

Agenda

Herefordshire schools forum

Date: **Friday 20 October 2017**

Time: **9.30 am**

Place: **The Council Chamber - The Shire Hall, St. Peter's Square, Hereford, HR1 2HX**

Notes: Please note the time, date and venue of the meeting.

For any further information please contact:

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Agenda for the Meeting of the Herefordshire schools forum

Membership

Mrs S Bailey	Local Authority Special School Headteachers
Mr P Burbidge	Roman Catholic Church
Mrs J Cohn	Academy Special School Representative
Mr A Davies	Mainstream Academies
Mr P Deneen	Trade Union Representative
Mr T Edwards	Local Authority Maintained Primary School Governor
Mr G Evans	Mainstream Academies
Mr M Farmer	Mainstream Academies
Mr NPJ Griffiths	Mainstream Academies
Ms A Jackson	Early Years Representative
Mrs L Johnson	Local Authority Maintained Secondary School Governor
Mr T Knapp	Mainstream Academies
Ms T Kneale	Locally Maintained Primary School (with nursery)
Mr C Lewandowski	Trade Union Representative
Mr M Lewis	Local Authority Maintained Primary School
Mrs S Lines	Church of England
Mrs R Lloyd	Early Years Representative
Mrs J Rees	Local Authority Maintained Primary School
Mrs M Stevens	Local Authority Maintained Primary School
Vacancy	Mainstream Academies
Vacancy	Local Authority Maintained Secondary Headteacher
Vacancy	16-19 Providers
Mrs K Weston	Local Authority Maintained Primary School
Mr P Whitcombe	Mainstream Academies
Mr K Wright	Local Authority Maintained Primary School

Agenda

		Pages
1.	<p>ELECTION OF CHAIRMAN</p> <p>To elect a Chairman for the ensuing year.</p>	
2.	<p>ELECTION OF VICE-CHAIRMAN</p> <p>To elect a Vice-Chairman for the ensuing year.</p>	
3.	<p>APOLOGIES FOR ABSENCE</p> <p>To receive apologies for absence.</p>	
4.	<p>NAMED SUBSTITUTES (IF ANY)</p> <p>To receive any details of Members nominated to attend the meeting in place of a Member of the Forum.</p>	
5.	<p>DECLARATIONS OF INTEREST</p> <p>To receive any declarations of interest by Members in respect of items on the Agenda.</p>	
6.	<p>MINUTES</p> <p>To approve and sign the minutes of the meeting held on 7 July 2017.</p>	5 - 34
7.	<p>ELECTION OF CHAIRMAN OF THE BUDGET WORKING GROUP</p> <p>To elect a Chairman of the Budget Working Group for the ensuing year.</p>	
8.	<p>NATIONAL SCHOOL FUNDING FORMULA</p> <p>To inform schools forum of the government's proposals for the national school funding formula and to recommended to the council the Budget Working Group's (BWG) initial proposals for consultation with schools during October and November.</p>	35 - 68
9.	<p>TRADE UNION FACILITIES</p> <p>To review the new arrangements for trade union facilities within schools and to propose a revised amount per pupil for de-delegation to apply from April 2018, subject to consultation with schools and a final decision by the Schools Forum in January 2018.</p>	69 - 74
10.	<p>LOOKING TO THE FUTURE</p> <p>To receive a verbal update on progress regarding early years and high needs proposals.</p>	Verbal Report
11.	<p>WORK PROGRAMME</p> <p>To consider the Forum's work programme.</p>	75 - 76
12.	<p>MEETING DATES</p> <p>To note that the following meeting dates have been scheduled:</p> <p>1 December 2017 12 January 2018</p>	

16 March 2018 (*note changed of date*)
22 June 2018

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Minutes of the meeting of Herefordshire schools forum held at The Council Chamber - The Shire Hall, St. Peter's Square, Hereford, HR1 2HX on Friday 7 July 2017 at 9.30 am

Present: Mrs J Rees (Local Authority Maintained Primary School) (Chairman)
(Vice Chairman)

Mrs S Bailey	Special Schools
Mrs J Cohn	Special School Governor Representative
Mr A Davies	Academies
Mr P Deneen	Trade Union Representative
Ms A Jackson	Early Years Representative
Mrs L Johnson	Local Authority Maintained Secondary School Governor
Mr C Lewandowski	Trade Union Representative
Mrs S Lines	Church of England
Mrs R Lloyd	Early Years Representative
Mrs K Weston	Local Authority Maintained Primary School

In attendance: Councillors CA Gandy

Officers: Mr Malcolm Green

269. APOLOGIES FOR ABSENCE

Apologies were received from Mr P Barns, Mrs S Catlow-Hawkins, Mr T Edwards, Mr M Farmer, Mr N Griffiths, Mr T Knapp and Mr M Lewis.

Apologies were noted from the Director of Children's Wellbeing

The chairman announced that Mrs Catlow-Hawkins had submitted her resignation from the forum and that other members of the forum would be standing down over the summer as they were leaving the posts through which they had been elected to the forum.

270. NAMED SUBSTITUTES (IF ANY)

None.

271. DECLARATIONS OF INTEREST

Agenda item 6: Mr Lewandowski and Mr Deneen declared an interest as trade union representatives.

272. MINUTES

Resolved:

that the minutes of the meeting of 10 March 2017 be approved and signed by the chairman as an accurate record.

273. UPDATE ON NEW HEREFORDSHIRE COUNCIL SCRUTINY ARRANGEMENTS

The chairman introduced Councillor Carol Gandy, chairman of the children and young people scrutiny committee.

Councillor Gandy briefed the forum on the revised arrangements for scrutiny within Herefordshire Council which included the establishment of a scrutiny committee to focus on issues affecting children and young people.

Specifically the remit of the scrutiny committee included:

- children's social care including safeguarding;
- transitional arrangements between children and adult services;
- statutory education scrutiny powers;
- statutory health scrutiny powers where this is in relation to the planning provision and operation of health services for children and young people.

Councillor Gandy reported that all members of the new committee were enthusiastic about improving the lives of children and young people and that there would be benefits from having a single committee scrutinise these areas. Previously these issues had been split between two scrutiny committees, with the result that members of the committees could not have a relevant level of interest and knowledge of all issues considered.

The scrutiny committee included a number of education co-optees. There was currently a vacancy for a parent governor from the secondary sector. Councillor Gandy requested that any suggestions to fill this vacancy be sent to the clerk to the scrutiny committee.

The first meeting of the children and young people was held on 5 July 2017 at which the corporate parenting strategy was considered. The committee heard from two young people about their experiences of the care system as part of their scrutiny of the policy.

Mr Lewandowski welcomed the return to a dedicated scrutiny committee for children and young people. He asked whether there could be representation from unions on the committee. Councillor Gandy agreed to take this suggestion away.

In response to other questions Councillor Gandy confirmed that meetings of the scrutiny committee were open to the public and that anyone could submit questions to the meeting. She also stated that she or her vice-chairman would seek to attend schools forum as frequently as possible.

274. REPORT OF THE BUDGET WORKING GROUP

The schools finance manager presented the report.

Dedicated schools grant outturn 2016/17

The overall underspend of £211k was noted. It was recommended that this be added to balances with particular reference to pressure on the high needs budget. Work would take place over the summer on budget proposals for high needs expenditure in 2018/19. The outcome of this work would be brought to the forum in October for consideration.

Apprentice Levy

The schools finance manager reported that total available funding was estimated to be £155k. He reported that take up of funding from schools had so far been low. If funds were not used they would be reclaimed by the government. A reminder had been sent to all schools explaining how to access the funding.

The schools finance manager anticipated that the introduction of teacher apprenticeships would lead to better take up of funding. It had been suggested that the authority ask the DfE for an extension of the timescale for allocation of the current funding until these teacher apprenticeships were available.

Trade union facilities

The schools finance manager reported that the budget working group had discussed expenditure and de-delegation of trade union facilities. The school finance manager explained the changes made in the voucher system used. Comparison against national and “statistical neighbour” authority averages showed that Herefordshire was charging more per pupil. The schools finance manager noted that Herefordshire suffered from diseconomies of scale in comparison to other larger authorities.

The HR services manager had been requested to present a report to schools forum in October on trade union facilities. The schools finance manager would present plans for changes in de-delegation funding at a future meeting.

Mr Lewandowski recognised that there could be concern if Herefordshire was shown to be charging more than other authorities but cautioned that such comparisons might not be valid. For example the Herefordshire charge included facilities for non-teaching staff which might not be the case with other authorities. He also reported that other authorities were known to supplement the trade union facilities fund directly. The government was already investigating teacher facility time and was collecting data that could be directly compared.

It was acknowledged that pressure on school budget had led to more redundancies which incurred greater cost in union support during statutory processes. It was also noted that Herefordshire enjoyed good industrial relations and had a good HR department.

Mr Deneen asked what the background had been to the item being presented to the budget working group. He noted that the arrangements applied to local authority schools and those academies that chose to buy in. He supported the view that Herefordshire enjoyed good working relationships between schools, the authority and unions.

The schools finance manager explained that the chairman of the budget working group asked to be briefed in context of historical levels of expenditure and the changes to the voucher system. These changes would require Schools Forum to review the level of de-delegation.

Simplifying financial services to schools

The schools finance manager briefed the forum on proposed changes to three financial services provided to schools. He noted that these changes were required to reflect current staffing arrangements in the authority and the changes which had taken place in schools in recent years.

It was proposed that work take place to explore alternative arrangements for providing insurance for local authority schools. It was felt that schools could get better value

directly from the market rather than through a local authority tendering exercise. However the local authority would need to ensure that it had suitable cover for its own liabilities should any school find itself uninsured or unable to claim on its policy. A formal report would be commissioned from the local authority's brokers.

It was proposed that the school sickness absence scheme be revised. This scheme was used by primary schools and special schools only. Secondary schools were large enough to cover their own absences or buy cover from the market. The existing scheme was well supported and some academies bought in. The schools finance manager noted that benefits had been trimmed in recent years to keep costs the same. He stated that the scheme offered maternity cover in particular which was different from that offered by the market and that it was no longer possible to use Dedicated Schools Grant funds to cover any overspend. The scheme currently held reserves of £400k on the balance sheet to cover potential overspends. The schools finance manager intended to write to primary and special schools in September to ask for their views on moving the scheme to a de-delegated basis. This would require all primary schools to buy in but would allow overspends to be recouped the following year. Academies would be able to buy in on rolling five year contract.

Members expressed their support for the scheme and noted that primary and special schools generally had higher proportions of female staff and as such valued the maternity cover. It was noted that some schools used other schemes and said that these worked for them.

It was proposed that the local authority cease to operate a scheme claiming back school milk subsidies. Few staff at the local authority now knew how the scheme operated and schools could make their own claims. It was noted that for schools with very little subsidy it might not be worth the effort to claim. Some market providers would offer a claim service at no charge to the school but would increase the cost of milk to parents.

