



Schools Forum
Tuesday 16 January 2018
4.00 pm – 6.00 pm
181 Hove Town Hall

AGENDA

Chair: Peter Freeman

Item	Time	Duration	Subject	Lead(s)
1.	4.00	5 mins	Welcome and apologies Items for any other business to be stated	Peter Freeman
2.	4.05	10 mins	Minutes of last meeting (27 November 2017) and matters arising (minutes attached) Verbal update on Schools Block Working Group (8 January 2018)	Peter Freeman Ashley Harrold
3.	4.15	15 mins	General Fund Budget Briefing	Dave Kuenssberg
4.	4.30	15 mins	DSG 2018/19	Louise Hoten
5.	4.45	15 mins	Schools Block 2018/19	Steve Williams
6.	5.00	15 mins	High Needs Block 2018/19	Regan Delf / Steve Williams
7.	5.15	15 mins	Early Years Block 2018/19	Vicky Jenkins / Andy Moore
8.	5.30	5 mins	AOB Work Plan financial year 2018/19	Peter Freeman
			Next Meeting: Monday 26 March 2018 4.00 – 6.00 pm Room 181 Hove Town Hall	



Brighton & Hove Schools' Forum
DRAFT Notes of the meeting held on Monday 27 November 2017
Room G91, Hove Town Hall

Present:

School Members

Early Years and Primary Schools

Peter Freeman (PF) (Chair)	Governor, Coombe Rd Primary School
Julie Plumstead (JP)	Headteacher, Tarnerland Nursery School
Damien Jordan (DJ)	Headteacher, Fairlight Primary School
Tad Matus (TM)	Governor, St Joseph's Primary School
Giovanni Franceschi (GF)	Headteacher, Downs Junior School
Emma Lake (EL)	Executive Head, Hangleton Primary School
Anne Mari Barker-Davies (AMB)	Governor, Goldstone Primary School

Special Schools

Jill Sawyer (JS)	Governor - Downs View School
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Secondary Schools

Stephen Berry (SB)	Governor, Patcham High School
James Kilmartin (JK)	Headteacher, Cardinal Newman Catholic School
Ashley Harrold (AH)	Headteacher, Blatchington Mill School

Academies

Rob Reed (RR)	Executive Principal, Aldridge Education
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PRU

Louise Cook (LC)	Headteacher, Year 11 Connected Hub, PRU
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Non-School Members

Roopal Patel (RP)	PVI Early Years Representative
Paul Shellard (PS)	Teacher Unions Representative
Mandy Watson (MW)	Chichester Anglican Diocese
Rachel Kershaw (RK)	Acting Headteacher, Cottesmore St Mary's Catholic Primary School, Representative of the Roman Catholic Diocese

Observers

Jimmy Hollingworth (JH)	School Business Manager, Longhill School (Observer)
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Local Authority

Jo Lyons (JL)	Assistant Director, Education & Skills
Regan Delf (RD)	Assistant Director, Health SEN & Disabilities
Louise Hoten (LH)	Head of Finance, Health, Adults, Families, Children and Learning Finance
Richard Barker (RB)	Head of School Organisation Education & Skills
Andy Moore (AM)	Principal Accountant, Health, Adults, Families, Children and Learning Finance
Steve Williams (SW)	Accountant, Health, Adults, Families, Children and Learning Finance
Chris Lambert (CL)	Clerk to Forum

Apologies:

Derek Swindells (DS)	Governor, Dorothy Stringer School
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No.	Item	Action
1.	Welcome and apologies	
1.1	PF welcomed the group and noted the apologies as above. PF welcomed Mandy Watson to her first meeting.	
1.2	The updated TOR were referenced as an AOB item and no objections were raised to them.	
2.	Minutes of last meetings (9 October 2017) and matters arising	
2.1	Accuracy of the October minutes was agreed, subject to the point below.	
2.2	Misaligned action on page 5, CL to amend the final minutes.	CL
2.3	7.19 - AM advised that Legionella will not be offered as a buy back option.	
2.4	10.1 – Having outlined the decisions that need to be taken at this meeting, RB will produce a work plan following this meeting, for the January Forum.	RB
2.5	11.2 - Updated budget forecast is on today's agenda as an AOB.	
2.6	Meeting dates for 2018 agreed: Tuesday 16 January 181 HTH, 26 March 181 HTH, 18 June 181 HTH, 8 October G91 HTH, 10 December G90 HTH.	
3.	Minutes of SBWG meeting 6 November (tabled)	
3.1	AH confirmed that the major issues from the Schools Block Working Group are on the agenda for today. There had been some discussion of exceptions funding and growth funding and he would pick up those points during the relevant items.	
4.	Schools Block 2018 – 19	
4.1	The paper was a follow up to the discussion at the last meeting and the recent work undertaken by the SBWG. SW summarised and explained the report. SW advised that DfE made a late amendment to guidance regarding the minimum funding per pupil factor for individual schools. Previously the guidance stated that this calculation should be applied on the basis of a school's overall delegated budget. The regulations have now been amended to state that LA's have the option to allow the premises factors to be removed from the calculation of the minimum funding levels, using the same methodology as the national funding formula. Schools Forum agreed that for 2018/19 this calculation should continue to operate on the basis of a school's total budget – in line with the original guidance.	
4.2	It was noted that Balfour Primary school would be the only school affected in the proposal put forward for introducing minimum funding per pupil. AH explained that this is expected to be in the national funding formula and because the	

	<p>financial impact is felt to be small the SBWG supported the proposal. TM commented that Balfour is the largest primary school: for single-form entry primary schools, this guaranteed minimum per pupil does not seem fair due to their inability to spread their fixed costs.</p>	
4.3	<p>Minimum Funding Guarantee (MFG). SW explained that LA's now have a little more flexibility and can offer an MFG ranging from 0% to minus 1.5% per pupil. The nearer to 0% the more protection schools are provided than they are receiving currently. The estimated cost of retaining minus 1.5% as recommended is £473k next year, which would be found by scaling back the gains of schools where per pupil funding under the formula is increasing.</p>	
4.4	<p>Appendix 2 showed the amount individual schools were affected by and it was noted that some schools are on a fairly high level of MFG.</p>	
4.5	<p>The Forum agreed that the local funding formula for 2018/19 should:</p> <ul style="list-style-type: none"> • Include minimum funding levels of £4,600 per secondary pupil and £3,500 per primary pupil; • Continue to operate the MFG at -1.5%. 	
5.	Dedicated Schools Grant (DSG) 2018/19	
5.1	<p>LH introduced the item. This is considered every year by the Schools Forum. It was also discussed at the last meeting. The range of decisions to be made and the context to those decisions was discussed. Specific clarification was provided regarding the function of the Growth Fund and the requirements of its use, for which an increased amount was being sought and the proposed transfer of funding from the Schools Block to the High Needs Block.</p>	
5.2	<p><u>Exception 1.</u></p> <p>Representatives from Primary and Secondary maintained schools agree to de-delegate funding as proposed for Contingencies. Agreed.</p>	
5.3	<p>Promoting Pupil Wellbeing. JL pointed out that all details have been provided. RB gave lengthy and detailed presentation at the SBWG. JL explained that the central funding available to the Primary BAP would not be there for allocation, for example if a child is at risk of exclusion there is currently funding available in that situation, but this would no longer be the case. Primary phase vote only. Declined.</p>	
5.4	<p>EMAS. Primary phase vote only. Agreed.</p>	
5.5	<p>Free Schools Meals admin. Primary & Secondary phase vote. Agreed.</p>	
5.6	<p>Insurance. The figures will change in January. Primary & Secondary phase vote. Agreed.</p>	
5.7	<p>Staff costs to cover Union Duties/Jury Service/Suspension. Secondary phase schools asked for a guarantee that all funding would be spent on schools, and made a request for more transparency. Primary & Secondary phase vote. Agreed.</p>	

<p>5.8</p>	<p><u>Growth fund.</u></p> <p>The Forum were reminded that they had agreed £175k at the last meeting. The new proposal is £213k to incorporate pre-opening costs of the new secondary free school. The Forum were reminded of voting entitlements and the role this funding has in the provision of school places.</p> <p>AH explained that the secondary Headteachers are opposed to the increased amount because of its provision for the new secondary academy. Primary and Secondary representatives agreed to fund costs met by the growth fund for historically agreed expansion costs, but not future costs aligned to the new free school.</p> <p>JL clarified that the requirement to fund the pre-opening costs is an appropriate charge to the growth fund and with no other funding source available to the council the council will have to approach the Secretary of State if the Forum does not agree.</p> <p>RR – stated that the Academies are also against this additional charge for the same reasons outlined by AH.</p> <p>Clarification was provided that this is not a one year cost and that there will be charges to the growth fund until the school has reached its full size.</p> <p>The Forum agreed by consensus not to approve this increase. Declined.</p>	
<p>5.9</p>	<p><u>Central Services Schools Block</u></p> <p>RR said that academies are not aware of receiving any support from the LA in dealing with legionella, broadband or asset management so would query contributing towards them.</p> <p>RB explained that the LA are landlords of these buildings and therefore have general responsibilities for council property. Some of the academies deal with Legionella and Broadband entirely as their own responsibilities. These are separate from Asset Management. He would provide further information separately.</p> <p>Broadband – the academies do not access any provision from the LA. RB to look into and update academies further on this item.</p> <p>Equal pay. Agreed (no vote taken).</p>	<p>RB</p> <p>RB</p>
<p>5.10</p>	<p>Brighton and Hove Inclusion Support Service (BHISS) – RD agreed to take on board the present lack of specificity on the offer, and is reviewing this to ensure it better suits the needs of the secondary schools.</p>	
<p>5.11</p>	<p>DJ explained that the primary heads agree this central funding for 2018/19 but that this is the last year that they will give a positive vote until they have more information.</p> <p>Secondary Headteachers and the Academies member voted no because they were unsure about what this was being used for and the impact the funding achieved. Other votes were positive and the central provision was agreed.</p>	
<p>5.12</p>	<p>Legionella – Academies abstained pending further info. PVI abstained. Agreed.</p>	

5.13	<p>Broadband – Academies abstained. The secondary heads did not agree, would like to de-delegate and have as a buy back. Primary schools agreed this for the last year without further options being put forward. They would like to change this to a buy back as quickly as possible. The special schools agreed this. Agreed as a Forum that this is the last year, and will move to a buy back for 2019-20. Agreed.</p>	
5.14	<p>Headteacher support and development. £20k. Secondary heads, academy member and secondary governors voted against. Agreed by all else. Agreed.</p>	
5.15	<p>School Admissions. Agreed.</p>	
5.16	<p>Termination of employment costs. SB asked how this provision remains the same year on year despite the number changing. AM explained that this is the 2012-13 and is not allowed to increase.</p>	
5.17	<p>Schools Forum £40k. Against: primary heads, secondary heads, academy heads, secondary governors, Roman Catholic Diocese, Early Years and PRU. For – special school heads and special school governor. Abstained: primary governors and both union representatives</p> <p>Secondary heads queried contributing towards this from the Schools Block as having a Schools Forum is a central statutory function. They questioned why are schools funding this when it has to happen anyway? The secondary heads believe that anything that is not frontline education should be open to debate. Funding to run a meeting is not as high priority as education; these funds could be used directly by schools.</p> <p>The primary heads agreed and felt that these costs should be passed back to the LA.</p> <p>As an initial response officers outlined the potential risk that without funding the consequence of this would be no more Schools Block Working Group and finance support would be at a significantly reduced level. With the implementation of the NFF it was explained that 2018/19 will be a critical period in transitioning from the local formula and that DfE would expect LAs to work through detailed funding models and engage all schools in meaningful consultation. Stating that if this funding is ended, finance would not be able to support the Forum in the way that they have been or continue to provide the same level of input, support for the sub groups, provide the current level of support to the working group, would not be able to provide the detailed papers or attend any of these pre-meetings. The LA would effectively be operating at a level to ensure only that funding arrangements are compliant with DfE requirements.</p> <p>JL explained the implications of this decision: once this funding is removed, we cannot return it.</p> <p>LC asked if a compromise could be found to reduce this fund rather than end it? She was informed that the Schools Forum costs have already been reduced from</p>	

