposals, no school will see a reduction in funding per pupil as there is a funding floor built into the national funding formula;

There was a very low response to the consultation undertaken with Nottingham City schools, but Forum members welcomed the proposals.

RESOLVED to

- (1) note the content of the proposed schools funding formula for 2018/19 and 2019/20 in the consultation document;**
- (2) note the consultation responses received from Nottingham City schools and note the very low response rate.**

In response to a question on further clarity about the implications of Forum not re-approving combined services budgets, Kathryn Stevenson responded that further work had been done on this and that the funding would be available to re-allocate for one year only but the following year the funding into the City would be reduced by that amount.

This is reflected in paragraph 141 of the National Funding Formula for Schools and High Needs Policy Document (September 2017): "Funding for historic commitments will be based on the actual cost of the commitment. Funding will reduce as commitments cease. There will therefore be no protection for historic commitments in the central schools services block."

11 WORK PROGRAMME

Subject to the addition of a presentation on school expansion as requested under item 4, the work programme was noted.

Forum members noted the need for clear advance notice of the Forum's agenda as it aligns with the local authority's agenda moving forward.

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SCHOOLS FORUM WORK PROGRAMME

Title of report	Report or presentation	Author – name, title, telephone number, email address
13 February 2018		
1. Funding for School Exclusions	Report	Jennifer Hardy, Project Manager Tel: 0115 8765639 Email: Jennifer.hardy@nottinghamcity.gov.uk

Deadlines for submission of reports

	Date of meeting	Draft reports (10.00 am)	Final reports (10.00 am)
Page 11	13 February	25 January	5 February
	24 April	21 March	9 April
	26 June	31 May	11 June

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SCHOOLS FORUM - 16 JANUARY 2018

Title of paper:	SCHOOLS BUDGET 2018/19
Director(s)/ Corporate Director(s):	Alison Michalska, Corporate Director for Children and Adults Laura Pattman, Director of Strategic Finance and Chief Finance Officer
Report author(s) and contact details:	Ceri Walters, Head of Commercial Finance 01158 764 128 ceri.walters@nottinghamcity.gov.uk
Other colleagues who have provided input:	Sarah Molyneux Solicitor and Legal Service Manager 0115 876 4335 sarah.molyneux@nottinghamcity.gov.uk Lynn Robinson HR Business Partner 01158 764 3605 lynne.robinson@nottinghamcity.gov.uk
Summary	
<p>This report presents the proposed Schools Budget for 2018/19. The Schools Budget has been prepared in line with the parameters agreed at Schools Forum and with the financial regulations issued by the Department for Education (DfE). Final individual school budgets will be issued as well as the indicative early years, high needs funding allocations and guidance notes by 28 February 2018.</p> <p>Where applicable, the Medium Term Financial Plan (MTFP) incorporates the impact from the Dedicated Schools Grant (DSG).</p>	
Recommendation(s):	
1	<p>DSG</p> <p>a) To note the overall indicative 2018/19 Schools Budget to be spent incorporating the Schools, Central Schools Services, Early Years and High Needs blocks is £266.710m – as per Figure 1</p> <p>b) To note this is funded by the provisional 2018/19 DSG allocation of £265.352m plus £1.716m from the DSG reserve and other grants.</p> <p>c) To note that the budget will be updated in year to reflect subsequent adjustments made by the ESFA to our 2018/19 DSG allocation as described in the report.</p> <p>d) Any balance remaining will be allocated to the Statutory School reserve.</p> <p>e) To note the impact to schools budgets of the indicative allocation is set out in Table 5.</p>
2	<p>PUPIL PREMIUM</p> <p>a) To note the allocation of Pupil Premium funding will be allocated to schools in accordance with the grant conditions.</p>

1. REASONS FOR RECOMMENDATIONS

- 1.1 To ensure an understanding of how and on what basis different DfE grants are allocated to the Local Authority (LA) and how they are then allocated to individual schools forming their annual budget allocations.
- 1.2 To provide Schools Forum (SF) with a summary budget position based on the approvals gained in accordance with the Schools and Early Years (England) Financial Regulations 2017.
- 1.3 To update SF on the impact of any new legislation on the Schools budgets and the financial implications of those changes.

2. BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1 **Construction of the 2018/19 budget**

The purpose of this report is to provide a 2018/19 summary budget position for Schools; this report is a continuation of budget reports presented to SF in accordance with the Schools and Early Years (England) Financial Regulations 2017. These approvals are set out in **Table 1** below:

TABLE 1: ANALYSIS OF APPROVALS		
	Status	SF Approval
De - Delegated Budgets		
Trade Union Senior Representative Cover Time	Approved	9 Nov 2017
Behaviour Support	Approved for Primaries only	7 Dec 2017
Ethnic Minority Achievement	Approved for Secondaries only	
Health and Safety Building Maintenance Services	Approved	
Central Budgets		
Schools	Approved	9 Nov 2017
Early Years	Approved	7 Dec 2017
Copyright Licensing Agreement/Music Publishing Association Licences	Education and Skills Funding Agency (ESFA)	

The DSG is one of the main funding streams allocated to schools by the LA.

The Pupil Premium Grant is allocated from the LA to maintained schools only with the allocation being set out by the ESFA; Academies receive this funding direct.

2.2 **2018/19 DSG FUNDING ALLOCATION BASIS**

As part of the National Funding Formula the DfE have split the DSG into four blocks from the financial year 2018/19. The funding blocks and the values attributable to each block are noted in **Table 2**:

TABLE 2: Summary of DSG for the financial year 2018/19		
		£m
1	Schools Block – section 2.2.1	205.393
2	Central School Services Block (CSSB) – section 2.2.2	7.084
3	Early Years Block – section 2.2.3	22.510
4	High Needs Block	30.366
TOTAL DSG		265.352

The following paragraphs outline for each of the blocks, how the LA allocation has been determined and any subsequent adjustments that will be made. This is also pictorially demonstrated in section 2.3.1.

2.2.1 **Schools Block DSG Allocation**

The school block allocation is based on 2 elements:

- Pupil-led and School-led funding
This is based on a Primary unit of funding (PUF) and secondary unit of funding (SUF).

In 2018/19 this equates to £4,480.63 per primary pupil and £5,868.77 per secondary pupil with the rates calculated on how much funding each LA would receive through the NFF and the October 2016 census pupil data.

The actual Schools Block allocation for 2018/19 is based on:

- The number of primary pupils in Reception to Year 6 plus
- Pupils aged 4 to 10 not assigned to a year group on the October 2017 census multiplied by the PUF plus
- The number of secondary pupils in Year 7 to Year 11 plus
- Pupils aged 11 to 15, not assigned to a year group on the October 2017 census multiplied by the SUF.

In the financial year 2019/20 the PUF and the SUF will be updated to reflect the NFF funding and October 2017 census data.

The total funding allocated based on the primary and secondary units of funding totalled £199.436m.

- Growth, premises and mobility funding
This funding is allocated to LA's based on historic costs in 2017/18 with the exception of Private Finance Initiatives (PFI) funding which has been uplifted by the RPIX from April 2016 to April 2017 (3.83%).

Total funding allocated for growth, premises and mobility totalled £5.957m.

2.2.2 Central Schools Services DSG Allocation

The Central School Services Block (CSSB) is made up of two categories of funding:

- Historic commitments and
- Ongoing commitments

Table 3 below shows the categorisation of budgets within the CSSB.