Resolved that:

- a) **the Dedicated schools grant underspend of £211k for 2016/17 be added to balances; and**
- b) **net balances be retained to cover anticipated high needs pressures in the coming years.**
- c) **A reminder about how schools can access the apprentice levy funding be circulated to schools; and**
- d) **members of the BWG and school forum be encouraged to disseminate information through other groups.**
- e) **the issue of Trade Union facilities be added to the work programme for the schools forum for 2017/18 academic year.**

275. SCHOOLS FORUM CONSTITUTION AND ANNUAL REVIEW OF MEMBERSHIP

The clerk to the forum presented the report. The constitution of the schools forum had last been reviewed in 2012 following changes in regulations governing the forum. No further significant changes in regulations had occurred but it was good practice that the constitution be reviewed periodically.

A draft revised constitution had been circulated to members of the forum for comments. Replies were detailed in appendix 2 to the report along with a response to each point and the draft constitution had been amended in light of feedback received.

The only changes proposed to the membership of the forum were to formally delete the seat for the 14-19 partnership which had been in abeyance since 2015 and to reflect the requirement for a specific seat for academy special school representative. The annual review of proportionality between academies and local authority schools had been carried out and no changes were required.

Other revisions related to arrangements for election and nomination of forum representatives and operational practices in regard to inquorate meetings and urgent decisions.

There being no comments, the forum was invited to recommend the draft constitution and its appendices to the Director for Children's Wellbeing.

Resolved that:

- (a) the schools forum note the outcome of the review of its constitution;**
- (b) that the Herefordshire Schools Forum be reduced to 26 members by the removal of the seat for the 14-19 partnership; and**
- (c) the revised constitution and all appendices, as set out at appendix 1 to the report, be recommended to the Director for Children's Services.**

276. BRIEFING ON HEREFORDSHIRE COUNCIL BUDGET PRIORITIES CONSULTATION
(Pages 7 - 30)

The schools finance manager gave a presentation on the consultation taking place on the budget priorities of Herefordshire Council for 2018/19. He stressed the importance of schools engaging with the process even though focus was on the council budget. A questionnaire was available online or could be completed and returned in hard copy.

In response to questions the schools finance manager stated that it was not clear how proposed savings for children's wellbeing would affect services to schools. The savings proposed for 2018/19 had not been fully developed but the forum would be briefed on any impact at a future meeting.

The meeting ended at 10.44 am

Chairman

2018/19 budget consultation

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MINUTE ITEM 276

Priorities

- Enable residents to live safe, healthy and independent lives;
- Keep children and young people safe and give them a great start in life;
- Support the growth of our economy; and
- Secure better services, quality of life and value for money

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Savings requirement

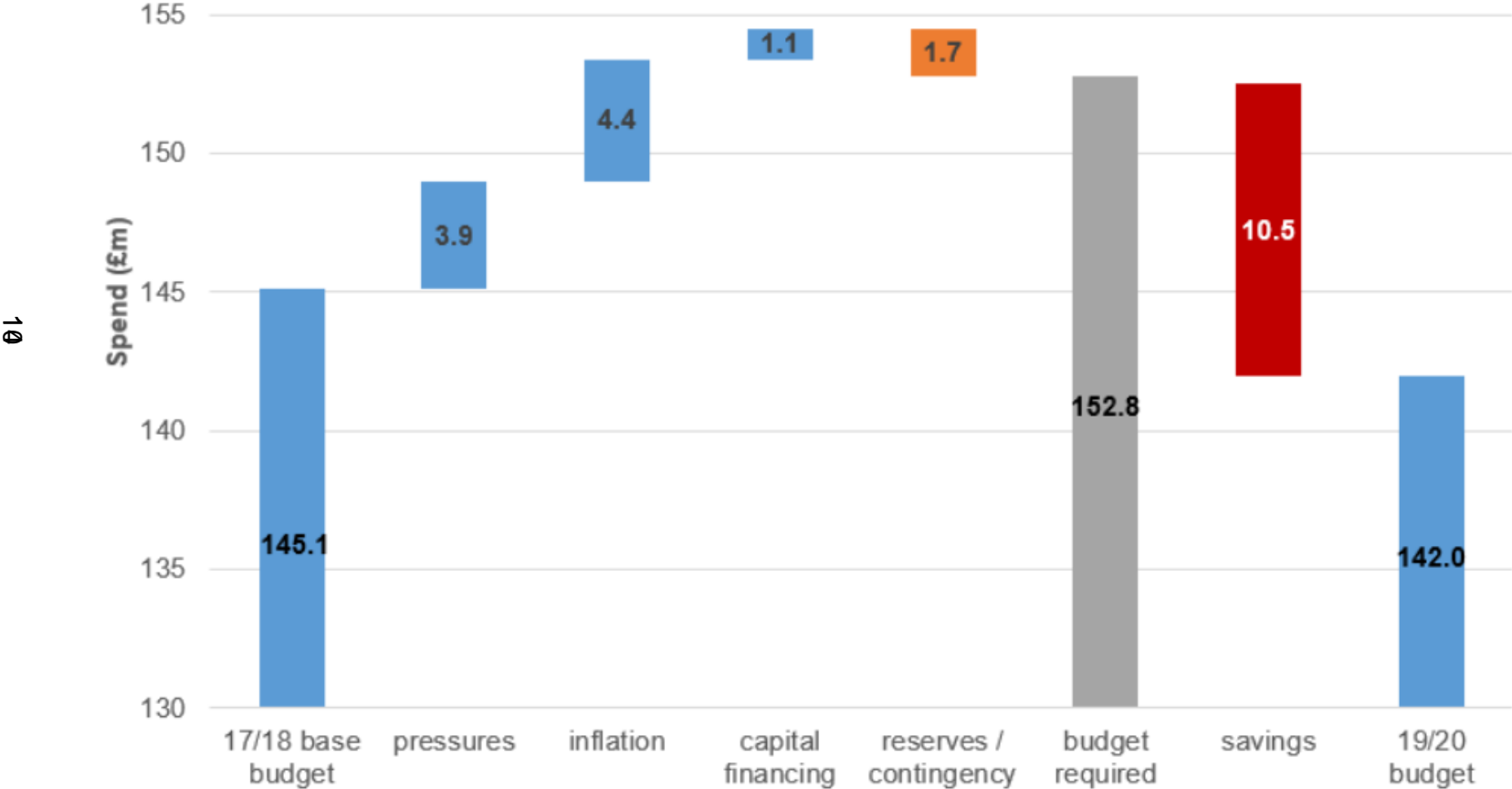
7 years through the austerity measures, £70m of savings to date and £10.5m planned 2018/19 to 2019/20....

Total £87m of savings between 2010 and 2020

£

	2018/19 £m	2019/20 £m	Total £m
Net funding loss	3.8	3.8	7.6
Pressures	3.6	3.7	7.3
Other changes	(1.9)	(2.5)	(4.4)
Total, saving requirement	5.5	5.0	10.5

Calculation of savings requirement



The need to grow

- Protection of services by generating additional income
- 15 • Address the local housing demand
- Diversifying the demographic profile
- Growing the local market for goods and services

Feedback from business

- Finding it difficult to recruit and retain good quality staff
- There are skills gaps in certain sectors
- Infrastructure is key to opening up new markets and accessing services

The council's response

- A positive planning framework
- 16,500 new houses across the county
- New employment allocations at Hereford and market towns
- Associated infrastructure including bypasses for Leominster and Hereford

Moving forward

- Council investment in infrastructure
- Public investment in providing higher education and addressing the skills gap
- ¹⁸• Building new 'assets' that support indigenous business growth and attract inward investment
- Looking to develop the relationship between public and private sectors

Savings

Directorate Savings	2018/19 £000s	2019/20 £000s	Total £000s
Adults and wellbeing	1,950	1,500	3,450
Children's wellbeing	1,572	1,050	2,622
Economy, communities & corporate	1,800	1,060	2,860
Corporate savings	500	1,200	1,700
Total Savings	5,822	4,810	10,632

£1.95m adults and wellbeing savings required in 2018/19

Savings Proposal	£000
Decommissioning block contracts / re-design of service provision	400
Review of package costs and diverting demand	350
Price banding in 3yr settlement	200
Review high cost packages in Learning Disabilities	700
Workforce re-design	200
Income generation – zero cost of telecare	100
Total adults and wellbeing	1,950

Local support of adults services

Social Care Precept

- The social care precept levied at 2% raises £1.8m
- If increase to 3% for 2018/19 – additional £0.9m

Improved Better Care Fund Funding

- 2017/18 received £3.7m additional funding from Spring Budget – reduces to £2.5m in 18/19, but
- £2.2m of additional funding from Comprehensive Spending Review 2015
- Net increase of £1m for Adult Social Care in 18/19 – subject to grant conditions

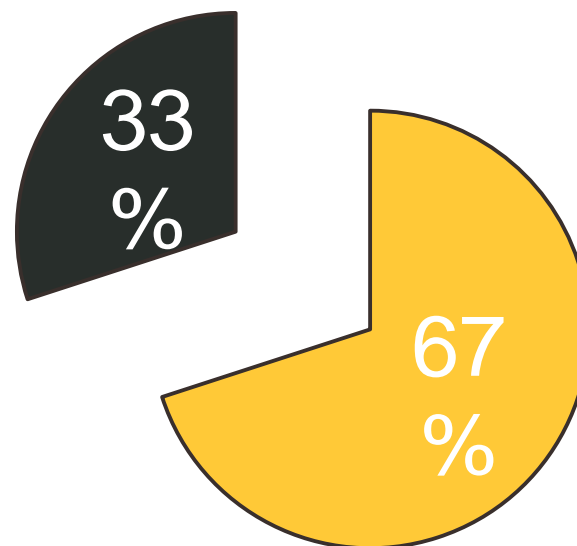
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Current Care Packages

Meal Preparation	✓
Social Activities	✓
Social isolation	✓
Prompt For Medication	✓
Cleaning	✓
Community Access	✓
Transport	✓