	<p>75k in 2017/18 to 40k.</p> <p>What are the statutory requirements? This is in the guidance to take the Forum for the DSG by an exception process. We have reduced our costs as we were above average.</p> <p>It was advised that based on section 251 information the average for Brighton and Hove's statistical neighbours is £38k, with a range from Southampton (nil) to Sheffield (£178k). Furthermore less than 5% of LAs have nil funding for the Schools Forum function.</p> <p>Officers confirmed they would seek a determination from the Secretary of State if agreement was not reached.</p> <p>The Forum decided to end Schools Forum funding as the majority of voting members were against. Declined.</p>	
5.18	Copyright licence. Agreed.	
5.19	Statutory and regulatory duties. Agreed.	
5.20	<p>Access for Education. AH – there is still a degree of confusion about the provision of services under this heading. Again a request for as much transparency and more clarity.</p> <p>Agreed with two (Academies and Early Years) against and two abstentions.</p>	
5.21	Asset Management. Agreed with Academies Diocese and PVI members abstaining.	
5.22	<p>High Needs Block – proposal to move 0.5% from the Schools Block.</p> <p>RD provided a summary and reported on consultations with schools. The majority of school leaders were against the proposal. The Primary headteacher representatives proposed an alternative policy of seeking a lower transfer than the 0.5% proposed. The Secondary headteachers proposed an approach they had considered earlier in the week when RD and JL met with them to withdraw the proposal altogether. In response RD confirmed that some actions will need to be made regarding the amount of support schools will continue to receive from the HNB.</p>	
5.23	The primary headteachers indicated support for the position of the secondary headteachers and the LA agreed to withdraw the proposal.	
5.24	RD agreed to produce a report to help the schools understand the supported provided to schools from the High Needs Block.	RD
6.0	Services to Schools 2018/19	
6.1	<p>RB introduced this paper and opened up a discussion on its content.</p> <p>AH noted the positive approach that had been undertaken by colleagues in HR and Payroll detailed in paragraphs 4.9 and 4.10. It was much appreciated and RB agreed to pass this on.</p>	RB
6.2	JL noted that in light of the decision taken by the Primary school representatives, consideration would be given to a traded offer covering Promoting Pupil Wellbeing.	

7.	AOB	
7.1	Update on schools budgets for 2017/18 (AM) AM provided an update on the current position of school balances and indicated that council is likely to be supporting the school budget position by approximately £0.5m by the end of the financial year.	CL
7.2	It was noted that there was positive work being undertaken by those schools with licenced deficits.	
7.3	Schools Forum Terms of Reference (RB) The Forum agreed these. CL to upload these to the website.	
7.4	How the Forum Communicates with Elected Officials Members of the Forum expressed a desire to ensure that elected officials recognise the effect their decisions have on the schools. A proposal to invite an elected official to the Forum and to explore how more dialogue can take place outside of the Forum was widely supported.	
Next Meeting:		
Next Meeting: Tuesday 16 January 2018, 4.00 – 6.00 pm Room 181 Hove Town Hall		
Future dates: 26 March (181), 18 June (181), 8 October (G91), 10 December (G90).		

Meeting: Schools Forum
Date: 16 January 2018
Report of: Executive Director of Finance & Resources
Subject: General Fund Budget Briefing
Wards Affected: All

1 Purpose of the report

1.1 This briefing provides the Schools Forum with headline information on the council's General Fund budget proposals for 2018/19 and highlights a number of financial challenges impacting on the council and schools. It also includes the Families, Children & Learning savings proposals for 2018/19 and 2019/20.

2 Recommendations

- 2.1 To note the overall General Fund budget position for 2018/19 and 2019/20.
- 2.2 To note the council's General Fund draft budget proposals for the Families, Children & Learning directorate for 2018/19 and 2019/20 (Appendix A).
- 2.3 To feedback comments and queries to the council's Executive Director of Finance & Resources for consideration by the cross-party Member Budget Review Group and the council's Executive Leadership Team.

3 Background

- 3.1 The forum will be familiar with the national funding situation for local government. Since 2013/14, the position has been one of substantially reducing central government support (Revenue Support Grant) and growing social care costs and demands across both Adults and Children's social care.
- 3.2 In 2016/17, the council began a 4-year planning approach in order to address predicted budget gaps of £68 million over the 4-year period, driven by reducing government grant and growing social care costs. The budget gap determines the level of savings that the council must achieve in order to balance its General Fund budget. Savings of £43 million have been achieved over the first 2 years of the period (2016/17 and 2017/18) and further savings of £13 million and £12 million are planned for 2018/19 and 2019/20 respectively. Total savings of approximately £68 million will therefore have been achieved by the end of the 4-year period as predicted.
- 3.3 However, this level of saving masks the fact that since the start of the 4-year period, significant additional funding has been made available to councils to address social care pressures following universal lobbying, notably by the Local Government Association. Additional resources include £11 million one-off Better Care Funding and allowable Adult Social Care precepts (Council Tax increases) that will generate approximately £9 million ongoing funding over the period. There have also been additional one-off resources to address growing homelessness. Without these additional resources, the £68 million savings requirements would have been very

substantially higher with an even greater impact on local public services. A key point of interest to local authorities is therefore to understand what the long term funding of social care will look like once the one-off Better Care Funding ends in 2019/20. Local Authorities are also concerned about funding from 2020/21, the next Comprehensive Spending Review period, including the outcome of the Fair Funding Review, changes to Business Rates Retention (a move from 50% to 75% is proposed), proposals for the existing Better Care Fund (worth £6 million pa), and rules/limits around taxation increases.

3.4 As at the 30 November Policy, Resources & Growth (PR&G) meeting, draft savings proposals of around £12 million had been identified for 2018/19 leaving a remaining gap of £1.3 million to be addressed. Since the meeting, the government has announced the provisional Local Government Finance Settlement for 2018/19. This did not provide any direct increase in resources but the government are allowing local authorities to increase Council Tax by a further 1% in 2018/19 and 2019/20, without the need for a local referendum, if they choose to do so. If members support this option, it would generate approximately £1.3 million additional funding in each year and would mean Council Tax increases of 5.99% in 2018/19 (including a 3% Adult Social Care precept) and 2.99% in 2019/20.

3.5 In terms of delivery, savings proposals continue to be developed on the basis of reviewing all services and considering whether or not:

- i) Services should continue to be provided and/or funded by the council;
- ii) Services should be delivered in-house by the council or via alternative delivery methods;
- iii) Services can become more self-financing for example through income generation or increasing existing fees & charges.

The Budget Strategy for 2018/19 continues the approach of focusing resources on key priorities and essential public services to support the city. The draft budget report describes how the revenue budget and proposed capital investments will support:

- Getting basic services right and investing in making the city an enjoyable place to live and work;
- Protecting provision for vulnerable people as the city's population grows and the cost of care rises;
- Supporting economic growth and regeneration that benefits everyone.

As in previous years, each directorate has set out its proposals for achieving savings that align with this approach as far as practicably possible. The proposals are summarised in the 30 November 2017 budget report to PR&G and set out in detail in Appendix 2 of the report. Of most relevance to schools are the savings proposals for the Families, Children & Learning Directorate which are reproduced in summary form at Appendix A of this report for information.

Service Pressure funding

3.6 Service Pressure funding is provided to support priority investment areas and protect services for vulnerable people by funding projected growth in demands and exceptional cost increases. Service pressures are a key driver of the large savings requirements on the General Fund in order to balance the budget. The allocation of Service Pressure funding in 2018/19 includes the following main pressure areas:

- £3.116m for increased children's social care placements and additional care leaver costs;

- £2.512m for Learning Disability services to support 'transitions' from children's to adults community care services and additional sleep-in costs. This is partly funded by the Adult Social Care precept;
- £3.510m for adult social care in relation to Increased costs due to Living Wage increases, increasing demand for physical, memory & cognition, and mental Health services, and other pressures including increasing costs of the Community Equipment Service. These are also partly funded by the Adult Social Care precept;
- £1.701m to accommodate the loss/reduction of other grants including Public Health grant, Education Services (transitional) Grant, New Homes Bonus, and Housing Benefit/Council Tax admin grants.

The final treatment and allocation of service pressure funding and risk provisions will be included in the budget report to the Policy, Resources & Growth Committee in February 2017 when the final overall resource position, including an update on the financial situation in the current year, is known.

- 3.7 Note, the budget proposals include the deletion of an estimated 80 to 90 full time posts in 2018/19, some of which will result in redundancy. There is also expected to be a TUPE transfer of around 120 staff in 2018/19 to a new Royal Pavilion & Museums charitable trust.

4 Timetable

- 4.1 The full set of 2018/19 draft proposals are now being consulted on widely with residents, partners, staff, unions and other stakeholders. The final budget report will be taken to Policy, Resources & Growth Committee on 8 February 2018 including feedback from consultation processes. The budget will be considered by Budget Council on 22 February 2018.

5 Implications for Schools

- 5.1 Separate reports on this agenda set out the implications of the finance settlement for the schools and other blocks.
- 5.2 It is recognised that the funding situation for schools has become considerably more challenging and many are experiencing pressures in much the same way that the council's General Fund public services are. Although there is provision for 0.5% per pupil increase within the national funding formula and there are protections for schools (minimum funding guarantee), there is a clear recognition of the pressures facing local schools including roll numbers, pressures on the high needs block, the proposed 2-year pay award for non-teaching staff, and the 2% award for teaching staff among others.
- 5.3 The General Fund budget report refers to the schools funding position and highlights to members the current situation regarding the high number of licensed deficits and falling school balances and that this may require support from General Fund reserves before the position returns to balance as required by the Scheme for Financing Schools. The budget report also includes one-off provision of £0.100m to help smooth the impact of the teaching staff pay award.
- 5.4 More generally, the Schools Finance service will continue to help and advise schools in the development of financial plans to manage their finances including those with licensed deficits. Officers will continue to keep members informed of schools' financial position through the General Fund budget report and on an ongoing basis through the

Targeted Budget Management (TBM) budget monitoring reports to Policy, Resources & Growth Committee.