TABLE 3: Budgets within the CSSB		
Commitment	Classification	2018/19 Allocation £m
CERA	Historic commitment	0.840
Prudential borrowing	Historic commitment	0.293
Termination of employment costs	Historic commitment	1.609
Contribution to combined budgets	Historic commitment	2.887
Admissions	Ongoing commitment	0.585
Copyright licences	Ongoing commitment	0.192
Schools Forum	Ongoing commitment	0.032
Retained Duties (Former ESG)	Ongoing commitment	0.618
Total		7.056

In May 2017 all LA's were required to submit to the ESFA their 2017/18 allocations for central services in the Schools Block. This information was then used by the ESFA to set the baselines for historic commitments and set the formula funding for ongoing commitments in 2018/19.

In 2018/19 NCC has been allocated £5.599m for historic commitments.

LA's are funded for ongoing commitments based a national formula which distributes 90% of funding according to a per-pupil factor and 10% of funding according to a deprivation factor. Both elements have been adjusted for area costs.

In 2018/19 the CSSB unit of funding for Nottingham City for ongoing commitments is £36.96 per pupil.

In 2018/19 NCC has been allocated £1.485m for ongoing commitments.

The DfE have stated that they will be reviewing the CSSB unit of funding for each LA on an annual basis. The total amount of funding in the CSSB is based on the current duties held by LA's.

Any changes to legal obligations will be reflected in future funding.

2.2.3 Early Years Block DSG Allocation

The LA's EY block allocation is based on the Early Years National Funding Formula (EYNFF) which was introduced in April 2017.

The EYNFF dictates the hourly rate that each LA receives for 3 & 4 year olds. This rate remains unchanged for 2018/19 and for Nottingham City is **£4.92 per hour**.

The LA is funded at a separate rate of £5.23 per hour for 2 year olds.

The LA's provisional EY block allocation as announced on 21 December 2017 is £22.510m. Within this provisional allocation there is funding for:

- a. 3 & 4 year old universal entitlement (£14.448m)
- b. 3 & 4 year old extended entitlement (£3.877m)
- c. 2 year old funding (£3.864m) and
- d. EY Pupil Premium (EYPP) (£0.231m)
- e. Early Years disability access fund (£0.090m).
- f. Maintained Nursery Supplementary (MNS) funding (£0.0m)

Provisional allocations for elements a, c, d and e are based on January 2017 pupils numbers. The provisional allocation for the extended entitlement is based on the DfE estimate of eligible children.

Final allocations will be based on 5/12ths x January 2018 pupil numbers and 7/12ths x January 2019 pupil numbers.

The EY's budget process will conclude once confirmation from the ESFA has been received regarding Maintained Nursery Supplementary funding as initial allocations do not include it; this is valued at £0.191m.

2.2.4 **High Needs Block DSG Allocation**

For 2018/19, the LA's high needs (HN) block allocation is based on the new high needs national funding formula.

The LA's provisional HN block allocation as announced on 21 December 2017 is £30.366m. This represents a £1.1m increase compared to the baseline for 2017/18.

Provisional allocations do not yet include the outcomes of the HN funding requests for exceptional increases in hospital funding which will be published in January 2018; a funding request for an additional £0.402m hospital education funding was made for the Hospital & Home Education (HHE) Pupil Rerreral Unit relating to the new expanded CAMHS in-patient unit opening in April 2018.

The HN allocation for 2018/19 will be finalised in June 2018 taking into account the Spring 2018 pupil numbers for the import/export adjustment with other Local Authorities.

2.3 **OVERVIEW OF DSG FUNDING DISTRIBUTION**

2.3.1 **Figure 1** below provides a breakdown of the Schools budget for 2018/19 by block and category of spend.

Figure 1

Elements	Schools	Central Expenditure	Early Years	High Needs	Total
Educational Settings	£203.824m		£21.549m	£24.961m	£250.334m
Pupil Growth	£1.148m				£1.148m
Combined Services		£2.887m			£2.887m
Central Expenditure		£4.169m	£0.961m	£5.405m	£10.535m
De-delegated	£0.421m				£0.421m
BLOCK TOTAL	£205.392m	£7.056m	£22.510m	£31.752m	£266.710m
2018/19 Budget- DfE	£205.393m	£7.084m	£22.510m	£30.366m	£265.352m
Funding not in DSG settlement	£0.330m			£1.386m	£1.716m
TOTAL FUNDING	£205.723m	£7.084m	£22.510m	£31.752m	£267.069m
VARIANCE	£0.331m	£0.028m	0	0	£0.359m

2.4 **DISTRIBUTION OF DSG FUNDING TO SETTINGS**

The following paragraphs outline in detail how funding is distributed in each block.