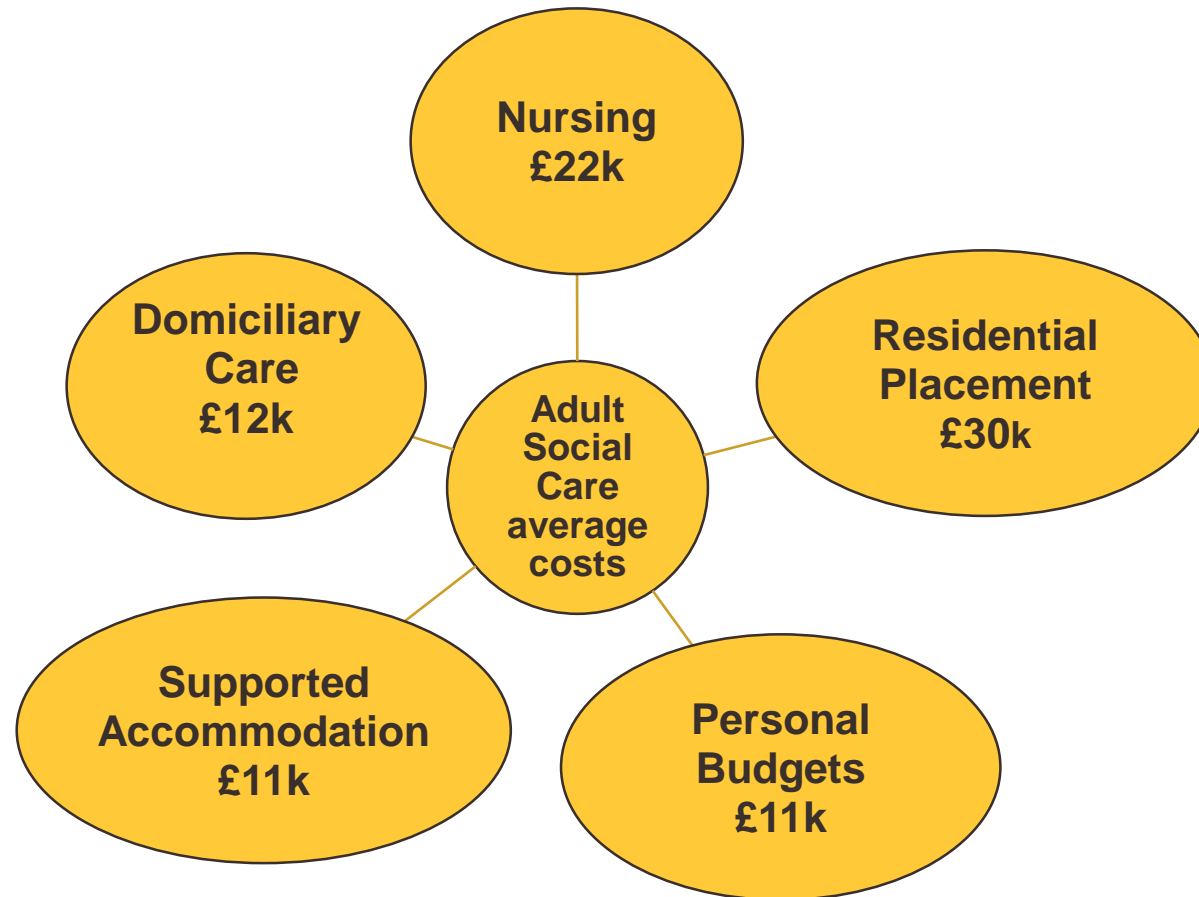
In some areas these types of care amount to up to 33% of the current formal care provision.

The council commissions formal care at home @ c£16 per hour



■ Formal Care
■ Informal Care

Annual cost of Care Packages

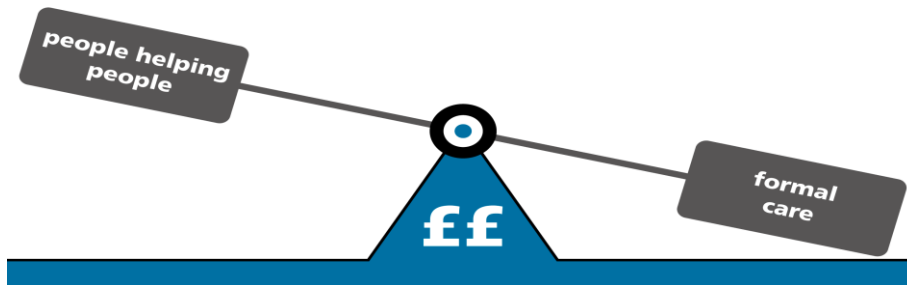


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How can you help

- Get to know and use our community advice and directory tool – WISH;
- Encourage your local groups and volunteers to register their skills and activities on WISH;
- Direct people to WISH if they are looking for some help or support that they or their families or carers could organise themselves;
- Find out about local projects or activities that are building networks of support and offer your local knowledge and insights to support them e.g. Connecting Communities – Leominster – Golden Valley

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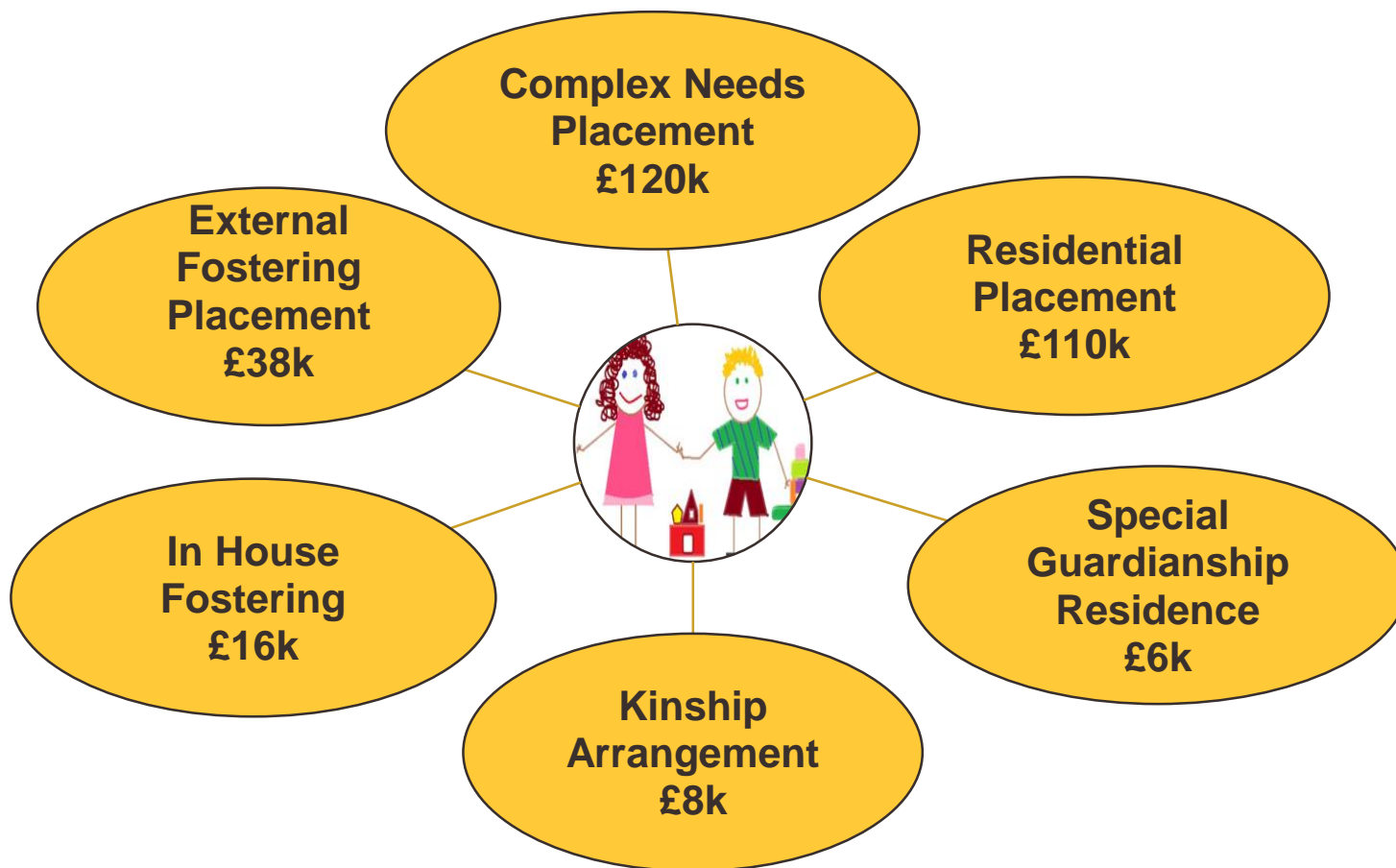


£1.57m children's wellbeing savings required in 2018/19

Savings Proposal	£000
Manage contract inflation and secure contract efficiencies.	250
Re-unifying children with their families or an alternative family based permanent home including adoption where appropriate.	822
Accessing government grant to focus early help on the most vulnerable families to reduce the need for higher cost services.	150
Organisational structure to reflect the service needs	350
Total Childrens Wellbeing	1,572

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Annual cost of child placements



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Local support of children's services

- Support families and communities to encourage healthy eating, particularly for children
- Encourage good dental health, visit your dentist, register, campaign about to be launched
- What you can do to offer apprenticeships, work opportunities for young people – help them into employment

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£1.8m economy, community & corporate savings required in 2018/19

Savings Proposal	£000
Efficiency savings, service redesign and restructures	100
Contract economies within ICT and corporate property rationalisation	450
Efficiencies and innovation within the Public Realm contract	215
Public and community transport contract efficiencies	240
Remodelling of customer and library services	380
Commercialisation and remodelling of the museums and archive services to provide a self-sustaining delivery model	150
Non-domestic waste management income generation	30
Income realisation from previous car parking charges and provision of additional supply	235
Total Economy, Communities and Corporate	1,800

Improving efficiency and commercialisation

- Public transport review and efficiency improvements across contracts secured early delivery of savings
- Achieving income targets from car parking will be challenging and will require increase / replacement of supply
- Commercialisation of services to reduce levels of subsidy remains challenging in relation to Libraries, Museum and Heritage savings

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Investing in growth

- Infrastructure investment to release development potential
- Procurement of Development Partner
- Realising the potential value of assets

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Treasury Management Review

- Cost of borrowing
- Loan portfolio
- Impact of inflation

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Have your say

- Complete the budget consultation online
- We want to hear:
 - Your views on how we can continue to provide value for money in our service delivery
 - We welcome feedback to help inform our budget setting

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Budget consultation

- The main method for people to give their views will be via digital channels
- Promoted through a mixture of social and conventional media
- Key stakeholder groups will also be targeted (health partners, schools, businesses, voluntary and community sector)

Timetable

- 29 June to 30 September
 - Budget consultation open
- 14 November
 - General Scrutiny Committee
- 14 December
 - Cabinet (budget, Medium Term Financial Strategy, Treasury management and capital budget)
- 26 January
 - Council (budget, Medium Term Financial Strategy, Treasury management and capital budget)
- 9 March
 - Council (council tax setting)

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Meeting:	Herefordshire schools forum
Meeting date:	Friday 20 October 2017
Title of report:	National school funding formula
Report by:	Schools Finance Manager

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose and summary

To inform schools forum of the government's proposals for the national school funding formula and to recommended to the council the Budget Working Group's (BWG) initial proposals for consultation with schools during October and November

Recommendation(s)

That:

- (a) Schools forum recommend that the council adopt the strategy proposed by the Budget Working Group as set out in (b), (c) and (d) below.
- (b) the consultation on the 2018/19 budget should propose moving in the direction of the national funding formula, as far as funds allow, to prepare schools for the implementation of the 'hard' national formula; and
- (c) the consultation letter make clear that no other sensible options could be found at this time.
- (d) Schools forum consider the responses to the consultation with schools at its next meeting on 1 December.