Families, Children & Learning Directorate: Integrated Service & Financial Plan Proposals 2018/19 and 2019/20

Section	Service Area	Rationale for Strategy	Savings Proposals	Savings 2018-19	Savings 2019-20
				£'000	£'000
Director of Families, Children and Learning	Salary and directorate support costs for the Director and support staff	Savings of £0.100m were achieved in 2016/17 through a reduction in senior management.	Savings in 2018/19 will be a result of a reduction in administrative support (currently a vacancy)	15	
	Troubled Families	This is a largely grant funded programme The current programme is seeking to work with a total of 784 families who meet the central governments criteria for being 'troubled families'. Savings were achieved in 2017-18 therefore no further savings are proposed for 2018-19			
Director of Families, Children & Learning Total				15	-
Services for children with disabilities	Residential, respite and short breaks.	The LA will continue to meet its full statutory duty towards children with SEN and disabilities and remains committed to working with parents, young people and all in partnership. The aim is to find efficiencies while extending the access of families to short breaks and respite through effective re-organisation and a reduction in agency spend (see below). The new integrated special school hubs will offer an extended range of short breaks outside of school hours more efficiently with increased access for more families. We will also be offering through the hubs a better offer of support to help families cope at home where children have exceptionally complex needs and challenging behaviours, thus strengthening the resilience of families and reducing the need for overnight respite and children coming into care. In terms of remit for Children's Disability Service (CDS), there are close to 300 families receiving services via the social work and early help service. Around 130 families receive direct payments to enable them to purchase care packages and around 30 at any one time receive overnight respite at one of our two children's homes or through specialist foster care. We are reviewing the way short breaks and respite are delivered to offer a different model that provides a much wider offer with new more affordable short break and respite options included so that resources are distributed more equitably and preventatively, whilst ensuring the families in greatest need continue to have access to shared care arrangements as now.	Review of use of in-house provision and respite to extend the range of options for parents with more emphasis on extended day, evening and weekend activities - overnight respite would still be available for those in most need and where children require shared care. Further review of contracts with the Community and Voluntary Sector for respite and short breaks to see how they could extend their reach while making greater efficiencies. While every effort will be made to make savings through efficient re-design of services within current staffing, there may be a loss of posts for care staff. Given the difficulties in recruitment however this is likely to be achieved through redeployment of staff rather than job losses.	100	140
Services for children with disabilities	Social work		Reduction in management capacity across the Children's Disability Service and the Adults Learning Disability Service following re-structure to provide one integrated service. Bringing together adult and children's services provides an opportunity to rationalise management across both services and to streamline provision.	50	200
Services for children with disabilities	Direct payments		Direct Payments provide cost effective bespoke solutions for families needing support		
Services for children with disabilities	Family support services		Family support services provide early help and intervention that can prevent escalation of need		
Services for children with disabilities	Contracted services, adaptations, management		Considerable savings have already been made in these areas overall. We will however be seeking some further small efficiencies on contracted services which will contribute to the overall savings for short breaks and	-	-

Section	Service Area	Rationale for Strategy	Savings Proposals	Savings	Savings
				2018-19 £'000	2019-20 £'000
			respite		
Agency disability	Independent and non maintained children's homes, special schools and boarding school placements	The direction of travel in both Children' and Adults Learning Disability Services is to enable families to stay together within the City as far as possible by ensuring a comprehensive range of quality integrated services across education, health and care/ respite to meet needs locally. This in turn prevents the need for expensive independent provision at a distance from the City. The strategy also aims to empower families by a shift in provision towards Direct Payments so that they can purchase what they need in terms of support, with help and advice provided for them to do this.	The reorganisation of special school provision into new specialist hubs will offer integrated education, health, care, respite and extended day services on-site with closer working with the children's homes at Drove Road and Tudor House. This will provide a quality alternative to private and residential provision that keeps families together and reduces the cost of expensive out of City alternatives and taxi transport.	150	60
Special educational needs	Special Educational Needs	This area is subject to increasing pressures as the age range for eligible young people has extended from 2-19 to 0-25 following the 2014 Children and Families Act. No further savings proposed in 18/19.			
Inclusion Support Service	Inclusion Support Service. Including Educational Psychology Service and Child & Adolescent Mental Health Services (CAMHS)	This is a new integrated service that has been developed from what were previously separate support services for children with special educational needs, including emotional health needs. The main funding comes from the Dedicated Schools Grant. Currently only the service for children with literacy needs/ dyslexia is traded with schools but there is scope for this to be a larger element. There is a budget saving of £50K from the general fund in 2018/19 in a service with a total budget of over £3M (including DSG funding). This saving could be achieved by the loss of the equivalent of 1 teacher or 1-2 other professional specialist posts. However the potential loss of schools' 'exception funding' (currently subject to consultation with schools) and significant savings to be found in the High Needs Block of the DSG means the service will need to expand its traded element with schools from 18/19 onwards. If schools are unwilling to purchase the traded element, there is a risk to current staffing levels as yet to be determined.	The proposal is to develop a greater traded function which schools believe offers them value for money.	50	
Community Care (Adults) including: Community Support Day Care Direct Payments Home Care Shared Lives Supported Accommodation Residential Care Nursing Care	Learning Disabilities	Savings in 18/19 will be achieved through a continuation of the successful 'Move On' project. This project has been reviewing service users with a view to promoting independence as close to the City and local community as possible. The project also reviews care packages to see if they are still needed and being delivered in the best and more efficient way. In addition further efficiencies will be sought from all council run provision. We are developing a more personalised approach to our clients, including close working with housing colleagues. Additional support has been provided to carry out re-assessments of the support needs of our clients. In terms of context there are currently 833 adults with learning disabilities receiving support from the community learning disability team, ranging from direct payments through to full residential care.	Review high cost clients receiving multiple services who have not been reviewed in the previous two years. Taking a more holistic approach to the commissioning of care homes. The savings achieved from an anticipated reduction in the number of clients in higher cost provision will however be less than the additional funding made available for this budget to respond to the increased unit costs of provision. This is currently estimated to be approximately £2m and so the overall budget will increase	745	440

Section	Service Area	Rationale for Strategy	Savings Proposals	Savings 2018-19	Savings 2019-20
				£'000	£'000
Assessment & Support and Intervention Team (Adults)	Learning Disabilities Assessment Teams (including Management, Assessment and Admin)	This is the social work assessment team and is required to ensure the safety and wellbeing of adults with LD and to carry out reviews of provision in line with statutory requirements		-	-
Learning Disabilities - Community Support (Adults)	Community Support Service	This early help service works to prevent need escalating and thus avoid unnecessary costs arising		-	-
Learning Disabilities - Day Services (Adults)	Learning Disabilities Day Options	Part of the Learning Disability Strategy - includes increased Personal Budgets, and re-providing support. The direction of travel for adult social care directly provided service is to focus these on people with the most complex needs.	Continue to support people to move on to alternative day activities on an individual basis where their needs can be met in different ways.	50	50
Learning Disabilities - Residential (Adults)	In house Residential and Supported Living	High cost and most local authorities do not provide services in-house. The direction of travel for adult social care directly provided service is to focus these on people with the most complex needs.	Consideration is being given to the outsourcing of the two of the remaining supported living services during 2018. Further efficiencies will be found within the budget areas of the Residential & Supported Living Services including building maintenance. Additionally we will seek to change the registration of one of the residential services to enable the people who live there more choice and control over their lives	100	-
Learning Disabilities - Residential (Adults)	Respite Services	Part of Learning Disabilities strategy which will focus the service on complex, short term, hospital avoidance/step down cases and provide a service of last resort.	Respite services enable families to stay together and reduce the demand on care placements	-	-
Learning Disabilities - Shared Lives (Adults)	Shared Lives Service	Good value for money compared to residential care or Voluntary Sector/delivers savings to Community Care budget.	Shared lives is a cost effective high quality solution where adults with LD can live semi-independently within a family setting	-	-
Learning Disabilities - Supported Accommodation (Adults)	Registered Supported Living (8 Services)	Savings for 18/19 in this area are part of those outlined in the 'In House and Supported Living' proposals above.	Costs in these services are mainly for care packages identified to meet the needs of service users	-	-
Other	Learning Disabilities Operational Provider Management (Including Denmark Villas Management)	A significant saving has been made in this area in 17/18			-
Health & Disability Services Total				1,245	890
Schools PFI	PFI budget for 3 schools	No change proposed. Tied to long term PFI contract.	Tied to long term PFI contract		
Access to education	Access to education team including council functions and process regarding school attendance and exclusion, missing education, employment licences, EOTAS (elective home education and medical	This is also part funded by the DSG. Savings were achieved last year. Given the pressures on the team including admissions, attendance support and work to ensure that children continue to receive a full time education, there are no proposed savings here	The service is to be protected as part of a wider strategy to support the education of vulnerable pupils including the supporting of statutory functions.	-	-

Section	Service Area	Rationale for Strategy	Savings Proposals	Savings 2018-19	Savings 2019-20
				£'000	£'000
	needs).				
Standards & Achievement	Core school intervention team, commissioned school partnership advisers (this funding previously was part of the Education Services Grant - please see below). Note: Income of £76k from services to schools has been netted off within the gross budget.	This covers a range of statutory functions, although in recent years central government grant funding has reduced significantly. Brighton & Hove have a high percentage of schools judged by Ofsted to be Good and Outstanding so therefore the need for interventions has reduced.	To deliver service differently. Money has been allocated to fund a Partnership Adviser for Leadership and Governance.	13	33
Governor Support	This service provides challenge and support to governors to full fill our statutory role as a LA. It also provides a high quality traded service which has a high percentage buy back from schools. Note: Income of £100k from services to schools has been netted off within the gross budget.	This service provides challenge and support to governors to full fill our statutory role as a LA. It also provides a high quality traded service which has a high percentage buy back from schools.	Savings through efficiencies and increasing trading of the service. Much of the service is funded through a buy-back arrangement with schools.	13	
Poverty Proofing School Day		The budget is to carry out the Poverty Proofing the School Day audits for schools across the city as part of the Fairness Commission recommendation 49. It funds the licence with Children North East and the costs of the team of researchers who go into schools to carry it out and then write the reports.			
School Improvement Monitoring Grant		This new grant has been allocated to local authorities to support them to broker additional school improvement provision, and intervene. The funding is to be used to increase and enhance the direct support needed for schools causing concern such as pupil premium reviews that support Ofsted and the governments focus on narrowing the gap. This enhances current provision in LAs that has only allowed us to monitor and intervene in the most extreme circumstances. The new grant puts greater emphasis on early intervention and school support to reduce risk of failure.	This grant is short term and not permanent. We do not yet know if this funding will exist in 18/19. This is grant funding with conditions that it has to be used for statutory school improvement services.		
School Organisation, Admissions & Home to School Transport	This includes our staff and support to deliver on our statutory school organisation and admissions role and management and leadership of school meals, home to school transport and all other statutory school organisation functions. Transport between home and school for children who live	Greater efficiency to improve value for money. Underlying pressure on the home to school transport budget requires further work on independent travel, and rigorous implementation of policy. Planned work on reducing spend on supported buses is also underway. As of September 2017 there are 354 children and young people who receive direct transport support and a further 421 young people who receive bus passes. In addition this budget contributes to the wider supported bus transport subsidy	Significant savings have been achieved in previous years in transport and overall cost compares well with other Councils. A further small saving is planned for 2018-19. Although we have statutory duties in relation to home to school transport, how we provide support is not prescribed.	70	39