2.4.1 **Distribution of Schools Block Funding**

The schools block is currently totals £205.392m, this is funded by:

- DSG £205.393m;
- Reimbursement of costs from academies of £0.156m and
- Estimated pupil growth funding brought forward £0.174m.

The impact of the movement of funding through the pupil-led and school-led factors from 2017/18 to 2018/19 has resulted in a **surplus balance of £0.331m**.

After consultation with Schools Forum and all schools in the City the LA has implemented the DfE's national funding formula for schools passing on +0.5% of the Minimum Funding Guarantee (MFG) per pupil onto schools.

As the Minimum Funding Guarantee (MFG) per pupil can only be set between -1.5% to 0.5% this means that the remaining balance cannot be passed onto all schools as 88 of the 91 schools are on the MFG of +0.5%. Therefore, the funding would only be passed onto the 3 schools not on MFG protection.

Within the operational funding guidelines there is no other facility to pass on the surplus balance to schools with the funding profile of schools NCC has. The only options available are:

1. Raise the MFG above 0.5%:
If this were to be done it would require approval from the Secretary of State. This is not a favoured option by the LA as only four schools in the LA are not in receipt of MFG protection and would therefore receive the additional funding.
2. Request Schools Forums approval to transfer the surplus balance to the EY or HN Blocks.
With the approval of Schools Forum LA's can transfer up to 0.5% of the Schools Block to other blocks within the DSG. However, this is not being proposed by the LA.
3. Allocate to the reserve and ring fence for further unbudgeted Pupil Growth. If not required in 2018/19 this can then be used to mitigate the 2019/20 impact.

Figure 2 below illustrates the factors that have been included when calculating schools budgets for 2018/19 based on the NFF.

As outlined in 2.2.1 funding for the factors shown in italics have been allocated to the LA in 2018/19 based on historic spend in 2017/18.