Alternative options

1. The BWG met on 22 September and considered that no sensible alternatives are possible in view of the government's intention to implement the "hard" formula from April 2020.

Key considerations

2. The government has published the national funding formula for schools and high needs and the detailed operational guidance for schools funding for 2018/19 to help councils and school forums plan the local implementation of the school funding system for the 2018/19 financial year. The Department for Education (DfE) document "The national funding formula for schools and high needs - Executive summary" is attached as Appendix 1.
3. Provisional council level allocations for 2018/19, based on October 2016 pupil numbers, have been published for the schools, central school services and high needs blocks. Final allocations will follow as usual in December 2017 on the basis of pupil numbers recorded in the October census.
4. The government has confirmed that there will be an additional £1.3bn for schools and high needs across 2018/19 and 2019/20, in addition to the schools budget set in the Spending Review in 2015. This means that all councils will receive an increase to their 2017/18 dedicated schools grant (DSG) allocations.
5. This additional investment allows the government to increase the basic amount of funding that each pupil will attract through the formula, and provide for a minimum per pupil funding level in 2019/20 of £4,800 for every secondary school and £3,500 for every primary school pupil. In 2018/19, as a step towards these minimum funding levels, secondary schools will attract at least £4,600 and primary schools £3,300. It will provide for up to 6% gains per pupil for underfunded schools by 2019/20, and as a minimum, a 0.5% per pupil cash increase in 2018/19, and a 1% increase by 2019/20 compared to their 2017/18 baselines, in respect of every school.
6. While it remains the government's intention that a school's budget should be set on the basis of a single national formula, in 2018/19 and 2019/20, councils will continue to determine final funding allocations for schools through a local formula. In 2018/19 and 2019/20, the national funding formula will set notional allocations for each school, which will be aggregated and used to calculate the total schools block received by each council.
7. There are a number of significant changes to the funding system this year:
 - (i) **The central school services block (CSSB) has been created.** Councils will be allocated funding for central school services through the new CSSB. This will comprise funding for ongoing responsibilities and a cash sum for historic commitments. **The DSG therefore now comprises four blocks: schools, high needs, early years and the new central school services block.**

Herefordshire's central services block is estimated to increase by 2.5%, an increase of £17k to £674.6k
 - (ii) **Each of the four blocks of the DSG will be determined by a separate national funding formula.** National funding formulae will determine councils' schools, high needs and central school services blocks for the first time in 2018/19. Funding for early years has been allocated through a national funding formula since 2017/18.

- (iii) **Baselines have been adjusted to take account of local councils' most recent spending patterns.** DfE has undertaken an exercise with councils to 're-baseline' their DSG blocks. This enables the DfE to ensure that the national spend on each block in 2018/19 (the totals distributed through the schools, high needs and central school services formulae) reflects the pattern of 2017/18 planned spending by councils within their overall DSG allocation, and that councils are protected against what they planned to spend in 2017/18 on each block.
- (iv) **Within the schools block, the government will provide for at least a 0.5% per pupil increase for each school in 2018/19 through the national funding formula.** Councils' schools block allocations will be calculated by aggregating schools' notional allocations under the national funding formula, and these notional allocations will reflect these increases. Schools block allocations will be expressed as separate per pupil primary and secondary rates for each council. They will also include funding at council level for premises, mobility and growth, based on historic spend.
- a. Herefordshire's primary unit of funding is £4,055
 - b. The secondary unit of funding is £5,007
 - c. Funding for premises, mobility and growth is £1,483,991
- (v) Previously Herefordshire was funded at a composite rate of £4,463.11p for each pupil. The new funding arrangements will provide for £97.97m compared with £97.12m previously (based on October 2016 pupil numbers).
- (vi) **Within the high needs block, the government will provide for at least a 0.5% overall increase in 2018/19 through the high needs national funding formula.** The high needs block will be protected against 2017/18 baselines, subject to some minor technical adjustments.
- It is estimated that the new high needs funding formula will provide an increase of 2.9% or approximately £0.3m extra in 2018/19 for Herefordshire.
- (vii) **The minimum funding guarantee (MFG) for schools will continue, but councils will have the flexibility to set a local MFG between 0% and minus 1.5% per pupil.** In past years, the MFG has been set at minus 1.5% per pupil. In 2018/19, flexibility is being introduced for councils to set a local MFG between 0% and minus 1.5% per pupil. This can be used to offer higher levels of protection locally.
- (viii) **The schools block will be ring-fenced from 2018/19, but councils will be able to transfer up to 0.5% of their schools block funding out with the agreement of their schools forum.** Councils will be expected to demonstrate to their schools forum that they have consulted locally with all maintained schools and academies when seeking agreement to transfer any funding out of the schools block. There will be an exceptions process, which will require Secretary of State approval, for considering transfers above the 0.5% limit and/or where the schools forum is opposed to the transfer. Whilst the other blocks are not subject to limits on transfers, councils will be strongly encouraged to consult their schools and agree with their schools forum any other proposal to move funding between blocks.

Herefordshire does not intend asking the schools forum to exercise this option for 2018/19 and will, as an alternative, bring forward a set of proposals to reduce high needs expenditure.

8. There are a number of other smaller changes to the calculation of the schools and high needs blocks in 2018/19:
 - (i) Councils can now use both current free school meals and “ever 6” free school meals measures within their deprivation factors (previously they have been able to use one of these measures, but not both);
 - (ii) DfE will be increasing the Pupil Premium Plus rates for 2018/19 rather than including a looked after child factor in the national funding formula. Councils will want to consider whether they reflect this in their local formulae.
9. The proposed budget strategy for 2018/19 is to move as close as possible to the DfE’s national funding formula, whilst minimising the Minimum Funding Guarantee (MFG) and to at least close half the gap in overall cost terms in implementing the minimum secondary pupil funding of £4,800 and primary pupil funding of £3,500. The intention is to fully fund the gap in 2018/19 as far as funding permits and the remainder in 2019/20.
10. The DfE school budget planning model, which is necessary to plan school budgets in detail, has not yet been finalised although a “workaround” has been submitted to the DfE for their approval. The DfE has published an assessment of the notional budgets for Herefordshire schools (based on 2017/18) and this is set out in the appendix. Overall the funding increase is 1% and given every school is entitled to a 0.5% increase, this leaves around £0.5m to share amongst the remaining schools. We very much intend to try and meet the notional budgets published by the DfE, but will not be able to confirm this until the DfE budget model is available to councils.
11. The DfE require councils to consult with schools and it is intended that this will be during October, either immediately before or after half term depending on receipt of the budget model. The consultation paper will be e-mailed to Headteachers immediately following the October half term with a closing date of Monday 20 November, so that the results of the consultation can be reported back to the schools forum on 1 December.
12. In addition to discussing the national funding formula for schools, the BWG also considered the current DSG expenditure forecast of a £300k overspend due to mainstream high needs top-ups and post-16 top-up funding. The BWG considered the high needs budget should not be allowed to overspend and schools should not be asked to bail out any overspend, the reasons for the overspend needed to be understood and addressed. The BWG has asked to discuss detailed proposals at the next meeting on the 10 November in order to reduce high needs expenditure back to budgeted levels for 2018/19. It was anticipated that the new high needs funding formula would provide an additional £300k to help balance the budget in 2018/19. Any overspend in 2017/18 would be met from DSG reserves.

Community impact

13. The school funding formula must meet the national requirements of the Department for Education and is subject to annual consultation with schools and governors. The governing bodies of schools are responsible for decisions to commit expenditure according to meet pupils' individual needs. The DSG funds schools in Herefordshire and helps the council to meet its corporate plan priority of "keeping children and young people safe and giving them a great start in life". The national school funding formula does not permit any options for the council to vary how the funding is allocated to schools and does not impact on looked after children, as it excludes funding for these children, which is being transferred to the Pupil Premium Grant for 2018/19.

Equality duty

14. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
15. The Public Sector Equality Duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

Resource implications

16. All school funding is from within the allocation of the Dedicated Schools Grant as determined by government. The costs of carrying out the consultation are negligible as it's a by-product of the budget planning process and the cost will be covered by existing budgets.

Legal implications

17. School Forums have a consultative body on some matters and a decision making body on other matters. It has a consultative role on matters regarding changes to Local Funding Formula (the council / local authority makes the final decision). The council / local authority must consult with the Schools Forum on this matter.

Risk management

18. Risk management is effectively achieved by the two stage process of detailed consideration by the BWG followed by wider scrutiny and approval by the schools forum.

Further consideration of risk will be undertaken when detailed proposals are available from DfE.

Consultees

19. The BWG was consulted on 22 September and in view of the limited 1% increase in funding offered by the national funding formula, there was no alternative to implementing the formula to the extent funding permits. All Herefordshire schools will be consulted on these proposals during October and November, prior to the schools forum making a final recommendation to the Cabinet member for young people and children's wellbeing in January 2018.

Appendices

1. DfE – The national funding formula for schools and high needs – Executive summary
2. Notional national funding formula impact

Background papers

None



Department
for Education

The national funding formula for schools and high needs

Executive summary

September 2017

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Introduction

1. All children, wherever they are growing up, should have an education that unlocks their potential and allows them to go as far as their talent and hard work will take them. This will provide them with the foundation they need to succeed in adult life, and to support the country's future economic prosperity, and is key to improving social mobility.
2. Schools have made significant progress towards achieving this goal. More schools are currently judged as good or outstanding by Ofsted than ever before, the attainment gap between disadvantaged students and those who are better off is closing and we have launched 12 opportunity areas to drive improvement in parts of the country that we know can do better.
3. But this has been achieved against the backdrop of a funding system that is unfair, opaque and out of date. The right resources are not reaching the schools that need them most. It is right that we hold all our schools to the same standards; but it cannot be right that some schools have so much less to invest in teachers and resources than other schools with similar pupils and needs. In addition, the way in which we distribute funding to local authorities to support children and young people with high needs is just as out of date and unresponsive.
4. The need to address these problems is longstanding and well recognised across the school system. Changes are urgent, but it is important that such significant reforms are approached with care. We have consulted extensively, in both 2016 and earlier this year, on proposals for reforming the funding system.
5. We have had a truly national debate, with an unprecedented response to our proposals. We are grateful to everyone who took the time to share their views and to respond to the consultations. Over the course of the two stages of consultation, we heard from over 26,000 individual respondents and representative organisations, making almost a quarter of a million individual comments in response to our detailed proposals. We have carefully considered them all, and are now ready to deliver on the government's commitment, and take the historic step of introducing national funding formulae for schools and high needs.
6. This executive summary gives an overview of our response to the second stage consultation and explains our final decisions, taking account of the views we have heard. It sets out the final national funding formulae that will allocate funding for schools and high needs for the next two years. This document is published alongside:
 - a policy document setting out the details of the structure of the reformed funding system and our final formulae for schools, high needs and central school services;
 - the full response to the second stage of the consultation on schools and central school services;
 - the full response to the second stage of the consultation on high needs;

- illustrative tables that show the impact of the national funding formulae over the next two years; and
- an updated equalities impact assessment.