Section	Service Area	Rationale for Strategy	Savings Proposals	Savings 2018-19	Savings 2019-20
				£'000	£'000
	beyond the statutory walking distance. The appropriate school is the nearest maintained school to the child's home that is suitable to their age, educational needs and has a place available. Note: Income of £110k from services to schools has been netted off within the gross budget.				
Music & arts study support	Provision of music and arts opportunities				
Other Services/Management	The Virtual School.	The Virtual School is largely funded through the DSG and the pupil premium for children in care. The school supports all children who are of school age and are in the care system, including those educated outside of the LA area. The team work to ensure that any barriers to educational achievement are removed.	Large savings were taken in previous years 17/18 - this supports statutory provision to promote the education of children in care		
Other Services/Management	Branch Leadership and Management	Leadership of education and skills branch			
Other Services/Management	Redundancy & Asset management	Statutory duties of the local authority funded through the DSG.	Funded by DSG with the support of Schools Forum.		
Other Services/Management	Education and Traded services support	No further changes are proposed. This is the budget for the Assistant Director, the officer responsible for traded services (which is fully funded by the service level agreements) and administrative support			
Youth Services	The Council run Youth Participation Team deliver citywide youth participation and advocacy which supports wider engagement but also targets more vulnerable groups of young people. The Youth Grants Programme funds voluntary sector providers to run neighbourhood and equality youth services in targeted areas across the city.	Statutory duty to ensure there is a suitable offer to young people and statutory advocacy team. The services support participation and positive changes for young people either individually or as a community, targeting the highest areas of deprivation. The aim is to improve the social inclusion of young people, support young people into employment and to reduce antisocial behaviour, particularly in communities with council house tenancies. The service is also funded from the Housing Revenue Account. No savings are proposed for 2018-19 here.	Large savings were taken in previous year in 17/18.		
Early Years - Children's Centres	City-wide service co-located with health visiting which aims to improve outcomes for children under 5. Seven designated Children's Centres and delivery points across the city.	The service was reviewed in 2015/16 and funding reduced from April 2016. The Fairness Commission recommended that the Council should prioritise support for Children's Centres. Between April to June 2017 1628 children attended Children's Centres, 300 children received targeted interventions and 50 adults volunteered.	No longer funding finance post (already achieved). Reducing the number of children centre groups (group review taking place in the autumn).	60	

Section	Service Area	Rationale for Strategy	Savings Proposals	Savings 2018-19	Savings 2019-20
				£'000	£'000
Early Years Nurseries	Subsidy for the Council run nurseries (Acorn, Bright Start, Cherry Tree, Jump Start, Roundabout and Sun Valley) and Tarnerland Nursery School. The nurseries provide free childcare places for 2, 3 and 4 year olds and childcare that parents pay for.	Statutory duties to secure sufficient free early education for 4, 3 and low income 2 year olds. Statutory duty to secure sufficient childcare for working parents. The Government introduced a tax-free childcare scheme from April 2017 worth up to £2,000 per child each year, and £4,000 for disabled children and extended the entitlement to free childcare from 15 to 30 hours for 3 and 4 year olds with working parents from September 2017. Government funding for 30 hours is less than the rate that parent pay so will reduce income. 500 children attend council run nurseries.	The nurseries are under pressure from rising costs and reducing income (from the Dedicated Schools Grant) but does not receive any service pressure funding and therefore no saving is possible in 2018/19.	-	-
Early Years - Childcare	Support for nurseries, childminders, out of school childcare, childcare workforce training, and management and administration of free early years entitlement for 2/3/4 year olds	Statutory duties to secure advice and support for childcare providers and sufficient childcare provision. To encourage childcare providers to increase the number of apprentices and access apprenticeship funding for qualifications.	Reducing funding for childcare training. Running cost savings.	20	20
Early Help - Integrated Team for Families and Parenting Service	The ITF & Parenting Service work with families with children of all ages who have multiple complex needs that generally fall just below the social work threshold, including Family Coaching, specific interventions and group work programmes. The Parenting Service delivers evidence based group and 1-1 parenting interventions.	The Integrated Team for Families and Parenting Team is part of the Council's contribution to the national Troubled Families initiative which aims to deliver coordinated and tailored support to families experiencing multiple and complex problems to reduce demand pressures on costly reactive services. The service was restructured in 2017 with the number of ITF teams reduced from four to two and a reduction in the number of Family Coaches. The service is also funded from Troubled Families Budget (£530,000) with part of the funding based on Performance by Results. The Troubled Families Initiative is due to end in 2020 and funding is expected to decrease in 2019-2020.	Reduction of two Family Coach posts (already achieved as part of the restructure in spring 2017)	80	80
Skills & Employment	Skills & Employment Team. This team supports community learning, as provided by The Friends Centre which is funded via Skills Funding Agency (SFA). This team also includes: - Apprenticeship team - Youth Employability Service - Post-16 Learning & Skills	These teams provide a range of skills and employment support to both young people but also adults. The Youth Employability Service has been very successful in ensuring that the number of young people not in education, employment and training in Brighton & Hove is relatively low. This means that young people have a good start on the their employment journey. The apprenticeship team is focussed on ensuring that council services (including schools) maximise the number of apprenticeship take-ups of all ages so that the Council is able to access funds that were removed from it through the apprenticeship levy.	Efficiencies to be found across services in Employment and Skills	20	
Learning Disabilities - Employment Support (Adults)	Employment Support Services including Able & Willing The Supported Employment Team offers time-limited employment advice, coaching and support to people who have disabilities and long-term health	A non-statutory service, and there is a need to focus on supporting more people into work. This is a budget that has historically overspent and is projected to overspend this year. Work is currently taking place to reduce this overspend. This involves a merger with our print and sign service and a more commercial approach to product lines. If current work takes place it is anticipated that the historic overspend is dealt with, but no additional savings are likely	This is a budget that has historically overspent and is projected to overspend this year. Work is currently taking place to reduce this overspend. This involves a merger with our print and sign service and a more commercial approach to product lines. If current work takes place it is anticipated that the historic	-	-

Section	Service Area	Rationale for Strategy	Savings Proposals	Savings 2018-19	Savings 2019-20
				£'000	£'000
	conditions with the intention of supporting them into the workplace. Able and willing is Brighton's only Supported Business. It employs around 14 staff, of which 50%+ have some form of disability	to be achieved next year.	overspend is dealt with, but no additional savings are likely to be achieved next year.		
Print & Sign	Print & Sign Unit	This service is entirely funded by work it carries out.			
Education & Skills Total				276	172
Fostering & Adoption	Payments to in-house carers for fostered and adopted children.	Review of staffing structures and adoption support to ensure efficiencies, together with increase in number of adoption assessments creating an income stream	Maintain budget as investment in this area is better value for money than foster agency placements.		
Fostering & Adoption	Staffing teams assessing and supporting foster carers and potential adopters. Allowances paid to Adopters		Service redesign aimed at reducing any overlapping areas between Adoption and Fostering. Review of adoption services in light of proposed national changes.	220	
Social Work & Legal	Social work staffing teams.	A new model of social work practice was introduced in October 2015 to provide continuity for families and improve support for social workers. By responding in a more purposeful and relational way, the theory of change was that the number of children at risk of significant harm would reduce, resulting in a reduction in higher levels of intervention. Demand for social work services have reduced compared with October 2015. As at 02.10.17 <ul style="list-style-type: none"> • Number of open clients has reduced by 7.7% • Number of child protection plans has reduced by 7.9% • Number of children in care has reduced by 8.7% These reductions have taken place within a national context of increasing demand and Brighton & Hove remain above the national average for rates of children subject to child protection plans and children in care. Internal quality assurance activity, the 2015 Ofsted inspection and 2016 LGA Peer Review indicate that thresholds for accessing safeguarding services are appropriate. Reducing demand has enabled a reduction of social work staffing by the equivalent of 1.5 pods.	The key indicators of demand for social work services have reduced in Brighton & Hove since October 2015. The use of agency social workers has reduced from over 20% in October 2015 and to zero by October 2017. Staff turnover rates have also improved. Reducing demand on services has enabled a reduction in social work staffing in line with our stated service and budgetary proposals.	590	-
Social Work & Legal	Expenditure incurred under section 17 & 18 of the 1989 Children Act, including housing for homeless families.	This budget ensures that the Council is able to fulfil its statutory duties to support families at risk. Pressures continue to be high so no change in investment planned.	This is a budget that is under pressure in terms of demand and cost but does not receive any service pressure funding. As such no saving is possible in 2018/19		
Social Work & Legal	Legal costs relating to assessment and court fees.	No changes proposed as courts are making increasing demand on care applications	This is a budget that is under pressure in terms of demand and cost but does not receive any service pressure funding. As such no saving is possible in 2018/19		
Contact Service	Family contact for children in	The service provides co-ordinating, supporting and supervising court	Core staffing will be retained but a review of	20	130

Section	Service Area	Rationale for Strategy	Savings Proposals	Savings 2018-19	Savings 2019-20
				£'000	£'000
	Care (CiC) and children in need (CIN)	ordered parental and family contact with children in care and children in need. A thorough review has achieved initial savings via a redesign.	delivery of contact service to reduce costs of sessional workers and their transportation costs will be undertaken. Until this is completed the savings for 2019-20 have not yet been confirmed		
Care Leavers	Services for 18-24 year olds leaving care, including staying put and ex-asylum seekers.	No change in investment planned given need for continued support for young people leaving care and increase in responsibilities up to age 25.	No savings possible given need for continued support for young people leaving care and increase in responsibilities up to age 25.		
Agency Placements	Residential, fostering and secure placements for looked after children provided by external agencies	Project to increase the number of in house foster placements and reduce reliance on more expensive independent provider provision is ongoing. Provision of high quality, value for money provision through contracted services with external providers supported by the children's services framework contract arrangements and preferred provider guidelines.	Relationship based social work practice and the specialist adolescence service is contributing to diverting children from the care system, and for those already in care, a stepping down to in house and/or less expensive placements. The overall number of children in care has continued to reduce locally (in the context of a national increase) and close scrutiny of placement costs, together with an increase in in-house foster carers is contributing to a reduction in unit costs. Work streams: Increasing number of in house foster carers and those able to provide support to more complex children; Increasing and extending preferred provider options for the Local Authority in partnership across the South East; Developing specific arrangements with a provider around residential placements; Working with East Sussex and the DfE to further develop ESCC secure establishment; Developing in house capacity with regards Supported Lodgings - an area of increasing demand and unit costs.	1,777	1,414
Adolescent Service	Support and supervision to young people involved in the Criminal Justice System and preventative work for children and young people at risk of becoming involved in offending.	Redesign of services to align with the adolescent strategy.	Redesign of service provides an opportunity to review staffing resources to align to include new responsibilities for teenage pregnancy and sexual health plus annual, reductions in income from the Youth Justice Board and to continue the success of the preventative strategy in reducing demand.	40	
Family Support Services	Family group conferences and intensive intervention initiatives	No changes proposed as maintaining investment in this preventive service area is critical for effective demand management. Family Group Conferencing is used to identify alternative means to meet	No savings possible given need for effective demand management into more expensive statutory provision e.g placement in care.		