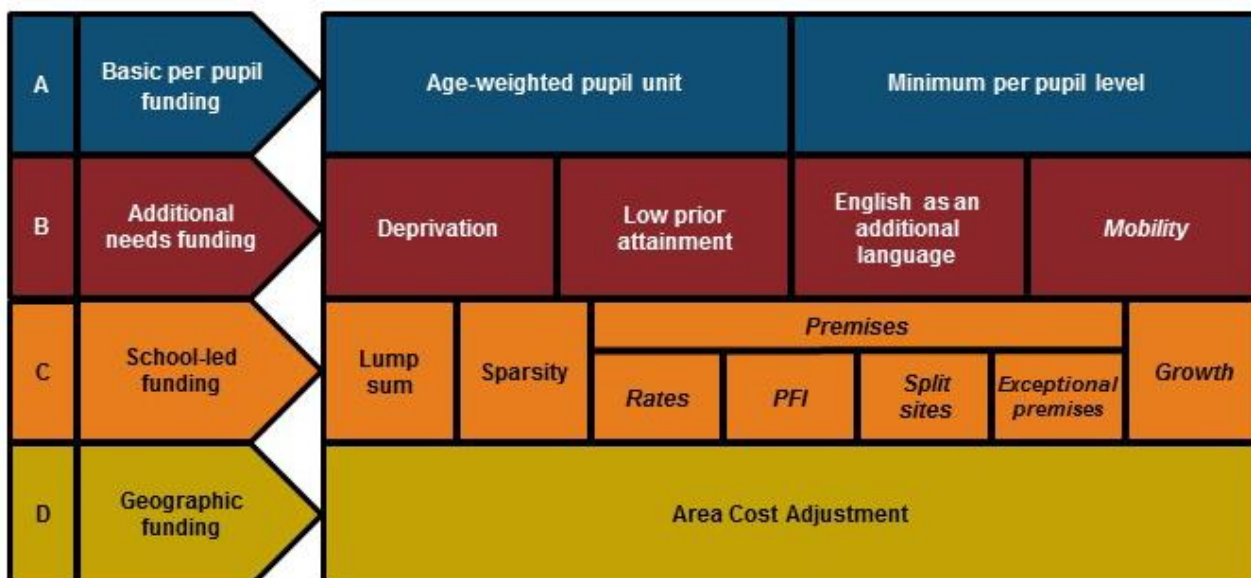


Table 4 below shows the Age Weighted Pupil Unit (AWPU) rates and the level of MFG protection in 2017/18 and 2018/19 for comparative purposes.

TABLE 4: AWPU rates and MFG protection comparisons			
	2017/18	2018/19	Increase/ (Decrease)
AWPU			
Primary	£3,123.25	£2,754.43	(£368.82)
Key Stage 3	£4,298.40	£3,873.12	(£425.28)
Key Stage 4	£5,012.24	£4,397.70	(£614.54)
Total MFG protection	£742,431	£9,545,878	£8,803,447

Table 5 below shows the schools budget movement by sector for 2018/19.

TABLE 5: % BUDGET MOVEMENTS IN SCHOOLS					
Phase	No. of schools with no gain or loss greater than 5%	No. of schools with a gain greater than 5%	No. of schools with a loss greater than 5%	No. of new schools in 2018/19 with no comparative to 2017/18	Total number of schools
Primary	58	14	1	1*	74
Secondary	9	6	0	2*	17
Total	67	20	1	3	91

*In October 2017 Bluecoat Academy School split into three separate schools, Bluecoat Academy (Aspley Site), Bluecoat Wollaton Academy (Wollaton Site) and Bluecoat Primary Academy.

Although funding overall has increased from 2017/18 some schools may see a reduction in their funding from 2017/18 due to the following reasons:

- Reduction in pupils on roll;
- Change in the proportion of pupils eligible for the additional needs factors;
- Reduction in business rates or
- No longer being eligible for split site funding.

2.4.2 Distribution of CSSB Funding

The CSSB Funding has been allocated as shown in **Table 3**.

At present there is a balance of £0.028m however the Retained Duties funding is still to be revised to take account pupils in special schools, PRU's and nurseries once confirmed by the ESFA. If after this confirmation there is still a balance remaining the will be allocated to the Statutory School Reserve.

2.4.3 Distribution of Early Years Block Funding

Table 6 provides an indicative breakdown of the 2018/19 early years block budget:

TABLE 6: EY INDICATIVE BUDGET BREAKDOWN (£m)					
ELEMENT	3 & 4 YO	2 YO	DLA	EYPP	TOTAL £m
<i>Base rate/hour</i>	£4.33	£5.08		£0.53	
Base rate total	16.127	3.753		0.231	20.111
<i>Supplements</i>					
<i>-Deprivation/hour</i>	£1.00		£625		
<i>-Flexibility/hour</i>	£0.10				
<i>DLA/annum</i>					
Supplements total	0.929		0.090		1.019
MNS lump sum	0.228				0.228
SEN inclusion fund	0.135	0.035			0.170
Contingency	0.009	0.011			0.020
TOTAL PROVIDERS	17.429	3.799	0.090	0.231	21.549
Central Expenditure	0.896	0.065			0.961
GRAND TOTAL	18.325	3.864	0.090	0.231	22.510
Pass-through %	95.1%	98.3%			

Central expenditure is in line with approvals of the 7 December 2017 SF and aligns to the 95% pass through requirement for 3 & 4 year old funding.