Our investment in schools and high needs

7. Our final decisions are underpinned by significant investment. On 17 July we announced an additional £1.3 billion for schools and high needs across the next two years, over and above the schools budget set at Spending Review 2015. This further funding will support the introduction of the national funding formulae in 2018-19 and 2019-20.
8. As a result of this investment, core funding for schools and high needs will rise from almost £41.0 billion in 2017-18 to £42.4 billion in 2018-19. In 2019-20 it will rise again to £43.5 billion. The core schools and high needs budget will therefore increase by £2.6 billion between 2017-18 and 2019-20, maintaining the schools and high needs blocks of the dedicated schools grant (DSG) in real terms per pupil up to 2019-20. Spending plans beyond 2019-20 will be set out in a future Spending Review.
9. This additional investment will allow us to increase the basic amount of funding that each pupil will attract through the formula, and provide for a minimum per-pupil funding level, in 2019-20, of £4,800 for every secondary school and £3,500 per pupil for every primary school. In 2018-19, as a step towards these minimum funding levels, secondary schools will attract at least £4,600, and primary schools £3,300. It will provide for up to 6% gains per pupil for underfunded schools by 2019-20, and, as a minimum, a 0.5% per pupil cash increase in 2018-19, and a 1% increase by 2019-20 compared to their baselines, in respect of every school.
10. The schools national funding formula will therefore provide for higher core per-pupil funding in every local area, compared to the funding schools are receiving in 2017-18. These changes, building on the proposals that we set out in December 2016, give us confidence that our historic and vital reforms to the funding system will strike the right balance between fairness and stability for schools.
11. The additional investment will also allow us to make similar increases in the funding for children and young people with high needs. Underfunded local authorities will receive up to 3% gains a year for the next two years, and by 2019-20 every local authority will be receiving more than their current planned spending from 2017-18 DSG, in proportion to their population changes.
12. Of course, how schools spend their money is just as important as the fair allocation of funding. Parents and taxpayers expect schools to look carefully at how they can use their funding so that as much resource as possible is focused on enabling teachers to improve outcomes for pupils. We will continue to increase the support offered to schools to maximise their efficiency – both for individual schools and across the system as a whole.

The structure of the funding system

13. We have already confirmed much of the basic architecture of the new funding system, building on the first stage consultation in spring 2016.
14. The DSG is currently allocated in three blocks – the schools block, the high needs block and the early years block. Our response to the first stage of the consultation confirmed that we will create a fourth block, the central school services block. This will allocate funding to local authorities for their ongoing responsibilities towards both maintained schools and academies. Each of the four blocks of the DSG will be determined by a separate national funding formula from 2018-19, building on the early years block which has been allocated through a national funding formula since 2017-18.
15. Our intention is that individual school budgets should ultimately be set on the basis of a single national formula (a ‘hard’ funding formula), following a sensible transition period. But we recognise the importance of stability, which was raised throughout the consultation, and it is vital as we move towards fully implementing these significant reforms. Therefore, total schools funding received by each local authority will be calculated fairly and transparently according to our national funding formula. We are publishing notional school-level allocations for 2018-19 to demonstrate the school-level impact of the formula. However, local authorities will continue to set local formulae for determining individual schools’ budgets in 2018-19 and 2019-20, in consultation with schools in their area.
16. In the past, local authorities have had discretion on the movement of funding between the DSG blocks (since 2017-18 local authorities have been required to pass the great majority of their early years block to early years providers). To prepare for the future introduction of a hard formula, and to ensure the vast majority of funding allocated through the national formula reaches schools directly, the schools block will be ring-fenced from 2018-19. Local authorities will be expected to distribute their full schools block allocation through the local formula. Nevertheless, in our consultation, we recognised that a degree of flexibility would be needed to ensure that local authorities could manage other budgets funded through the DSG - for instance their high needs budget – and they will therefore be able to transfer up to 0.5% of their schools block, with the agreement of their schools forum.

A national funding formula for schools

17. The diagram in figure 1 below sets out the basic design of the schools funding formula and the factors we have decided to include.

Figure 1: The building blocks and factors in the national funding formula for schools

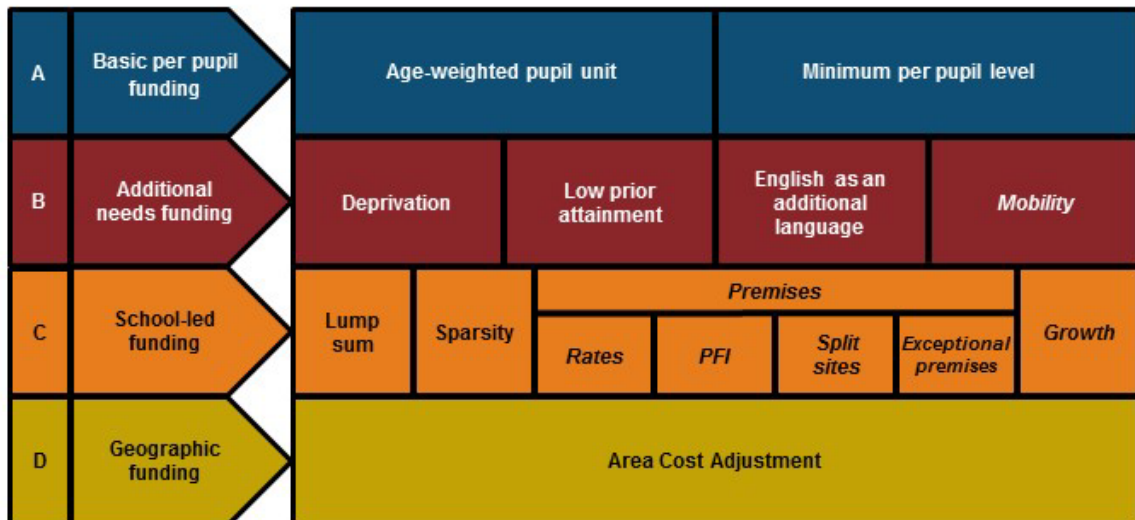


Figure 1: This illustrates the factors that will be taken into account when calculating schools block DSG funding allocations through the national funding formula. It is not designed to scale. Funding for factors in italics will be allocated to local authorities in 2018-19 on the basis of historic spend.

18. Our proposals in December 2016 would have allocated the majority of funding through the basic per-pupil allowance, while protecting the funding directed towards children with additional needs. While we continue to believe that it is right to protect funding for additional needs, there were many representations through the course of the consultation that our proposals for basic per-pupil funding needed to be higher – particularly for the lowest funded schools. With the additional £1.3 billion that we are now investing in overall schools funding, we have prioritised responding to these concerns.

More money for all pupils

19. Basic per-pupil funding is the fundamental starting point of the formula, accounting for 72.9% of the total formula or £24.2 billion based on 2017-18 pupil numbers. The additional £1.3 billion investment allows us to move forward from our original consultation proposals in three ways:

- (i) **Increasing the age weighted pupil units** to £2,747 for primary, £3,863 for key stage 3, and £4,386 for key stage 4. This means that the amount spent on basic per-pupil funding will rise over the next two years compared to our December 2016 proposals;

- (ii) **Targeting the lowest funded schools by introducing a minimum level of per-pupil funding.** Under the national funding formula all secondary schools will attract minimum per-pupil funding of £4,800 in 2019-20, and all primary schools £3,500¹. In 2018-19, as a step towards these minimum funding levels, secondary schools will attract at least £4,600 and primary schools at least £3,300. We have made this change following representations received during the consultation that there is a level of additional need in every school that may not be picked up by our proxy indicators of deprivation and low prior attainment. Through this targeted boost over the next two years, schools that attract little additional needs funding through the formula – and are therefore the lowest funded – will be better placed to support the individual needs of all their pupils.
- (iii) **Providing a minimum cash increase in respect of every school.** Every school will attract at least 0.5% more per pupil in 2018-19, and 1% more in 2019-20, than its baseline. This goes over and above the commitment that no school will lose funding as a result of the introduction of the national funding formula.

Protecting funding for additional needs

20. The consultation confirmed the importance of funding for additional needs – deprivation, low prior attainment, English as an additional language and mobility. Evidence shows that pupils with these characteristics are more likely to fall behind, and so need extra support to reach their full potential. We proposed values and weightings for these that:

- **Protect the actual spend on additional needs by local authorities.** This includes increasing the proportion of spending explicitly allocated to additional needs, to recognise that in areas of high deprivation, some local authorities have chosen to set high basic per-pupil funding and relatively low deprivation funding, because all their schools typically have a high proportion of disadvantaged pupils.
- **Distribute that funding more fairly and in line with the evidence on attainment,** by:
 - Using both pupil level and area level measures of deprivation. This allows us to reach more than 44% of pupils, with the strongest support for the most deprived, but also reaching more ordinary working families further up the income scale; and
 - Increase the proportion of additional needs spending allocated on the basis of low prior attainment, to give additional support to those pupils

¹ Middle and all-through schools will attract minimum per pupil funding levels calculated by reference to the year groups they teach.

who may not be economically deprived but who still need help to catch up.

21. We are protecting the values of all the additional needs factors at the level we proposed in our December 2016 consultation with a total spend of £5.9 billion and overall weighting of 17.8%.

School-led funding

22. We are also confirming our proposals for school-led funding, which totals £3.1 billion or 9.3%. Every school will be allocated a lump sum through the national funding formula of £110,000. For the smallest, most remote schools, we are confirming we will distribute a further £26 million through the sparsity factor. Only 47% of eligible schools received sparsity funding in 2017-18 because some local authorities chose not to use this factor. Under our national funding formula, all eligible schools will attract sparsity funding to their local authority.

23. In 2018-19, the formula will recognise premises costs by allocating funding for schools for business rates, split sites and exceptional premises factors on the basis of historic spend. The formula will also allocate funding for private finance initiative costs (PFI) on the basis of historic spend, with PFI amounts uprated in line with inflation to recognise costs built into PFI contracts.

24. Funding for growth and mobility in the formula will also be allocated on the basis of historic spend. We will consider further how to allocate funding for premises, mobility and growth, to move away from historic spending levels in the longer term, taking account of the consultation responses we received in relation to these areas.

25. As confirmed following the first stage consultation, we will also apply an area cost adjustment to the formula to take account of variation in costs between different parts of the country.