Section	Service Area	Rationale for Strategy	Savings Proposals	Savings	Savings
				2018-19 £'000	2019-20 £'000
		the needs of families who are facing difficulties and so avoid the need for a child to be brought into care.			
Specialist Assessment	Clermont Family Assessment Centre	Redesign of service provision in response to the model of practice will reduce demand for interventions and assessments from the Clermont.	These savings are achieved by a review of service provision	75	
Specialist Assessment	Therapeutic Services	This is funded externally	External funding		
Specialist Support	Living Without Violence	Review of LWV programme and associated management costs			
Children's Safeguarding & Care Total				2,722	1,544
Children's Safeguarding & Quality Assurance	Specific child protection services, the Local Safeguarding Children's Board and independent reviewing officers. Note: Income of £44k from services to schools has been netted off within the gross budget.	LSCB management and admin is a statutory multi-agency funded safeguarding function. Child protection services and independent Reviewing Officers are statutory services with high case loads and increasing demands.	Reducing and managing demand under the new practice model should enable a modest reduction of staffing resource over the medium term.	50	55
Children's Safeguarding & Quality Assurance Total				50	55
Families, Children & Learning Total				4,308	2,661

Brighton & Hove City Council**Meeting: Schools Forum****Date: 16 January 2018****Report of: Head of Health, Adults, Families, Children and Learning Finance****Subject: DSG 2018/19****Wards Affected: All****1 Purpose of the report**

- 1.1 To update the Schools Forum on the DSG, including the new Central Schools Services Block (CSSB), Growth Fund for 2018/19, High Needs Block (HNB) and Early Years Block (EYB).

2 Recommendations

- 2.1 To note the revised DSG of £174.980m for 2018/19.
- 2.2 To agree the de-delegation of the items within Exception 1 for the Primary phase of £0.889m as per paragraph 4.1, a reduction in insurance of £0.002m from the items agreed at the November 2017 schools forum.
- 2.3 To note the de-delegation of the items within Exception 1 for the Secondary phase of £0.333m as per paragraph 4.1, this has not changed from the November 2017 schools forum meeting.
- 2.4 To agree the Growth Fund of £0.428m as per paragraph 5, this now includes the proposed new form of entries at Secondary Schools from September 2018 and excludes the growth fund for the Brighton and Hove Academy.
- 2.5 To note the items within the Central Services Schools Block (CSSB) of £2.494m as per paragraph 7. This currently includes the £40k for Schools Forum support, pending the appeal to the DfE.

3 Background

- 3.1 In December 2017 the DfE published the updated information for the DSG for 2018/19.
- 3.2 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, local authorities 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 local authority.

4 Exception 1 – Where maintained schools agree that a service should be provided centrally – part of the Schools Block

4.1 For 2018/19 the draft figures per phase are shown in the table below. These were proposed at the November 2017 Forum meeting on a phase by phase basis.

Service	Primary £k	Secondary £k	Total £k
Mainstream Schools Contingency	157	143	300
Promoting Pupil Wellbeing	85	0	85
Ethnic Minority Achievement Service (EMAS)	349	0	349
Free School Meals (FSM) eligibility administration	16	9	25
Insurance	325	141	466
Staff Costs (Union Duties / Jury service / Suspension)	44	40	84
TOTAL	976	333	1,309

4.2 The Primary phase did not approve the £85k relating to Promoting Pupil Wellbeing to be held centrally and this will now be delegated to schools.

4.3 The Insurance service have recalculated the costs for 2018/19 based on new premiums payable from September 2017, and the property portfolio, meaning that there is a reduction in overall costs of £2k from £466k to £464k. This reduction falls in the primary phase.

4.4 The final figures for 2018/19 are now listed below;

Service	Primary £k	Secondary £k	Total £k
Contingency	157	143	300
Promoting Pupil Wellbeing	0	0	0
Ethnic Minority Achievement Service (EMAS)	349	0	349
Free School Meals (FSM) eligibility administration	16	9	25
Insurance	323	141	464
Staff Costs (Union Duties / Jury service / Suspension)	44	40	84
TOTAL	889	333	1,222

5 Growth Fund £0.428m – part of Schools Block

5.1 As part of the new funding arrangements, the expectation of the Government is that the vast majority of the Schools Block will be delegated to schools through the local formula. However, as in 2017/18, the LA is proposing to use the Growth Fund to recognise cases where schools are taking on additional forms of entry or extending the age range of pupils. The Schools Forum approved the central retention of the growth fund in 2017/18 (£0.425m) and the LA is seeking similar agreement for the coming financial year. In October the Forum agreed a figure of £0.175m relating to previously agreed expansions of schools in the primary phase.

5.2 The total budget provision required in the Growth Fund in 2018/19 is now estimated to be £0.428m (as detailed in appendix 1). This now includes the proposed new forms of entry at secondary schools from September 2018 to meet the basic need requirement of school places in the city. The growth fund will be ring-fenced so that it is only used for purposes of supporting growth in pupil numbers and will be for the

benefit of both maintained schools and academies. This funding will be allocated directly to the individual schools affected.

- 5.3 The earlier proposal to earmark funding through the growth fund for the new Brighton and Hove Academy has now been withdrawn, prior to a final decision by the Department for Education.

6 Central School Services Block (CSSB) – previously Exceptions 2, 3, 4, Copyright Licenses and Statutory Duties

- 6.1 For these items, the DfE will allow expenditure on these lines up to the total budgeted for in 2013/14, but no new commitments or additional expenditure will be permitted unless DfE approval is granted.

- 6.2 This block contains the items previously considered under Exception 2, Exception 3, Copyright Licenses and Statutory Duties. DfE are using a national formula to calculate the CSSB, based on 90% pupil numbers and 10% deprivation, and then increased by the Greater Labour Market (GLM) Area Cost Adjustment (ACA), which is 1.00611 for Brighton & Hove.

- 6.3 The amount of funding in Exception 3 has been protected at the historic rate of £648k. In 2018/19 we reduced the element for schools forum by £35k by delegating this to schools, thus giving £613k. The schools forum allocation of £40k is currently shown in the CSSB, pending the appeal from the LA to the DfE.

- 6.4 There has been a £3k increase in Copyright licenses, and a £5k reduction in the Statutory Duties – Statutory and regulatory duties element.

- 6.5 The table below shows a total of £2,612k after delegating to schools the £68k for support to the outcomes of Secondary Commission:

2017/18 £k	Service	2018/19 £k
1,000	Ex 2 – Equal Pay – to be delegated in 2019/20	1,000
199	Ex 2 – Combined Services – BHISS	199
33	Ex 2 – Combined Services – Legionella	33
68	Ex 2 – Combined Services – Secondary Commission	delegated
134	Ex 2 – Miscellaneous Expenditure – Broadband	134
20	Ex 2 – Miscellaneous Expenditure – Headteacher Support and Development	20
1,454	Exception 2 sub-total	1,386
321	Ex 3 – School Admissions	321
252	Ex 3 – Termination of employment costs	252
75	Ex 3 – Schools Forum – this is unchanged pending the appeal to the DfE	40
648	Exception 3 sub-total	613
140	Exception 4 – Copyright licenses as notified by DfE	143
231	Statutory Duties – Statutory and regulatory duties	209
112	Statutory Duties – Access for Education	112
149	Statutory Duties – Asset Management	149
492	Total – Statutory Duties sub-total	470
2,734	Total Central School Services Block	2,612

7. Overall DSG 2018/19

7.1 This table provides a summary of the 2018/19 DSG allocation we have been informed of and also the details how the LA is proposing to apply this between the funding blocks.

Total 2017/18		Schools Block	Central Services Schools Block	High Needs Block	Early Years Block	Total 2018/19
£k		£k	£k	£k	£k	£k
1,294	Schools Block – Exception One	1,222	0	0	0	1,222
425	Schools Block – Growth Fund	428	0	0	0	428
1,454	CSSB – Exception Two	0	1,311	69	6	1,386
648	CSSB – Exception Three	0	570	33	10	613
140	CSSB – Copyright Licenses	0	143	0	0	143
492	CSSB – Statutory Duties	0	470	0	0	470
4,453		1,650	2,494	102	16	4,262
38,731	Funding available in HNB & EYB	0	0	24,265	15,159	39,424
129,367	Post de-delegation funding to schools	131,294	0	0	0	131,294
172,551	Total Blocks (to be applied)	132,944	2,494	24,367	15,175	174,980
172,551	DfE Blocks (estimated)	132,876	2,680	24,265	15,159	174,980
	Difference	68	(186)	102	16	0
0	A. Exceptions DfE have in the CSSB rather than the HNB or EYB	0	(118)	102	16	0
0	B. Continued Support to the outcomes of Secondary Commission delegated to schools in 2018/19	68	(68)	0	0	0

The changes that have been made to the presentation of the blocks (shown above) when compared to the allocations are:

- A) Redistribution of exceptions across appropriate block
- B) Delegation of the Secondary Commission previously held in Exception 2.

7.2 The overall summary of the 2018/19 DSG including the estimated adjustment for Academy recoupment is shown in the table below:

	Schools	Central Schools	High Needs	Early Years	Total DSG
Total DSG – as above (£m)	132.944	2.494	24.367	15.175	174.980
Proposed split of 2018/19 DSG (%)	75.98	1.42	13.93	8.67	100.00
Adjustments:					
Academy Recoupment – BACA (£m)	(3.939)	0.000	0.000	0.000	(3.939)
Academy Recoupment – PACA (£m)	(2.834)	0.000	0.000	0.000	(2.834)
Academy Recoupment – City Academy Whitehawk (£m)	(1.796)	0.000	0.000	0.000	(1.796)
Free School Recoupment – Kings School (£m)	(2.507)	0.000	0.000	0.000	(2.507)
Free School Recoupment – Bilingual Free School (£m)	(1.506)	0.000	0.000	0.000	(1.506)
Total Academy Recoupment (£m)	(12.582)	0.000	0.000	0.000	(12.582)
Updated split of 2018/19 DSG – January 18 Forum (£m)	120.362	2.494	24.367	15.175	162.398
Updated split of 2018/19 DSG (%)	74.12	1.54	15.00	9.34	100.00

Academies and free schools for 2018/19 – recoupment academies are BACA, PACA, City Academy Whitehawk (CAW), Kings School & Bilingual Free School.