All providers have been consulted on the revised EY funding formula under the new national arrangements in November 2016 and Schools Forum on 8 December 2016. A key message received from providers in this consultation was around the need to maximise the base rate therefore the proposal to utilise the additional funding released from the reduction in central expenditure to increase the base rate in 2018/19. The deprivation and flexibility supplement rates are unchanged.

The provisional hourly base rate for 3 & 4 year olds from April 2018 is £4.33, an increase of £0.08 per hour. If the ESFA confirm a MNS allocation prior to the release of indicative budgets to settings in February, it may be possible to increase this by up to a further £0.02 per hour.

The hourly rate for providers for 2 year olds from April 2018 is £5.08, an increase of £0.05 per hour.

The contingency allows for some variation to estimate in the proportion of pupils attracting the deprivation supplement and for the discrepancy between the count dates for funding coming in (Jan 18 & Jan 19) and funding going out to providers (May 18, Oct 18, Jan 19). There will be some movement between the supplements total and the contingency following the detailed calculation of the indicative budgets for providers, which will be completed before the end of February using pupil data for each setting for the last 3 available terms. It is anticipated that this will reduce the supplements total and increase the contingency as the above figures include a relatively high estimate for the proportion of pupils qualifying for the deprivation supplement (23%).

2.4.4 **Distribution of High Needs Block Funding**

Table 7 provides a provisional breakdown of the 2018/19 high needs budget, with comparative figures for 2017/18.

TABLE 7: PROVISIONAL HN BUDGET BREAKDOWN			
BUDGET	2017/18 £m	2018/19 £m	Change £m
Mainstream HLN including AIA	4.165	4.365	0.200
SEN resource unit top-up funding	0.578	0.584	0.006
SEN resource unit places (via recoupment)	0.492	0.370	-0.122
Special School top-up & maintained places	10.143	9.017	-1.126
Special academy places (via recoupment)	1.091	2.675	1.584
Net cross border top-ups	0.386	0.386	0.000
Post-16 HLN funding	1.100	1.050	-0.050
FE/CCP places (via recoupment)	0.168	0.168	0.000
Independent/Non Maintained Special	0.686	0.686	0.000
Hospital & Home Education PRU	1.369	1.375	0.007
Behaviour PRUs/Devolved AP	6.371	4.082	-2.289
PRU academy places (via recoupment)	0.000	1.520	1.520
AP free schools (via recoupment)	0.045	0.070	0.025
TOTAL PROVISION	24.796	26.347	-0.245
Fair Access	0.457	0.457	0.000
Other AP – LA staff supporting inclusion & teenage parents	0.354	0.354	0.000
Other AP – IDEAL asylum seekers provision (Ellis Guilford)	0.136	0.122	-0.014
Other AP – education cost of residential placements	1.051	1.083	0.032
Other AP – Statemented boys behaviour outreach (Wesbury)	0.110	0.110	0.000
SEN team	0.322	0.322	0.000
SEN specialist equipment	0.062	0.062	0.000
Inclusive education services – Sensory, Learning Support & Autism teams	1.680	1.680	0.000
SEN transport	1.000	1.000	0.000
Disability Access	0.200	0.200	0.000
Carbon Reduction Commitment PRU	0.016	0.016	0.000
TOTAL CENTRAL BUDGETS	5.389	5.405	0.017
GRAND TOTAL	31.980	31.752	-0.228
Budgets paid for via ESFA recoupment	1.796	4.803	
LA HN Budget after recoupment	30.185	27.351	

The HN budget is funded by the £30.366m initial HN DSG allocation with the balance of £1.386m being funded from the ring-fenced element of the reserve for PRU/devolved AP costs.

There is £2.4m of funding from reserves supporting the budget in 2017/18 and this reduction is the main reason why the total HN budget, as currently presented, is lower than last year.

A paper will be presented the February SF outlining in detail proposals relating to the approach and funding for pupils excluded/at risk of exclusion from April 2018. This will cover further DSG reserve requirements to support both 2018/19 and future years. This area of the high needs budget continues to present a significant risk and urgent agreement of a new model is vital to achieve a sustainable high needs budget.