Transition

26. We have set out our formula for 2018-19 and 2019-20. Spending plans beyond 2019-20 will be set in a future Spending Review. The additional investment we have announced enables us to allocate gains for underfunded schools of up to 3% per pupil per year in each of 2018-19 and 2019-20, whereas our original proposals would have limited gains to 2.5% in 2019-20.

27. As set out above, following the representations we received during the consultation, all secondary schools will attract minimum per-pupil funding of £4,800 in 2019-20, and all primary schools will attract minimum per-pupil funding of £3,500 in 2019-20. The formula will provide a transitional minimum amount of £4,600 in 2018-19 in respect of secondary schools, and a transitional minimum amount of £3,300 in 2018-19 in respect of primary schools.

28. We consulted on including a floor in the formula that would limit reductions to a maximum of 3% per pupil. Because of our additional £1.3 billion investment, we can ensure that no school will lose funding as a result of the formula; instead, the formula will provide a minimum 0.5% cash increase per pupil in 2018-19 and 1% by 2019-20, in respect of every school, compared to their baselines.
29. Under a soft formula, local authorities will determine individual school budgets according to local formulae, following local consultation. They will also have a new discretion over the level of the minimum funding guarantee (MFG), which plays a similar role in local formulae to the funding floor in the national funding formula. From 2018-19 local authorities will be allowed to set the MFG between 0% and minus 1.5% per pupil, following local consultation. This protects schools from excessive turbulence, but ensures local authorities have the flexibility to move towards the national funding formula values whilst reflecting other local circumstances where necessary.

Impact

30. The additional £1.3 billion we are investing in schools and high needs means that all local authorities will receive some increase per pupil in 2018-19, over the amount they plan to spend on schools in 2017-18. The increase to the basic per-pupil amount means that every school will attract a higher level of per-pupil funding than it would have done under the December 2016 proposals. Under our national funding formula, all schools will attract higher funding in 2018-19, compared to their baseline.
31. If the national funding formulae was fully implemented, without transition:
- The lowest funded secondary schools (schools which would have below the minimum per-pupil funding level, under our December 2016 proposals) will gain on average 4.7% compared to a gain of 0.3% in our December 2016 proposals;
 - Rural schools will gain on average 3.9%, compared to a gain of 1.3% in our December proposals, with sparse schools gaining 5.0% compared to 3.3%
 - Schools with the lowest prior attainment will gain 3.8% on average, compared to 1.8% in our December 2016 proposals;
 - All local authorities will have one or more schools who are gaining through the formula as a result of the decision to raise the funding floor to 0.5% in 2018-19, and 1% in 2019-20.
32. We published a detailed equalities impact assessment in December 2016 and have updated this to reflect our final formula. For further details please see the equalities impact assessment, which is published alongside this document.

A national funding formula for high needs

33. The diagram in figure 2 below sets out the basic design of the high needs funding formula and the factors we have decided to include.

Figure 2: The factors and calculations in the national funding formula

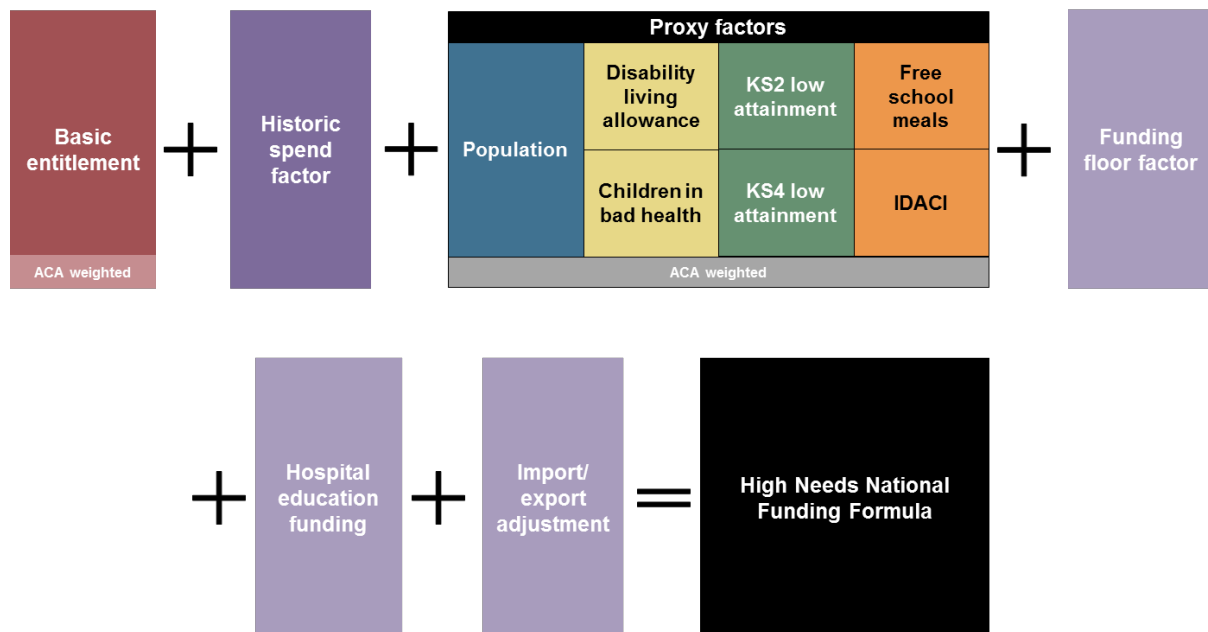


Figure 2: This diagram shows how the factors are added together to give the formula allocation, with an area cost adjustment applied to the proxy factors and basic entitlement.

34. The basic entitlement ensures that local authorities receive resources for all the pupils that they fund in their area, with £4,000 for each pupil in a special school. It provides an equivalent to the funding that mainstream schools get for all their pupils, and that colleges receive through the 16-19 national funding formula.

35. The historic spend factor attracts £2.7 billion in 2018-19, based on 50% of local authorities' existing high needs spending. This reflects both the importance of giving local authorities stability as we move towards a fairer distribution of funding, and the importance of recognising that some of the factors driving current spending will take time to change, as local authorities review and develop their local offer, plan ahead and decide carefully where to spend more and where to spend less.

36. The proxy factors are designed to target funding to local authorities in proportion both to their size, as indicated by their population of 2 to 18 year olds, and to their relative level of need. The small collection of measures relating to deprivation,

low attainment and health and disability we are using have been found to offer an appropriate way of matching funding to the level of need in different areas.

37. As a result of the overall increase in funding for high needs that is available for distribution, and taking account of responses we received to the consultation, we are able to:
- raise the funding floor to provide an uplift of 0.5% per head in 2018-19 and 1.0% per head by 2019-20 over the relevant 2017-18 high needs spending baseline (the equivalent of the funding floor in the schools formula), while keeping the gains cap at 3% in each year;
 - ensure that the funding floor and gains cap reflect any year-on-year increase in population by using a per head calculation; and
 - prevent any local authority with a falling 2-18 population from going below their 2017-18 baseline in cash terms.

Transition

38. We have set out our formula for 2018-19 and 2019-20. Spending plans beyond 2019-20 will be set in a future Spending Review.
39. As well as the increases that 81 local authorities will receive through the funding floor factor in the formula, those that are underfunded according to the formula will be able to gain up to 3% a year, in proportion to any increase in their 2-18 population, in 2018-19 and 2019-20.

Impact

40. The distribution of gains under the high needs formula is broadly similar to that illustrated in the December 2016 consultation. 56 local authorities are due to receive gains of more than 3% by 2019-20. The funding floor will protect all local authorities over the next two years to a greater extent than was proposed in the consultation. By calculating both the funding floor and the gains on the basis of population projections, we are making sure that those local authorities with population growth will not be disadvantaged. This is an important change reflecting comments received during the consultation.
41. We published a detailed equalities impact assessment in December 2016 and have updated this to reflect the final high needs funding formula. For further details please see the equalities impact assessment, which is published alongside this document. The final formula will distribute additional funding to local authorities, and offer greater protection because of the changes to the funding floor. This will benefit children and young people with high needs, including those with disabilities and other protected characteristics.

A national funding formula for central school services

42. The central school services block is designed to reflect the ongoing local authority role in education. We are confirming that we will distribute £241m in 2018-19 for local authorities' ongoing responsibilities using a simple formula which distributes 90% of funding according to a per-pupil factor and 10% of funding according to a deprivation factor. Both elements will be adjusted for area costs. We have already confirmed that funding for historic commitments will be allocated based on evidence, with the expectation that historic commitments will unwind over time, for example when a contract has reached its end point.

Transition

43. Given the extremely wide range in current expenditure for ongoing responsibilities, it is important that we balance the rate of change against the need to make progress towards the formula.
44. The transition to the formula for ongoing responsibilities will be gradual. As set out in the second stage consultation, we will put in place a protection that restricts reductions to minus 2.5% per pupil in 2018-19 and 2019-20. In order to afford the protection, year-on-year gains will be capped annually and will depend on the precise composition of the central school services block in each year. In 2018-19, gains of up to 2.5% per pupil will be allowed.

Impact

45. Under the central school services block formula, 87 local authority areas will see funding increase. Local authorities that have been spending considerably more than the average, per pupil, will typically see reductions in funding. The protection will however ensure that no local authority will face losses of more than 2.5% per pupil in 2018-19 or 2019-20.

Implementation and next steps

46. Alongside this document, we are confirming the primary and secondary per-pupil rates – derived from the national funding formulae – that will be used to set local authority schools block allocations in 2018-19. In December, we will confirm final local authority allocations by multiplying these per-pupil rates by the final pupil numbers from the October census. All local authorities will see an increase in their funding for schools, compared to their 2017-18 baselines.
47. Local authorities will continue to set local school formulae to distribute the funding provided by the national funding formula, in consultation with schools in their area in 2018-19 and 2019-20. Local authorities are currently developing their formulae for 2018-19, based on the schools revenue funding [operational guide](#) we published in August. They will continue to develop formulae and consult, before finalising school budgets in the spring of 2018.
48. We have also published allocations of high needs funding, indicating how much each local authority will receive in 2018-19 for the great majority of its allocation, and clear per-pupil rates for the remainder. This is the first year that we have been able to provide such detail and certainty on high needs funding allocations in advance of the December DSG announcement, showing the increases that each local authority will receive over what they planned to spend from their 2017-18 DSG allocation.
49. We will also publish the high needs revenue funding operational guide later in September, setting out the detailed operational arrangements for the distribution of high needs funding to schools, colleges and other institutions.

Conclusion

50. The need for reform of the unfair system for funding schools and high needs cannot be resisted any longer, especially for a government which has social mobility at its heart. Our extensive consultation on these reforms, and the additional investment that we are making, have allowed us to finalise and improve on the proposals we published in December 2016, with every school's and every local authority's allocation now rising once the formula is introduced. As we move to implement these changes, and to provide more support to make the best use of the resources that will be available, we are confident that we are providing a strong foundation upon which all those on the front line will be able to continue to build a world-class education system that raises standards for all and helps to drive real social mobility.