Agenda Item 4 Appendix 1 - New Forms of Entry 2018/19 - Proposed Use of Earmarked Growth Fund

	Approx. AWPU	Extra Pupils Sept 16	Part Year	Pupil Funding Allocation	Additional Revenue Funding	Total Revenue Funding	
a) New School Reorganisations - from September 2015							
i) Saltdean - proposed permanent expansion to 3 FE from Sept 2015 - net increase of 30 pupils from September 2015	£2,780	30	0.583	£48,653	£5,000	£53,653	to Sept 2019
ii) St Andrews - proposed permanent expansion to 3 FE from Sept 2015 - net increase of 30 pupils from September 2015	£2,780	30	0.583	£48,653	£5,000	£53,653	to Sept 2021
b) School Reorganisations - from September 2013							
iii) Aldrington - additional form of entry from September 2013	£2,780	30	0.583	£48,653	£5,000	£53,653	to Sept 2019
c) Bulge Classes - ongoing funding of 7 bulge classes					£17,500	£17,500	
Secondary Schools growing from September 2018							
Blatchington Mill - additional form of entry from September 2018	£4,185	30	0.583	£73,238	£5,000	£78,238	to Sept 2022
Patcham High - additional 10 pupils from September 2018	£4,185	10	0.583	£24,413	£2,500	£26,913	to Sept 2022
Varndean - additional form of entry from September 2018	£4,185	30	0.583	£73,238	£5,000	£78,238	to Sept 2022
Kings - additional 25 pupils from September 2018	£4,185	25	0.583	£61,032	£5,000	£66,032	to Sept 2022
		185		£377,880	£50,000	£427,880	

Capital element for furniture and equipment will be met centrally by LA and covers desks / chairs / white boards / ICT

Additional revenue funding reflects the costs for curriculum related costs - more significant where school is taking new age range for the first time

Bulge classes - Davigdor, Goldstone, Queens Park, St Andrews, Westdene, Saltdean (x2)

Brighton & Hove City Council**Meeting: Schools Forum****Date: 16 January 2018****Report of: Head of Health, Adults, Families, Children and Learning Finance****Subject: Schools Block 2018/19****Wards Affected: All****1. Purpose of the report**

- 1.1 To update and consult the Schools Forum on the arrangements for the allocation of the Schools Block, particularly with regard to the application of the formula and the submission of the 2018/19 funding proforma to DfE. This paper follows the overall 2018/19 DSG report (Schools Forum agenda item 4).
- 1.2 To note the approach to determining notional SEN funding in mainstream school budgets in 2018/19.

2 Recommendations

- 2.1 To note the changes being implemented by the Government to the operation of Schools Block of the Dedicated Schools Grant for 2018/19.
- 2.2 To note the proposed approach to the application of the formula for 2018/19. In summary, this will:
 - maintain existing unit values for formula factors (e.g. deprivation and low attainment)
 - maintain overall cash value of £100k to be allocated through the mobility factor
 - allocate any additional 'headroom' in the Schools Block (as a result of the increase in Government funding or reductions in allocations through other factors) equally to the primary & secondary age weighted pupil unit
 - determine the proportions of funding for the calculation of notional SEN funding in mainstream budgets
- 2.3 To note the final proforma (appendix 1) that the LA will submit to the Department for Education (DfE) in line with the deadline of 19 January 2018. This provides an overall summary of the local formula for mainstream schools and academies and reflects previous decisions made in consultation with the Schools Forum and Schools Block Working Group.
- 2.4 To note the exemplifications of school by school budgets (appendix 2). These allocations represent the formula budgets to be allocated to schools after the application of the minimum funding guarantee, and all exceptions are applied to the formula model. For 2018/19, the overall allocations to schools have increased by just under £2m and this is due to several factors:
 - the increase in funding applied at national level to the Schools Block of the DSG

- no longer having a requirement to 'forward fund' growing schools (all 'new' schools now have pupils in all year groups)
- a reduction in the level of funding held in exceptions
- funding for pupils in special units / facilities is now included in a school's budget share with no deduction made as in previous years (this means the sum allocated via the high needs block is reduced)

3. Background and Key Changes in 2018/19

- 3.1 The Department for Education has introduced national funding formulae for each of the schools, high needs and central school services areas in 2018/19. These formulae will be used to calculate the blocks within the Dedicated Schools Grant (DSG) that are allocated to local authorities and will sit alongside the early years national funding formula which was introduced in 2017/2018.
- 3.2 While it remains the Government's intention that a school's budget should be set on the basis of a single national formula, in 2018/2019 and 2019/20, local authorities 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 local authority. This information was published on 20 December 2017.
- 3.3 The Government has confirmed that nationally there will be an additional £1.3 billion for schools and high needs across 2018/19 and 2019/20. This will mean that, in 2018/19, all local authorities will receive some increase over the amount they planned to spend on schools and high needs through the DSG in 2017/2018. These increases are reflected in the allocations published by Government. At local level this equates to around a 1.1% increase in the Schools Block baseline in 2018/19, and a further 0.6% increase in 2019/20.
- 3.4 For 2018/19 Schools Forum has agreed that the mainstream funding formula continues to largely operate using the same approach applied in the current year. This means that the factors and unit rates of funding used in the formula will largely be unchanged and that the additional funding being applied will be allocated through basic entitlement (primary and secondary age weighted pupil units).
- 3.5 As in previous years academies and free schools are included in the DSG allocation to ensure all schools, academies and free schools are funded on the same basis using the LA's funding formula. DfE then recoup the funding attributable to academies and free schools and pay this directly to the establishments.
- 3.6 In December 2017, the LA received the final datasets to be used in the calculation of the 2018/19 budgets.
- 3.7 The looked after children factor has been removed from the local funding formula in 2018/19 to avoid double funding. DfE is increasing the pupil premium plus funding rates for 2018/19 rather than including a looked after children factor in the national funding formula. The funding previously allocated to schools through the LAC factor in the local formula in 2017/18 has been removed from the 2018/19 baseline for the purpose of the calculation of the minimum funding guarantee.

4. Observations and Considerations for 2018/19

- 4.1 It should be noted that the proportion of funding being allocated through the deprivation and low attainment factors in the formula have reduced when compared to 2017/18. This is because the 2018/19 formula datasets have shown a reduction in both the number of pupils eligible for free school meals, and the number of pupils falling into the low attainment category. Deprivation funding has reduced very slightly, from £11.39m in 2017/18 to £11.36m in 2018/19. This means that the total proportion of funding being allocated through the deprivation factor is 8.6% and still well above the 2017/18 national average of 7.7%. The total funding through the low attainment factor has also dropped, from £7.78m in 2017/18 to £7.51m in 2018/19. This equates to 5.7% of total funding being allocated through the low attainment factor, and significantly above the 2017/18 national average of 4.3%. The reduction in funding being allocated through these factors has resulted in an increased allocation through basic entitlement (age weighted pupil units).

Factor	Brighton and Hove 2017/18			Brighton and Hove 2018/19			For comparison	
	Units	Funding £m	%age of total funding	Units	Funding £m	%age of total funding	NFF % of total funding	LAs % of total funding
Deprivation	4,074	11.393	8.7%	4,064	11.359	8.6%	9.1%	7.7%
Low attainment	4,956	7.782	5.9%	4,790	7.505	5.7%	7.4%	4.3%

- 4.2 The LA has considered the implications of the relatively small reduction in allocations through deprivation and low attainment. Historically Brighton and Hove has been above average in terms of the funding allocated through these factors. The table above shows that the percentages of total funding being allocated through these factors in Brighton and Hove is between the 'all local authorities' average for 2017/18 and the national funding formula (NFF) average for 2018/19. As previously agreed at Schools Forum the LA will maintain the existing unit values for deprivation and low attainment in 2018/19 so as to minimise turbulence. However, it is anticipated that the average distribution through these factors across all local authorities will increase in 2018/19 as local funding arrangements are moved closer to the NFF levels. For 2019/20 these areas of allocation will be reviewed and consideration will be given to increasing the unit values of funding for deprivation and low attainment to move towards the NFF average. It should also be noted that the minimum funding guarantee may provide protection to schools that may lose funding as a result of reductions in the deprivation and low attainment allocations.
- 4.3 In line with previous discussions at the Schools Block Working Group and the Schools Forum the LA is continuing to operate a mobility factor in the formula. In order to ensure that this has a meaningful impact the LA will continue to allocate £100,000 through the factor in 2018/19, rather than maintain the same unit rate as was applied in 2017/18.
- 4.4 At the Schools Forum meeting in November 2017 it was agreed that the local funding formula for 2018/19 would operate with minimum overall levels of funding per pupil (before de-delegation) of £3,300 for primary schools and £4,600 for secondary schools. It was anticipated that this would be of benefit to a very small number of schools however all schools funding levels are above these thresholds without the application of this factor therefore no funding will be directly allocated via this mechanism in 2018/19.

5. Submission of Final Local Formula Proforma to DfE

- 5.1 As part of the funding regulations, the LA is required to submit the funding proforma to the DfE by 19 January 2018. This proforma provides an overall summary of the proposed local formula for mainstream schools and reflects the operational decisions made in consultation with the Schools Forum and Schools Block Working Group.
- 5.2 The application of the formula on the basis outlined in this report means that the primary / secondary funding ratio is now 1:1.31. This is a very small change from the 2017/18 ratio of 1:1.32, and moves closer to the national funding formula ratio of 1:1.29.
- 5.3 The minimum funding guarantee has been applied at -1.5% per pupil and a scaling back of 'gainers' has been applied to ensure that the overall budget settlement to schools in 2018/19 is affordable.
- 5.4 It is proposed to maintain the approach to defining notional SEN budgets for mainstream schools in 2018/19. This is determined by applying a notional SEN percentage to each of the factors within the formula (eg. 20% of deprivation funding is deemed to notionally relate to SEN). These are shown in the proforma (appendix 1). The relatively small changes in formula factors described in the earlier part of this report means that the overall notional SEN figure is comparable to 2017/18 and equates to just under 10% of the total funding allocated to schools.
- 5.5 The funding proforma includes a summary line of the additional funding from the high needs block to support schools with disproportionately high numbers of SEN pupils. For 2018/19, as part of the actions being taken to balance the high needs block, the LA is proposing to reduce this allocation from £300k to £200k. The intention is for the £200k to be targeted at schools most adversely affected by the unequal distribution of high needs pupils, particularly where this is not recognised through formula funding factors.
- 5.6 The funding proforma will be reviewed by the DfE to ensure the proposed formula is compliant with the regulations, and that it has been constructed in a reasonable way that enables schools and academies within the area to be funded equitably. School budgets will be issued once approval has been granted.
- 5.7 The pupil premium is not included in the proforma as this is separately allocated grant, and is outside of the DSG.

6. Funding Model

- 6.1 The funding model (appendix 2) provides a school-by-school breakdown of the allocations summarised in the proforma. The model seeks to set out the financial position of all schools if the funding arrangements outlined are adopted and represents the final position of schools after de-delegation for items in exception 1.