The table shows both budgets that are paid for directly by the LA and also those that will result in a ESFA deduction to our high needs block via academy recoupment (shaded in grey). Implicit in the above budget is the assumption that there will be a neutral impact of the merger of two FE colleges to form Nottingham College with a Nottingham City head office and this change is not yet reflected in either the LA's published provisional DSG allocation or the above recoupment estimate. The academisations of Westbury and Woodlands Special Schools and Denewood and Unity Learning Centres have increased the recoupment figure compared to 2017/18 as the high needs places in these settings are now paid for via this mechanism.

The above figures are provisional and there may be amendments resulting from the detailed calculation of indicative budgets for settings and the finalisation of 2018/19 service budgets. The planned increases in high needs places for the 2018/19 academic year that were presented to Schools Forum at the November meeting have been taken into account. We propose to increase top up funding rates for special schools, special resource units and PRUs for 2018/19 by 0.5% compared to 2017/18 levels. This is in line with the national 0.5% per head uplift to both high needs funding and schools block funding.

The above budget does not take account of the additional £0.402m funding requested for hospital education as referred to in paragraph 2.2.4. On confirmation, this will be added to the HHE PRU budget.

The year on year reduction shown against SEN resource units reflects the shift of basic per pupil funding for pupils in such provision into the Schools Block under the new national arrangements. The year on year reduction against the IDEAL provision at Ellis Guilford reflects the fact that more pupils were on roll in time for the October census compared to the previous year so this reduces the funding requirement from the high needs block. The increase in the mainstream HLN budget reflects the need to fund early years pupils in the Private, Voluntary and Independent (PVI) sector with complex needs from the high needs block in future rather than the early years block as we have done previously.

2.5 Pupil Premium (PP)

The total PP allocated to schools is made up of 3 of elements and each element has a different pupil criteria supporting, these are described below:

- Pupil Premium - Indicative allocation for all schools will be confirmed in May 2018 based on the January 2018 census. The LAC numbers will be updated in December 2018. This means that some schools could see a small reduction in the number of Ever 6 FSM pupils counted for their pupil premium allocation, if the pupil is identified as LAC in the update. In these cases the schools concerned would see a reduction in their pupil premium allocation.

Table 8 shows the rates attributable to each element of the Pupil Premium Grant for 2018/19.

TABLE 8: PUPIL PREMIUM COMPARISON				
	FSM EVER6			
	Primary	Secondary	Service	Post Looked
	£	£	Child	after Child*
			£	£
2018/19	1,320	935	300	2,300
2015/16, 2016/17 & 2017/18	1,320	935	300	1,900

*Looked after Children and eligible pupils who have been adopted from care or leaving care under a special guardianship or a child arrangements order (previously known as a residence order).

- Pupil Premium Plus Grant - The rate for pupil premium plus for looked after children and children adopted from care will increase from £1,900 per pupil in 2017/18 to £2,300 per pupil in the financial year 2018 to 2019.
- Year 7 Catch up Premium Grant – The methodology for calculating the year 7 Catch Up Grant for 2018/19 is as yet unconfirmed. However, the DfE have confirmed that the grant will continue in the financial year 2018/19. We are assuming that it will be allocated using the same methodology as in 2017/18.

In 2017/18 the funding was allocated to schools on the basis that they received the same overall amount of year 7 catch-up premium funding as they received in 2016/17, adjusted to reflect the percentage change in the size of their year 7 cohort between the October 2016 and the October 2017 school censuses as follows:

- the number of year 7 pupils recorded on the October 2016 school census divided by
- the number of year 7 pupils recorded on the October 2017 school census multiplied by the 2016/17 allocation.

Alternative provision allocations in 2017/18 were made to LAs using data from the January 2017 alternative provision census recording pupils in year 7 who did not achieve level 4 or above in their key stage 2 assessment in 2016. Alternative provision allocations were calculated as follows:

£500 x number of pupils who did not achieve level 4 or above in reading and/or Maths in their KS2 test in 2016.

