



**Schools Forum**  
**Wednesday 16 January 2019**  
**4.00 pm – 6.00 pm**  
**Committee Room 1 Brighton Town Hall**

**AGENDA**

Chair: Peter Freeman

| Item | Time | Duration | Subject  | Lead(s)                                   |
|------|------|----------|--|---|
| 1.   | 4.00 | 5 mins   | <b>Welcome and apologies</b><br>Items for any other business to be stated  | Peter Freeman                             |
| 2.   | 4.05 | 10 mins  | <b>Minutes of last meeting (10 December 2018) and matters arising</b> (minutes attached)   | Peter Freeman                             |
| 3.   | 4.15 | 5 mins   | <b>DSG 2018/19</b>   | Andy Moore                                |
| 4.   | 4.20 | 15 mins  | <b>DSG 2019/20</b>   | Louise Hoten                              |
| 5.   | 4.35 | 15 mins  | <b>Schools Block 2019/20</b>   | Steve Williams                            |
| 6.   | 4.50 | 15 mins  | <b>High Needs Block 2019/20</b>  | Steve Williams /<br>Georgina Clarke-Green |
| 7.   | 5.05 | 15 mins  | <b>Early Years Block 2019/20</b>   | Vicky Jenkins                             |
| 8.   | 5.20 | 15 mins  | <b>General Fund Budget Report</b>  | Dave Kuenssberg                           |
| 9.   | 5.35 | 5 mins   | <b>AOB</b>   | Peter Freeman                             |
|      |      |          | <b>Next Meeting: Monday 18 March 2019</b><br><br><b>4.00 – 6.00 pm , Committee Rooms 2 &amp; 3,</b><br><b>Brighton Town Hall</b> |   |



**Brighton & Hove Schools' Forum**  
**Notes of the meeting held on Monday 10 December 2018**  
**G90, Hove Town Hall**

**Present:**

School Members

Peter Freeman (PF) (Chair) Governor, Coombe Rd Primary School

Early Years and Primary Schools

Damien Jordan (DJ) Headteacher, Fairlight Primary School

Oli Sharpe (OS) Parent Rep, Middle Street Primary

Chris Taylor (CT) Headteacher, Patcham Infant School

Secondary Schools

Ashley Harrold (AH) (Vice Chair) Headteacher, Blatchington Mill School

James Kilmartin (JK) Headteacher, Cardinal Newman Catholic School

Special Schools

Rachel Burstow (RBU) Executive Headteacher, Hill Park School

Academies

Mark Poston (MP) Principal, PACA (representing Aldridge Education)

Non-School Members

Roopal Patel (RP) PVI Early Years Representative

Paul Shellard (PS) Teacher Unions Representative

Mandy Watson (MW) Chichester Anglican Diocese

Sarah Clayton (SC) Headteacher, St Mary's Catholic Primary, Representative of the Roman Catholic Diocese

Local Authority

Jo Lyons (JL) Assistant Director, Education & Skills

Georgina Clarke Green (GC) 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

Observers

Sarah Booker-Lewis (SBW) Local democracy reporter

**Apologies:**

Louise Cook (LC)

Headteacher, Year 11 Connected Hub, PRU

Stephen Berry (SB)

Governor, Patcham High School

Julie Champion (JC)

Governor Representative, Special Schools

Viv Warren (VW)

Early Years Representative

Julie Plumstead (JP)

Headteacher, Turnerland Nursery School

| No.       | Item  | Action |
|-----------|---|--------|
| <b>1.</b> | <b>Welcome and apologies.</b>   |        |
| 1.1       | PF welcomed the group and noted the apologies.  |        |
| <b>2.</b> | <b>Minutes of last meetings (18 June 2018) and matters arising</b>  |        |
| 2.1       | The accuracy of the October minutes was agreed.   |        |
|           | Issues arising:   |        |
| 2.2       | 2.3: Work plan – RB circulated with the papers for this meeting.  |        |
| 2.3       | 5.7: The LA agreed to take into account the Forum’s previously expressed views when the charge for Academy conversion is set by the LA. It was also agreed that a full explanation would be given to any school concerned upon levying of the charge.   |        |
| 2.4       | RB confirmed there was still some work to be undertaken regarding the potential costs for conversion associated with Voluntary Aided schools and those within the PFI framework; upon resolution of these matters schools will be informed of the determined charge.  |        |
| <b>3.</b> | <b>Minutes of the last SBWG meetings (24 Sep 2018 and 26 November)</b>  |        |
| 3.1       | AH had no additional updates to the circulated minutes as the substantial items covered related to the funding formula discussion.  |        |
| <b>4.</b> | <b>School Budget Position</b>   |        |
| 4.1       | RB introduced the item and gave an update on the current school budget situation and forecast based on information held by the Local Authority - which excluded details of academies. The overall budget position was more positive than forecasts at the start of the year indicated. However pressures remain in the forecasts for 2019-20.   |        |
| 4.2       | It was noted that 3.1 in the paper circulated should read 2018-19 not 2017-18.  |        |
| 4.3       | MP asked for an explanation for the worsening position of special school budgets. It was suggested that the budget lines for the special schools and PRUs were considered together because of the changes being implemented in the central (SEMH) hub and the figures took account the closing of 2 special schools as part of the wider re-organisation. Work was on-going with the governing bodies to reduce the deficits and GC offered to bring an update to a future meeting. |        |
| 4.4       | The impact of pupil numbers on school budgets was discussed in detail and the Forum were informed that the LA’s forecasts of pupil numbers have recently been adjusted downwards in light of changes in GP registration data.   |        |
| 4.5       | DJ reiterated a request to ensure elected representatives were kept informed about these factors when considering their approach to the provision of education in the city.   |        |