Local Authority Funding Reform Proforma - Schools Block - Agenda 5 Appendix 1

LA Name:	Brighton and Hove			
LA Number:	846			
Premises costs to exclude from allocation when calculating the minimum funding level	Mobility	Rates	PFI	Split Sites
	No	No	No	No
Primary minimum per pupil funding level	Middle school minimum per pupil funding level for secondary pupils		Secondary minimum per pupil funding level	
3300			4600	

Pupil Led Factors

1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Reception uplift	Yes	Pupil Units		34.00					
	Description	Amount per pupil		Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)	
	Primary (Years R-6)	£2,780.17		18,880.00		£52,489,587	£99,663,226	39.61%	2.50%	
	Key Stage 3 (Years 7-9)	£4,185.03		6,874.00		£28,767,882		21.71%	2.50%	
	Key Stage 4 (Years 10-11)	£4,185.03		4,398.00		£18,405,757		13.89%	2.50%	
2) Deprivation	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
	FSM	£2,642.36	£3,069.97	2,612.98	1,451.00	£11,358,958	£11,358,958	8.57%	20.00%	20.00%
	FSM6	£0.00	£0.00	4,215.53	2,892.83	£0			0.00%	0.00%
	IDACI Band F	£0.00	£0.00	1,536.69	920.88	£0			0.00%	0.00%
	IDACI Band E	£0.00	£0.00	1,187.61	666.33	£0			0.00%	0.00%
	IDACI Band D	£0.00	£0.00	1,074.93	627.66	£0			0.00%	0.00%
	IDACI Band C	£0.00	£0.00	892.85	551.48	£0			0.00%	0.00%
	IDACI Band B	£0.00	£0.00	1,766.30	1,157.71	£0			0.00%	0.00%
	IDACI Band A	£0.00	£0.00	149.72	130.14	£0			0.00%	0.00%
3) Looked After Children (LAC)	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total			Total	Proportion of total pre MFG funding (%)
	LAC X March 17	£0.00		143.49		£0	£1,487,623	0.00%	0.00%	
	4) English as an Additional Language (EAL)	EAL 3 Primary	£522.27		1,695.64			£885,582	1.05%	0.00%
EAL 3 Secondary			£1,607.51		312.31	£502,040		0.00%		0.00%
5) Mobility	Pupils starting school outside of normal entry dates	£2,815.67	£2,815.67	32.52	3.00	£100,000		0.08%	0.00%	0.00%
6) Prior attainment	Description	Weighting	Amount per pupil	Percentage of eligible pupils	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
	Low Attainment % new EFSP	36.53%	£1,832.56	13.89%	2,611.27	£4,785,311	£7,504,755	5.66%	100.00%	
	Low Attainment % old FSP 78			13.89%						
	Secondary low attainment (year 7)	58.05%	£1,247.90	21.27%	2,179.22	£2,719,444			100.00%	
	Secondary low attainment (year 8)	48.02%		19.91%						
	Secondary low attainment (years 9 to 11)			18.46%						

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)			
7) Lump Sum	£150,000.00	£150,000.00			£9,300,000	7.02%	0.00%	0.00%		
8) Sparsity factor	£0.00	£0.00			£0	0.00%	0.00%	0.00%		
9) Fringe Payments					£0	0.00%				
10) Split Sites					£378,292	0.29%	0.00%			
11) Rates					£2,559,190	1.93%	0.00%			
12) PFI funding					£230,173	0.17%	0.00%			
13) Exceptional circumstances (can only be used with prior agreement of ESFA)										
Circumstance					Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)			
Rent					£33,784	0.03%	0.00%			
Additional funding to meet minimum per pupil funding level					£0					
Total Funding for Schools Block Formula (excluding MFG Funding Total) (£)					£132,516,000	100.00%	£12,268,127			
14) Minimum Funding Guarantee					-1.50%	£404,506				
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)					Yes					
Capping Factor (%)	0.00%	Scaling Factor (%)	17.18%							
Total deduction if capping and scaling factors are applied					-£404,506					
					Total (£)	Proportion of Total funding (%)				
MFG Net Total Funding (MFG + deduction from capping and scaling)					£0	0.00%				
High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)					£0.00					
Additional funding from the high needs budget					£200,000.00					
Growth fund (if applicable)					£427,880.00					
Falling rolls fund (if applicable)					£0.00					
Total Funding For Schools Block Formula					£132,516,000					
% Distributed through Basic Entitlement					75.21%					
% Pupil Led Funding					90.57%					
Primary: Secondary Ratio					1 :	1.31				
Total funding for schools block formula contains funding from outside of the 2018-19 Schools Block allocation?					No					

Brighton & Hove City Council**Meeting: Schools Forum****Date: 16 January 2018****Report of: Head of SEN / Head of Health, Adults, Families, Children and Learning Finance****Subject: High Needs Block and Funding of Special Schools 2018/19****Wards Affected: All****1. Purpose of the report**

1.1 To update the Schools Forum on funding arrangements for the High Needs Block and the proposals for funding special schools in the 2018/19 financial year.

2. Recommendations

2.1 To note the Department for Education announcement concerning the 2018/19 funding arrangements for the High Needs Block and the Local Authority's proposals for funding special schools in Brighton & Hove.

3. Background

3.1 In 2018/19, the Dedicated Schools Grant (DSG) will be split into four notional blocks:

- Schools Block;
- Central Schools Services Block (CSSB);
- High Needs Block (HNB);
- Early Years Block (EYB);

3.2 The Department for Education has introduced national funding formulae for each of the schools, high needs and central school services areas in 2018/19. These formulae will be used to calculate the blocks within the Dedicated Schools Grant (DSG) that are allocated to local authorities and will sit alongside the early years national funding formula which was introduced in 2017/2018.

3.3 The diagram below sets out the basic operation of the DfE high needs funding formula

Basic Entitlement	+	Historic spend factor	+	Proxy Indicators			+	Funding floor factor	+	Hospital education funding	+	Import / export adjustment
				Population	Disability living allowance	KS2 low attainment						
				Children in bad health	KS4 low attainment	IDACI						
ACA weighted				ACA weighted								

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

- 3.4 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.
- 3.5 The historic spend factor is based on 50% of local authorities' existing high needs spending (2017/18 allocation). This reflects both the importance of giving local authorities stability as DfE moves towards a more formulaic method of 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 local offers, plan ahead and decide carefully where to spend more and where to spend less.
- 3.6 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 the DfE are using are considered to offer an appropriate way of matching funding to the level of need in different areas.
- 3.7 For 2018 to 2019, every local authority will receive an increase of at least 0.5% per head of 2-18 population to the amount of its 2017/18 high needs block DSG, subject to the following adjustments:
- A baseline adjustment has been made to reflect a change in the funding of special units and resourced provision in mainstream schools from April 2018, as announced in the response to the first stage of consultation on a high needs national funding formula. This funding has transferred to the Schools Block.
 - An import export adjustment of £6,000 per pupil or student in the high needs national funding formula will be made. This adjustment is to reflect any changes either in the placement by a local authority of pupils and students in schools and colleges located in other local authority areas (exports), or in the funding required by schools and colleges accepting pupils and students resident in other local authority areas (imports).
- 3.8 In December 2017, the Department for Education (DfE) announced the indicative HNB allocation for the 2018/19 financial year. This is summarised as follows:

2018/19 Actual NFF allocation excluding basic entitlement and import / export adjustments	£23.132m
Basic entitlement factor	£1.917m
Provisional 2018/19 Import/Export adjustment	(£0.186m)
Estimated deduction for direct funding of post-16 maintained places by EFA	(£0.598m)
Total Indicative 2018/19 HNB	£24.265m

- 3.9 It should be noted that the DSG block allocations issued by DfE are only notional and the LA is able to transfer funding between central blocks.
- 3.10 The Local Authority is responsible for the allocation of the HNB and the majority of funding in this block is delegated to / used to support maintained schools or paid directly to establishments for the provision of education. The LA consults with various partners but the responsibility for allocating funds to different priority areas and

accountability for the impact of the HNB spending rests with the LA. The HNB covers funding for the education provision of high needs pupils/students aged 0-25.

- 3.11 The LA is now analysing the implications for the HNB in 2018/19 and will be finalising budget commitments and allocations in this block prior to the start of the financial year. The HNB is currently facing a significant overspend in 2017/18 and it will be necessary for the LA to find savings for 2018/19. This follows the LA's decision in November not to propose a transfer of funding from the Schools Block to the HNB following consultation with schools.

4. Commissioning Process and Funding Proposals for Special Schools in 2018/19

- 4.1 As in 2017/18, all special schools will receive a base funding level of funding of £10,000 per commissioned place. In addition to this and according to national funding policy, the LA will pay a locally agreed 'top-up' to special schools if and where necessary, which will vary between provisions depending on the complexity of pupils' needs in the particular establishment. This 'top-up' will only be paid for pupils on roll and will move in real time with the pupils.
- 4.2 The LA gathers data and intelligence to support the annual commissioning process by:
- Looking at retrospective data and trends
 - Reviewing special school and provision current numbers and numbers that will leave at the end of the academic year
 - Discussion with special school head teachers
 - Estimating needs for new special placements by analysing information from:
 - i. the Presens / early years service
 - ii. secondary transfer annual review information at the end of the autumn term
 - iii. other intelligence from the casework officer team and other services
 - Reviewing the agency school pupil list to see where we have been unable to meet needs locally or to convince parents and tribunals that we could meet needs locally
- 4.3 The SEN and Disability review is ongoing but following committee approval the integrated hubs will be established from September 2018. In practice, the commissioning of places for September 2018 will continue to be set on an individual school basis as the integration of schools (through co-location etc.) will not be achieved until after this time.

5. Funding Arrangements for 2018/19

- 5.1 The provisional places the LA is proposing to commission in special schools are shown in the table below, along with the comparison to the 2017/18 financial year:

Commissioned Places	2017/18	2018/19*	Variance
Homewood College	45	45	0
Cedar Centre	67	68	+1
Downs Park (inc. West Blatchington units)	111	117	+6
Downs View	133	136	+3

Hillside	77	78	+1
Patcham House	10	0	-10
Total	443	444	+1

*please note these places are subject to final agreement

- 5.2 The LA is also engaging with mainstream schools operating special units / facilities to agree place commissioning arrangements for the 2018/19 academic year and the balance of places will be adjusted against this provision.
- 5.3 The LA held formal commissioning meetings with special schools during autumn term 2017 to agree the place number requirements for the 2018/19 academic year.
- 5.4 As outlined above, the starting point for the calculation of special school budgets in 2018/19 will be the allocation of £10,000 per commissioned place.
- 5.5 The proposed top up values to be applied in 2018/19 are as follows:

Homewood College	£11,566
Cedar Centre	£5,666
Downs Park	£5,666
Downs View	£14,306
Hillside	£13,357

This 'top-up' will only be paid for pupils on roll and will move in real time with the pupils. The proposed top-up values are unchanged from 2017/18.

- 5.6 As the integrated hubs become more established it will be necessary to review the funding mechanism applied. The LA has already engaged the services of Peter Gray, SEN consultant, and a separate paper has been circulated to special school head teachers regarding future funding options. This will be taken forward in the new financial year and it is anticipated that a re-assessment and moderation process of the needs of special school pupils will take place in autumn 2018.
- 5.7 The LA is also finalising the arrangements for commissioning outreach support and other provision from special schools and intends to consider this in conjunction with services provided through the integrated learning support services.
- 5.8 Discussions are ongoing with special school heads about the implications for individual school budgets next financial year and beyond.
- 5.9 For Alternative Provision in 2018/19, the Local Authority is proposing to commission the following places:

Pupil Referral Unit	54
The Connected Hub	34

The LA is currently engaging with secondary head teachers about future funding arrangements for this provision and the outcome of these discussions will be separately reported to Schools Forum.

Brighton & Hove City Council**Meeting:** Schools Forum**Date:** 16 January 2018**Report of:** Vicky Jenkins, Childcare Strategy Manager, Free Entitlement
Andy Moore, Principal Accountant, Health, Adults, Families, Children
and Learning Finance**Subject:** 2018/19 Early Years Block of the DSG: Funding for Early Years Free
Entitlement Places for Two, Three and Four Year Olds**Wards Affected:** All**1. Purpose of the report**

1.1 To inform and consult the Schools' Forum about funding arrangements for early years free entitlement (EYFE) places for two, three and four year olds for 2018/19. The early years funding group have been asked for comments on these proposals.