Department
for Education

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LAESTAB	URN	School Name	Phase	Flag for schools that are only open for part of the year	New and growing School	The school's baseline		In the first year of the NFF local		In the second year of the NFF			To further illustrate the impact of the national funding formula, the government has published illustrative NFF				
						Baseline funding		Notional NFF funding in 2018-		Illustrative NFF funding in			Illustrative NFF funding as if the NFF had been implemented in full				
						Baseline funding (2017-18)	Baseline funding (as though the school is full in 2017-18)	Notional total NFF funding in 2018-19	Percent age change compared to baseline	Percent age change in pupil-led funding	Illustrative total NFF funding in 2019-20	Percent age change compared to baseline	Percent age change in pupil-led funding	Illustrative total NFF funding - if fully implemented	New and growing schools illustrative NFF funding -if fully implemented (as if the school was full in 2017-18)	Percentage change compared to baseline	Percentage change in pupil-led funding
[a]	[b]	[c]	[d] = [c]/[a] - 1		[e]	[f] = [e] / [a] - 1		[g]	[h]	if new and growing then [i] = [h] / [b] - 1 else [i] = [g] / [a] - 1							
8844015	116936	Aylestone Business and Enterprise College	Secondary			£2,057,000		£2,066,000	0.5%	0.5%	£2,075,000	0.9%	1.0%	£2,075,000		0.9%	1.0%
8842001	116645	ALMELEY PRIMARY SCHOOL	Primary			£317,000		£322,000	1.7%	3.0%	£328,000	3.4%	6.1%	£336,000		6.1%	11.1%
8842138	116731	Ashfield Park Primary School	Primary			£1,313,000		£1,319,000	0.5%	0.5%	£1,325,000	0.9%	1.0%	£1,325,000		0.9%	1.0%
8842005	136532	ASHPERTON PRIMARY ACADEMY	Primary			£720,000		£723,000	0.4%	0.5%	£726,000	0.8%	1.0%	£726,000		0.8%	1.0%
8843006	116785	BOSBURY C.E. PRIMARY	Primary			£552,000		£554,000	0.4%	0.5%	£557,000	0.8%	1.0%	£557,000		0.8%	1.0%
8843305	116867	Brampton Abbots C of E.	Primary			£570,000		£572,000	0.4%	0.5%	£574,000	0.8%	1.0%	£574,000		0.8%	1.0%
8842011	116654	Bredenbury Primary	Primary			£261,000		£265,000	1.4%	3.0%	£269,000	2.9%	6.1%	£276,000		5.7%	11.8%
8843307	116869	Bridstow C.E.Primary	Primary			£361,000		£368,000	2.1%	3.0%	£373,000	3.2%	4.7%	£373,000		3.2%	4.7%
8842056	116679	Broadlands Primary School	Primary			£763,000		£766,000	0.4%	0.5%	£770,000	0.8%	1.0%	£770,000		0.8%	1.0%
8842014	137624	BROCKHAMPTON PRIMARY SCHOOL	Primary			£606,000		£609,000	0.4%	0.5%	£611,000	0.8%	1.0%	£611,000		0.8%	1.0%
8842029	139608	Burghill Community Academy	Primary			£426,000		£436,000	2.2%	3.0%	£445,000	4.5%	6.0%	£445,000		4.5%	6.0%
8843010	143454	Burley Gate CofE Primary School	Primary			£402,000		£411,000	2.0%	3.0%	£419,000	4.1%	6.1%	£422,000		5.0%	7.3%
8843015	139308	Canon Pyon CofE Primary School	Primary			£331,000		£337,000	1.8%	3.0%	£343,000	3.4%	5.8%	£343,000		3.4%	5.8%
8843021	116795	Clehonger C.E. Primary School	Primary			£494,000		£505,000	2.2%	3.0%	£507,000	2.6%	3.6%	£507,000		2.6%	3.6%
8842031	116668	CLIFFORD PRIMARY SCHOOL	Primary			£347,000		£354,000	1.9%	3.2%	£360,000	3.8%	6.3%	£381,000		9.7%	16.1%
8843023	116797	Colwall C E Primary School	Primary			£597,000		£611,000	2.4%	3.0%	£613,000	2.6%	3.3%	£613,000		2.6%	3.3%
8843315	116874	Cradley V.A.	Primary			£521,000		£523,000	0.4%	0.5%	£525,000	0.8%	1.0%	£525,000		0.8%	1.0%
8843035	116804	EARDISLEY C.E. PRIMARY SCHOOL	Primary			£427,000		£435,000	2.1%	3.0%	£444,000	4.2%	6.1%	£451,000		5.7%	8.3%
8844027	116941	Earl Mortimer College & Sixth Form Centre	Secondary			£2,754,000		£2,828,000	2.7%	3.0%	£2,844,000	3.3%	3.7%	£2,844,000		3.3%	3.7%
8843037	116805	Eastnor Primary School	Primary			£369,000		£376,000	2.0%	3.0%	£384,000	4.1%	6.1%	£389,000		5.4%	8.0%
8842046	116674	EWYAS HAROLD PRIMARY SCHOOL	Primary			£455,000		£465,000	2.1%	3.0%	£471,000	3.4%	4.8%	£471,000		3.4%	4.8%
8844032	140868	Fairfield High School	Secondary			£2,297,000		£2,314,000	0.7%	0.8%	£2,319,000	0.9%	1.0%	£2,319,000		0.9%	1.0%
8842053	116677	GARWAY PRIMARY SCHOOL	Primary			£302,000		£307,000	1.6%	3.0%	£310,000	2.7%	5.1%	£310,000		2.7%	5.1%
8843046	116813	GOODRICH CE (VC) PRIMARY	Primary			£531,000		£533,000	0.5%	0.7%	£535,000	0.8%	1.0%	£535,000		0.8%	1.0%
8843047	116814	Gorsley Goffs	Primary			£701,000		£704,000	0.4%	0.5%	£707,000	0.8%	1.0%	£707,000		0.8%	1.0%
8842057	116680	HAMPTON DENE COUNTY PRIMARY	Primary			£893,000		£896,000	0.4%	0.5%	£900,000	0.9%	1.0%	£900,000		0.9%	1.0%
8843055	137731	Holmer CofE Academy	Primary			£1,363,000		£1,397,000	2.5%	2.7%	£1,397,000	2.5%	2.7%	£1,397,000		2.5%	2.7%
8843349	116894	Ivington C.E.Primary School	Primary			£517,000		£525,000	1.5%	1.9%	£525,000	1.5%	1.9%	£525,000		1.5%	1.9%
8844428	136399	John Kyrle High School and Sixth Form Cer	Secondary			£5,002,000		£5,126,000	2.5%	2.5%	£5,126,000	2.5%	2.5%	£5,126,000		2.5%	2.5%
8844058	136803	John Masefield High School	Secondary			£3,609,000		£3,634,000	0.7%	0.7%	£3,644,000	1.0%	1.0%	£3,644,000		1.0%	1.0%
8843341	116890	KIMBOLTON ST JAMES' PRIMARY	Primary			£380,000		£388,000	2.0%	3.0%	£395,000	4.0%	6.1%	£415,000		9.0%	13.9%
8842094	136759	King's Caple Primary Academy	Primary			£264,000		£268,000	1.5%	3.0%	£272,000	3.0%	6.1%	£281,000		6.6%	13.4%
8843342	116891	Kingsland C E Primary School	Primary			£579,000		£593,000	2.4%	3.0%	£596,000	2.9%	3.6%	£596,000		2.9%	3.6%
8842095	137415	KINGSTONE AND THRUXTON PRIMARY	Primary			£649,000		£651,000	0.4%	0.5%	£654,000	0.8%	1.0%	£654,000		0.8%	1.0%
8844021	137073	KINGSTONE HIGH SCHOOL	Secondary			£1,716,000		£1,763,000	2.7%	3.0%	£1,770,000	3.1%	3.5%	£1,770,000		3.1%	3.5%
8842096	116701	Kington Primary School	Primary			£807,000		£810,000	0.4%	0.5%	£814,000	0.8%	1.0%	£814,000		0.8%	1.0%
8844022	137608	Lady Hawkins' School	Secondary			£1,568,000		£1,609,000	2.7%	3.0%	£1,632,000	4.1%	4.6%	£1,632,000		4.1%	4.6%
8843347	116892	LEA C.E. (AIDED) SCHOOL	Primary			£517,000		£519,000	0.4%	0.5%	£521,000	0.8%	1.0%	£521,000		0.8%	1.0%
8842098	116702	LEDBURY PRIMARY SCHOOL	Primary			£1,568,000		£1,575,000	0.5%	0.5%	£1,582,000	0.9%	1.0%	£1,582,000		0.9%	1.0%
8843348	116893	Leintwardine Endowed CE Primary School	Primary			£392,000		£399,000	2.0%	3.0%	£407,000	4.0%	6.1%	£424,000		8.3%	12.6%
8842003	140617	Leominster Primary School	Primary			£2,325,000		£2,336,000	0.5%	0.5%	£2,347,000	0.9%	1.0%	£2,347,000		0.9%	1.0%
8843071	116828	LITTLE DEWCHURCH C.E. PRIMARY	Primary			£469,000		£471,000	0.4%	0.5%	£472,000	0.7%	1.0%	£472,000		0.7%	1.0%
8843351	139313	Llangrove CE Academy	Primary			£275,000		£280,000	2.1%	4.1%	£285,000	3.7%	7.3%	£303,000		10.4%	20.4%
8842101	116705	Longtown Cmty Primary School	Primary			£309,000		£314,000	1.7%	3.0%	£319,000	3.4%	6.1%	£326,000		5.6%	10.2%
8842061	136761	Lord Scudamore Primary Academy	Primary			£2,151,000		£2,161,000	0.5%	0.5%	£2,171,000	0.9%	1.0%	£2,171,000		0.9%	1.0%
8842102	138035	Lugwardine Primary Academy	Primary			£718,000		£721,000	0.4%	0.5%	£724,000	0.8%	1.0%	£724,000		0.8%	1.0%
8842103	116707	LUSTON PRIMARY SCHOOL	Primary			£522,000		£527,000	1.0%	1.3%	£527,000	1.0%	1.3%	£527,000		1.0%	1.3%
8842104	116708	MADLEY COUNTY PRIMARY SCHOOL	Primary			£739,000		£742,000	0.4%	0.5%	£745,000	0.8%	1.0%	£745,000		0.8%	1.0%
8842115	140526	Marden Primary Academy	Primary			£306,000		£312,000	1.9%	3.0%	£318,000	3.9%	6.1%	£322,000		5.2%	8.1%
8842063	116684	Marlbrook Primary School	Primary			£2,069,000		£2,079,000	0.5%	0.5%	£2,088,000	0.9%	1.0%	£2,088,000		0.9%	1.0%
8842116	116714	Michaelchurch Escley Primary	Primary			£251,000		£255,000	1.5%	3.5%	£258,000	2.9%	6.6%	£270,000		7.7%	17.3%
8843078	140464	Mordiford CofE Primary School	Primary			£575,000		£588,000	2.3%	2.8%	£588,000	2.3%	2.8%	£588,000		2.3%	2.8%
8843079	116833	Much Birch V.C. School	Primary			£715,000		£718,000	0.4%	0.5%	£721,000	0.8%	1.0%	£721,000		0.8%	1.0%
8843363	116904	Much Marcle CE Primary School	Primary			£432,000		£441,000	2.1%	3.0%	£450,000	4.3%	6.1%	£454,000		5.1%	7.2%
8843083	116836	ORLETON C.E. SCHOOL	Primary			£627,000		£630,000	0.4%	0.5%	£632,000	0.8%	1.0%	£632,000		0.8%	1.0%
8843330	116883	Our Lady's RC Primary School	Primary			£817,000		£838,000	2.6%	3.0%	£839,000	2.7%	3.2%	£839,000		2.7%	3.2%