This grant is allocated to the LA for maintained schools for distribution and the conditions of the grant are that it must be spent for the purposes of the school for the educational benefit of pupils registered at the school, or for the benefit of pupils registered at other maintained schools and on community facilities.

2.6 OTHER GRANTS

PE & Sports Grant

The Primary PE and Sport Premium continues in academic year 2018 to 2019 at the current level of £320m a year. The DfE have advised further details will be available in 2018 and that they will continue to advise schools on sustainable and effective ways to use the premium.

Universal Free School Meals

The grant for Universal Infant Free School Meals continues at a meal rate of £2.30 for the 2018 to 2019 academic year. Further details will be available in 2018.

School Improvement Monitoring and Brokering Grant

The School Improvement Monitoring and Brokering Grant continues in academic year 2018 to 2019 at £50m per annum. £30m will be allocated in September 2018 and £20m in April 2019.

Extended rights to home to school transport grant

The grant for extended rights to home to school transport will continue in financial year 2018 to 2019. Further details will be available in the new year.

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 and pupil premium

4. **OUTCOMES/DELIVERABLES**

- 4.1 To allocate budgets to schools on a fair and transparent basis before 31 March 2018 in accordance with the Schools and Early Years Financial Regulations 2017.

5. **FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)**

- 5.1 Financial implications are contained throughout this report.

6. **RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

- 6.1 The current law in force in this area is the School and Early Years Finance (England) Regulations 2017. However, these regulations apply for the financial year starting 1 April 2017 only and are updated annually. The 2018 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 2017 Regulations, this report seeks to address the requirements of those Regulations. However, it will be necessary to review these proposals once 2018 regulations have been produced.

7. **HR ISSUES**

- 7.1 None

8. EQUALITY IMPACT ASSESSMENT

Has the equality impact been assessed?

- Not needed (report does not contain proposals or financial decisions)
No
Yes – Equality Impact Assessment attached

Due regard should be given to the equality implications identified in the EIA.

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 Schools Forum – Central Expenditure Budget 2018/19 – 9 November 2017
- 10.2 Schools Forum – Central Expenditure Budget 2018/19 – Combined Services - 9 November 2017
- 10.3 Schools Forum - De-delegation of funding for trade union time off for senior representatives – 9 November 2017
- 10.4 Schools Forum - De-delegation of funding for the Behaviour Support Team (BST) in 2018/19 – 7 December 2017
- 10.5 Schools Forum - De-delegation of funding for the Ethnic Minority Achievement (EMA) – IDEAL Service – 7 December 2017
- 10.6 Schools Forum - De-delegation of 2018/19 Health and Safety Building Inspection Funding – 7 December 2017
- 10.7 Schools Forum - Proposed pupil growth allocation for 2018/19 and proposed revision of the pupil growth criteria – 7 December 2017
- 10.8 Schools Forum - Early Years Central Expenditure 2018/19 – 7 December 2017
- 10.9 DfE - Schools and Early Years (England) Financial Regulations 2017
- 10.10 DfE – The national funding formula for schools and high needs – Policy document – September 2017
- 10.11 DfE – Analysis of and response to the schools national funding formula consultation – September 2017
- 10.12 DfE – Analysis of and response to the high needs national funding formula consultation – September 2017
- 10.13 DfE – Schools block national funding formula: technical note – September 2017
- 10.14 DfE – Schools revenue funding 2018 to 2019 – Operational guide – December 2017

- 10.15 Schools Forum – Arrangements for funding schools in 2018/19 and 2019/20 and the schools consultation outcome – 7 December 2017
- 10.16 DfE – Dedicated schools grant – Conditions of grant 2018 to 2019 – December 2017
- 10.17 DfE – Dedicated schools grant – Technical note 2018 to 2019 – December 2017
- 10.18 DfE – Schools Forum - Operational and good practice guide – September 2017