2. Recommendations

- 2.1 To note the funding allocations announced by government in December 2017 and the below average level of funding for Brighton & Hove compared with south east and national averages.
- 2.2 To agree the 2018/19 proposed provisional funding rates and distribution method outlined in this report for three and four year olds through the Early Years Single Funding Formula, noting that, based upon available data, there is no change in the formula because there have been no increase in the central government funding allocation.
- 2.3 To agree that the Early Years Block centrally retained funding falls within the 5% allowed.
- 2.4 To note the continuation of a SEN Inclusion Fund (SENIF) for three and four year olds in 2018/19 of £360,000 (no increase from 2017/18). For two year olds this is £110,550.
- 2.5 To note the continuation of the Early Years Pupil Premium (EYPP) and Disability Access Fund (DAF) for three and four year olds.
- 2.6 To note the proposal to continue to fund EYFE for two year olds at £5.20 per hour in 2018/19.

3. BackgroundDSG – Early Years Block – Free Entitlement

- 3.1 Funding for EYFE for two, three and four year olds comes from the Early Years Block of the Dedicated Schools Grant (DSG).
- 3.2 In December 2017 the government published its funding allocations for the Early Years Block for the 2018/19 financial year; for Brighton & Hove there is no increase from 2017/18.

The Early Years Block of the DSG is comprised as follows:

Funding Area	Allocation £m
Universal entitlement for 3 and 4 year olds	9.708
Extended entitlement for 3 and 4 year old children of eligible working parents	3.176
Early years entitlement for disadvantaged 2 year olds	1.906
Early years pupil premium	0.123
Supplementary funding for maintained nursery schools	0.188
Disability Access Fund (DAF)	0.058
2018/19 Provisional Early Years Block Total	15.159

Three and Four Year Old Funding

- 3.3 The government allocates all local authorities early years funding based upon a national formula. Brighton & Hove's allocation for three and four year olds at £4.45 is significantly below the published national average amount of £4.77. It is also below the south east average of £4.73 and is the lowest of any unitary authority in the region. Our understanding is that this low rate is a consequence of Brighton & Hove being grouped with East Sussex in the Area Cost Adjustment which is a significant part of the funding formula.
- 3.4 Statutory guidance states that local authorities:
- 3.4.1 Must pass through 95% of the hourly rate they receive from the government directly to providers. We achieved this in 2017/18 ahead of the 2018/19 deadline and will continue to do so in 2018/19.
- 3.4.2 Should be moving towards a universal base rate for all types of provider in their local three and four year old formula, and should do this by 2019 to 2020. We did this in 2017/18 and will continue to do so in 2018/19
- 3.4.3 Must use a deprivation supplement in their local three and four year old formula, and any other supplements used must fall within one of the allowable categories. Our deprivation supplement is 41p per hour for children living in the 20% most disadvantaged areas.
- 3.4.4 Must not channel more than 10% of their funding for three and four olds through funding supplements. Less than 5% of funding was channelled through supplements in 2017/18 and is likely to be a similar percentage in 2018/19.
- 3.4.5 Can continue to use lump sums (as well as a differential base rate) to distribute government funding, including the supplementary MNS funding for Maintained Nursery Schools to enable the protection of their 2016 to 2017 funding rates. We pay a quality lump sum of up to £3,000 and will continue to do so in 2018/19.
- 3.4.6 Must provide a SEN Inclusion Fund (SENIF) for three and four year olds. Our SENIF amounts to £360,000.
- 3.4.7 Must pass on EYPP in full to providers for eligible three and four year olds and must pass on DAF funding in full to providers for eligible three and four year olds. We will continue

to do this. The EYPP amount is 53p per hour and DAF is £615 per year. There is no increase in these amounts from 2017/18.

Two Year Old Funding

- 3.5 The rate of funding for two year olds remains at £5.20 per hour. There are no supplements for two year olds and the whole amount is passed on to providers.
- 3.6 The average hourly funding rate nationally for two year olds is £5.39 and in the south east is £5.46. Along with East Sussex we have the lowest funding rate in the south east at £5.20 per hour.
- 3.7 We have an SEN Inclusion Fund (SENIFF) of £100,550 for two year olds and will retain this for 2018/19.

4. Proposals for Funding Early Years Free Entitlement for three and four year olds

- 4.1 As there is no change in funding amounts for three and four year olds it is not proposed to change the local funding formula. The proposal for 2018/19 is therefore to continue with:
 - 4.1.1 A universal base rate of £4.00 per hour for all provider types
 - 4.1.2 A deprivation supplement of 41p per hour (based on children living in the IDACI 20% most deprived super output areas).
 - 4.1.3 A quality supplement lump sum of up to £3,000 to providers in the private, voluntary and independent sectors with a staff person leading practice who is an Early Years Teacher or Early Years Professional. The lump sum payment will be paid on a sliding scale, depending on the number of children at the setting.
 - 4.1.4 Continue to have a SENIFF amounting to £360,000.
- 4.2 In the past we have been able to forecast spend on early years free entitlement for three and four year olds based upon data from previous years. However, January 2018 will be the first time that we have carried out a census which will include three and four year old children of working parents eligible for the extended entitlement of an additional 15 hours free childcare a week. Therefore not until we have completed the January census and know the number of eligible children will we be able to finalise the figures outlined the paragraphs above.
- 4.3 In addition to the early years single funding formula the local authority is proposing to continue to apply an additional lump sum to maintained nursery schools using the supplementary funding allocated by government within the Early Years Block.
- 4.4 Our funding proposals for 2018/19 would mean that a percentage pass through to providers of in excess of 95% will be achieved.
- 4.5 Schools' forums must also be consulted on changes to local early years funding formulae, including agreeing central spend by 28 February 2018, although the final decision rests with the local authority.

5. Other Issues

- 5.1 There is a new requirement to offer providers monthly payments by September 2018. At present our payments are made six times a year, with a 75% advance payment based upon each provider's estimate of their numbers of children attending in the following term, followed by a 25% balancing payment after each termly headcount.
- 5.2 We proposed to consult providers on a move to monthly payments during the spring term 2018 with a view to implementation by September 2018, depending on the outcome of the consultation.
- 5.3 The early years funding group were sent a copy of this paper and asked for their views. Three comments were received from group members relating to the low funding rate for Brighton & Hove and the consequent threat to sustainability of early years provision in the city. There was also a comment regarding finalising the figures following the census (paragraph 4.2). There was no formal consultation with the early years sector because there is no proposed change to the local distribution formula.
- 5.4 Brighton & Hove's low funding rate has been raised by Cllr Dan Chapman with the City's three Members of Parliament.

Schools Forum – Annual Work Plan 2018-19

The Terms of Reference say that the forum will meet at least four times a year. Meetings are held at Hove Town Hall on Mondays between 4pm and 6pm

Date of Forum meeting	Likely Agenda Items
26 March 2018	<ul style="list-style-type: none"> • Update on DSG 2017-18 • Update on services to schools • Living Wage update
18 June 2018	<ul style="list-style-type: none"> • Schools & DSG outturn 2017-18 • Update the forum on DSG 2018-19 • Review of the formula funding factors/ratios in comparison to other LAs • School Budgets 2017-18 • Summary reports on SF agreed funded services/function e.g. Admissions/Contingency 2017-18/FSM administration
8 October 2018	<ul style="list-style-type: none"> • Election of Chair & Vice chair (every 2/4 years as per the Terms of Reference) • Consider proposals for DSG 2019-18 • Update on DSG 2018-19
10 December 2018	<ul style="list-style-type: none"> • Update on DSG 2018-19 • Agree proposals for DSG 2019-20 • Proposals regarding High Needs funding 2019-20 • Proposals for services to schools 2019-20 • Annual work plan 2019-20
January 2019 (Date tbc) – the meeting will need to be before the DfE deadline for the return of the proforma on 19th .	<ul style="list-style-type: none"> • Agreeing the final allocations for DSG 2019-20 • Council's budget strategy 2019-20 • Update on DSG 2018-19

To: All headteachers

Date: 12 January 2018

Our Ref: RB/aw

Phone: (01273) 290732

Email: richard.barker@brighton-hove.gov.uk

Dear Colleagues,

NJC Pay and Living Wage Announcements

At present there are discussions taking place about the pay award applicable to NJC staff from April 2018. Whilst not yet confirmed, an offer of 2% has been made for staff on scale point 20 and above, and for points 19 and below fixed increases of approximately £900 per scale point (fulltime equivalent) are proposed. A more detailed bulletin is being published by HR containing further information. There is also a proposal to introduce a revised pay spine in 2019, to deal with some of the impacts of the national living wage rising faster than NJC pay rates, and further information on this will be shared as we get this. The pay award is subject to further negotiations with Trade Unions and therefore these estimates may change depending upon whether the above is accepted or further changes to the offer take place.

The impact in Brighton and Hove of the pay award for non-teaching staff based on the current offer is estimated to be £1.1m (4.2%) over the actual cost in 2017/18 and £0.55m over what has been estimated in schools' budgets for 2018/19 financial year, with an average rise in nursery schools of £12,000, primary and special/AP schools of £18,000 and an average rise of £52,000 in secondary schools (including on-costs). However this ranges from £4,000 to £56,000, or 3.4% to 5.6% of a school's non-teaching staff costs compared to 2017/18.

Therefore the additional funding generated by the rise in per pupil funding confirmed in the implementation of the National Funding Formula is likely to be needed to fund this increase in staffing costs.

The Living Wage Foundation Living Wage rate applicable from April 2018 has also been announced. The rate has been set at £8.75 per hour. As you will be aware, the Council is a Living Wage Foundation employer and implementation of this rate rise is subject to Budget Council approval in February and we will write to you following this in the usual way. This rate rise does impact on the pay grade differentials used within the council and further work is being undertaken to consider the on-going implications of this.

Estimated pay awards for future years, for both Teaching and Non-Teaching, are assumed to be at 2%, and these implications have been included in the budget planning spreadsheets that colleagues in school finance have issued.

The Council recognises the concern headteachers and governing bodies will have about the impact of these national rate rises. Opportunities for these concerns to be discussed with Council members are being arranged.

An analysis of the likely impact on schools in 2018/19 is on-going and will be finalised with the confirmation of the Council's Dedicated Schools Grant settlement. Whereupon additional support will be offered to those schools whose financial position is most at risk.

It is clear through the range of discussions held last term with headteachers, school governors and Schools Forum that a combined approach to maximising the funding directed to the delivery of high quality education to pupils is essential. The wider context of on-going public sector austerity measures makes this challenging and requires a collective city wide approach to ensure this happens.

The Schools Forum made decisions that increased the amount of funding in the Schools Block to be distributed to schools in 2018/19.

Whilst the Council maintains its position regarding the agreement of future licensed deficits, it will continue to keep this position under review.

Should you wish to have an early discussion about the implications of these pay awards please contact Andy Moore andy.moore@brighton-hove.gov.uk in the first instance.

Yours sincerely.



Richard Barker
Head of School Organisation
Families, Children and Learning (Education and Skills)