Meeting:	Herefordshire schools forum
Meeting date:	Friday 20 October 2017
Title of report:	Trade Union Facilities
Report by:	HR Services Manager

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose and summary

To review the new arrangements for trade union facilities within schools and to propose a revised amount per pupil for de-delegation to apply from April 2018, subject to consultation with schools and a final decision by the Schools Forum in January 2018.

The new arrangements, effective from 1 September 2017, are to provide vouchers for trade union facilities at a standardised rate common to all teaching trade union representatives, irrespective of whether they are current serving teachers or paid as a worker (for the purposes of IR35 regulations, i.e. invoices subject to tax and national insurance).

There has been a regular underspend on the trade union facilities budget over recent years (£14,117 for 2015/16 and £13,894 for 2016/17) and this has been taken into account in proposing a reduction in the de-delegation price per pupil.

Recommendation(s)

That:

- (a) schools forum provide its views on a de-delegated amount of £2.90 per pupil, effective from 1 April 2018, being formed on the basis of consultation with schools;**

Further information on the subject of this report is available from Julie Davies
email: Julie.Davies@hoopleltd.co.uk

and

- (b) **the Budget Working Group be asked to provide a further report by June 2018 on the potential for a further reduction in 2019/20 on the cost per pupil.**

Alternative options

1. To continue with current cost of £3.50 per pupil. Secondary, special and academy schools do not de-delegate but have the option to buy back into the trade union facility service level agreement. Numbers have steadily been decreasing over the last few years as headteachers do not believe that it is cost effective or offers best value. To maintain the current cost could potentially result in a further reduction of schools that buy back. This would reduce the overall funding and potentially create a situation whereby there is insufficient income to cover the cost. Pressures on school budgets remain with unfunded pay awards/incremental increases, increase in pension/national insurance costs etc and with the possibility of interest rate increases in the future, schools need to ensure they are managing their budgets appropriately and reduce costs where possible. The trade union facility budget has been underspent in recent years and the underspend is redistributed back to schools, including those that did not participate in the arrangements.
2. The Budget Working Group (BWG) has suggested that as the England average was £2 per pupil, further work was needed to further reduce the Herefordshire figure. It was felt that the number of vouchers distributed to trade union representatives could be reduced to £2.50 per pupil or lower. However, there is insufficient time to carry out this review in order for Schools Forum to make a decision in January 2018 and therefore the BWG will undertake further work over the next few months to consider alternative options, e.g. providing a minimal service for schools whereby additional school specific trade union consultations are charged as extras - dependent upon the service and whether a subscriber or non-subscriber to the trade union service level agreement. Any new arrangements will be effective from 1 April 2019.

Key considerations

3. School trade union facility arrangements ensure employees in schools always have access to confidential advice and support on employment issues from highly trained local union representatives who understand local issues in Herefordshire schools, whether or not a particular school has a representative on their own staff body. This helps ensure that sensitive issues don't spiral out of control into situations involving formal procedures, which can be extremely costly in both senior leadership time and money.
4. What school leaders and governors detect in terms of union activity in schools is only a glimpse of what actually takes place in casework terms. A great deal of time is spent by local representatives dealing with employees' concerns and grievances 'behind the scenes' in a way which prevents issues escalating into confrontation and formal procedures. Problems in schools are not necessarily real, but perceived, and local union representatives help members work through conflict and change to the benefit of the members themselves and of school leaders.
5. The Department for Education published non-statutory advice relating to trade union facility time in January 2014. The report stressed the importance of ensuring spending on facility time was as efficient as possible. It also recommended that trade union representatives should be accountable for the duties and activities carried out during

facility time. A simple termly report, which included details of trade union duties undertaken, was considered to be good practice.

6. A review of trade union facilities was subsequently undertaken and it was agreed that the facility time payment would be standardised to £170 per day effective from 1 September 2017 for all teaching trade union representatives. A framework would be put in place to account for activity, the contracts of employment for three teaching trade union representatives would cease with effect from 31 August 2017 and alternative employment options, which was determined as self-employed (for tax purposes defined as a worker) would be supported.
7. There is significant variation in the level of trade union spend across councils. Statistical neighbours' de-delegation rates vary from £1.00 to £3.00 per pupil. Worcestershire, although not a statistical neighbour, has a rate of £2.00 per pupil which is also the average spend per pupil in England. Herefordshire's rate at £3.50 per pupil is above the England average and also higher than many of its statistical neighbours.
8. By reducing the charge per pupil, this would make the scheme more attractive financially and if more or all schools subscribed to the facility agreement, the rate could be further reduced.
9. Other councils have a different approach to the trade union facilities agreement whereby de-delegated funds provides a minimal service for all schools and additional trade union consultations are charged as extras, dependent upon the service and whether a subscriber or non-subscriber to the trade union service level agreement. For example, TUPE for academy conversions are subject to an additional charge.
10. The trade union annual budget varies dependent upon the level of buy-back into the service level agreement, but has been reducing by approximately 5% on a year-on-year basis for the last three years with approximately 20% of the budget not being claimed. There is no evidence to suggest that this trend would not continue.
11. There is currently an 'unfair' subsidy for schools with sixth forms, as sixth form pupils are excluded in the calculation of the amount of annual subscription due. By removing this subsidy, this would have the effect of reducing the charge per pupil for all other schools.

Community impact

12. All schools are required by law to allow trade union representatives reasonable time off to perform union duties and undertake relevant training (without which they are unable to act as representatives). Without this pooled service, there would be an increase in the number of issues requiring formal intervention and/or an increase in training days for individual schools as more representatives are trained in order to support union members.
13. Employers are legally obliged to consult with employee representatives on changes to the workplace, such as redundancy and TUPE, and to permit employees to be accompanied by trade union representatives in employment issues.
14. All schools should have arrangements in place to meet these requirements and the trade union facilities arrangements assist in enabling schools to release staff on union duties and to provide arrangements for representatives who are not current serving teachers to undertake union duties.

15. If schools decide not to de-delegate funding or buy back into trade union facilities, individual schools would be responsible for meeting the costs of providing reasonable release time for training and trade union duties of any staff member working on behalf of a union, even if that work takes place in an establishment other than their own.
16. Research from the University of Hertfordshire shows that involving trade union representatives can help maintain staff morale and reduce the number of issues that escalate. It is estimated that for every £1 spent on trade union facilities, between £3 and £9 of benefits are accrued to the employer.

Equality duty

17. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
18. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

Resource implications

19. Schools are legally required to ensure their arrangements comply with trade union requirements and therefore there are no additional budget implications.

Legal implications

20. Funding for trade union facility time is delegated to maintained schools in the first instance. For maintained primary and secondary schools the local authority may propose that this funding should be pooled centrally. The relevant members of the schools forum are responsible for deciding whether funding will be returned from the schools to the local authority. This is known as de-delegation. To enable schools forum representatives to decide what is best for their schools, the local authority should provide clear information in advance about how funds will be spent and how the service will benefit schools. Schools forum members should seek the views of the schools they represent before the decision is taken.

Risk management

21. The current system does not provide best value and if the recommendations are not agreed, then the number of schools that buy back into the trade union facilities service level agreement will probably continue to decrease.
22. Without a pooled system available to all schools, it is likely that more issues will be resolved formally and not 'behind the scenes'.
23. Primary schools de-delegate funding for trade union facilities and if the rate per pupil is maintained at current levels, this will cause additional pressure on school budgets. This will be mitigated by reducing the cost per pupil.

Consultees

24. The recommendations include consulting with the Schools Forum, although it is understood that a number of academy/secondary schools do not buy back into the trade union facilities arrangements due to cost and the perception that it does not provide best value to schools or union members.
25. A briefing paper was presented to the Budget Working Group at its meeting of 16 June 2017 and its views were reported to the Schools Forum at its meeting of 7 July 2017. A further verbal update was provided to the BWG at its meeting of 22 September. The working group expressed concern that the proposed per pupil figure, although reduced, was still higher than the national average. The working group recommended that work take place to seek to reduce the per pupil figure further.

Appendices

26. None

Background papers

27. None

SCHOOLS FORUM WORK PROGRAMME 2017/18

Friday 20 October 2017	
National Funding Formula	To consider the DfE's response to the stage 2 consultation. <i>Item deferred from 7 July.</i>
Appointments	To appoint a chairman and vice-chairman for the Forum. To appoint a chairman for the Budget Working Group
Budget Working Group	To receive report on the activities of the Budget Working Group (<i>recurring item</i>).
Herefordshire schools budget 2018/19	To receive proposals for consultation on the 2018/19 schools budget
Looking to the future	To receive results of consultation with school governing bodies and approve final proposals from each of the task and finish groups i.e.: <ul style="list-style-type: none"> • early years • high needs
Trade union facilities	To receive a report on charges for trade union facility time.
Friday 1 December 2017	
Friday 12 January 2018	
Dedicated Schools Grant settlement	To receive a report on the DSG settlement and consider proposed schools budget 2018/19 (subject to DfE national formula).
Whitecross PFI Scheme	To receive the results of the 3 yearly review of the Whitecross PFI Scheme
Budget Working Group	To receive report on the activities of the Budget Working Group (<i>recurring item</i>).

Friday 2 March 2018	
High needs budget proposals 2018/19	To consider proposals for the allocation of the high needs funding block for 2018/19 (subject to DfE national formula).
Budget Working Group	To receive report on the activities of the Budget Working Group (<i>recurring item</i>).
Dates of Meetings	To agree dates of Schools Forum meetings for 2018/19
Work programme 2018/19	To approve the work programme for the forum for 2018/19 municipal year