|           |   |              |
|-----------|---|--------------|
| 4.6       | RP noted that at her setting they have seen a drop in numbers of children in the last few years, although this may not be a truly representative example for the city. Clarification was also provided in relation to the Council's proposal to reduce the PAN at Westdene Primary School from September 2020 rather than a year earlier.   |              |
| 4.7       | PF reminded the Forum that the Chief Finance Officer David Kuenssberg (DK) is likely to attend the next meeting and it would be good an opportunity to ask about how the council will support schools. He noted discussion at the previous meeting regarding the possibility of a future levy on schools following withdrawal by DfE of the Education Services Grant and that schools are positively contributing to the council's overall balance. |              |
| 4.8       | The Forum noted the improving overall position of school budgets in 2018/19 and agreed to support a letter being sent to schools..  |              |
| <b>5.</b> | <b>Schools Block Funding Formula 2019/20</b>  |              |
| 5.1       | SW reported the outcome of the consultation on the funding formula for 2019/20 and summarised the report. He reminded members that the LA's overall approach is to move towards the factors and values of the National Funding Formula but to approach this more gradually in regards to the deprivation factor. The proposed formula had been supported at the SBWG on 26 November.  |              |
| 5.2       | MP confirmed that the academy sector supports the approach being put forward by the Council.  |              |
| 5.3       | The Forum noted the LA's proposed approach to the application of the formula in 2019/20 as set out in the paper, and the proposed timetable leading to the notification of mainstream school budgets.   |              |
| <b>6</b>  | <b>Services to Schools 2019/20</b>  |              |
| 6.1       | RB presented the report and apologised that at this time there was not a complete picture. In summarising the potential changes in charges RB provided some examples as to what that would mean for the charges to different phases of schools. There were some specific questions about services and charges that were answered or agreed to be followed up outside of the meeting.  |              |
| <b>7.</b> | <b>DfE operational and good practice guide updates</b>  |              |
| 7.1       | A general discussion took place regarding the current operation of the Forum and the areas covered by the self-assessment audit.  |              |
| 7.2       | Members were asked to complete the audit and return it to the Clerk.  | <b>All</b>   |
| 7.3       | A discussion about induction identified a need to review the materials available in an induction pack and the support provided to new members.  | <b>RB/PF</b> |
| 7.4       | The available induction information will be reviewed for its usefulness and how up to date it is.   |              |

|  |  |  |
|--|--|--|
| 8  | AOB  |  |
| 8.1  | The Forum was made aware of the recent correspondence to schools regarding the determination of NJC pay scales.  |  |
| 8.2  | The Forum was made aware of the anticipated rise in Teacher Pensions' employer contributions which will rise from 16% to 23% in September 2019 and briefly considered the impact of this on budget planning. It is known that in 2019-20 schools will receive a grant in recognition of this increase but the basis for distributing the grant has not yet been announced. Budget planning tools will be updated as soon as more information is known. |  |
| 8.3  | AM informed the Forum that at this time, no additional information on the one-off capital allocation announced in the recent budget has been received.   |  |
| 8.4  | The Forum were asked to note that the next meeting will be on a Wednesday and will be held in Brighton Town Hall.  |  |
| <p><b>Next Meeting: Wednesday 16 January, 4 – 6pm (Committee Room 1, Brighton Town Hall) room available from 3:30 for pre meet</b></p> <p><b>Future dates 2019. All meetings start at 4pm:</b></p> <p>18 March, Committee Rooms 2 and 3, Brighton Town Hall (please note the venue is BTH)</p> <p>24 June, (G91 Hove Town Hall)</p> <p>7 October, (G91 Hove Town Hall)</p> <p>9 December, (G91 Hove Town Hall)</p> |  |  |



**Schools Forum**  
**Wednesday 16 January 2019**  
**4.00 pm – 6.00 pm**  
**Committee Room 1 Brighton Town Hall**

**DRAFT MINUTES**

**Present:**

School Members

Peter Freeman (PF) (Chair) Governor, Coombe Rd Primary School

Early Years and Primary Schools

Damien Jordan (DJ) Headteacher, Fairlight Primary School  
Oli Sharpe (OS) Parent Rep, Middle Street Primary  
Chris Taylor (CT) Headteacher, Patcham Infant School  
Julie Plumstead (JP) Headteacher, Tarnerland Nursery School

Special Schools

Julie Champion (JC) Governor Rep, Special Schools

Secondary Schools

James Kilmartin (JK) Headteacher, Cardinal Newman Catholic School  
William Deighan (WD) Headteacher, Varndean School (on behalf of AH as Vice Chair)

Non-School Members

Roopal Patel (RP) PVI Early Years Representative  
Paul Shellard (PS) Teacher Unions Representative  
Mandy Watson (MW) Chichester Anglican Diocese  
Sarah Clayton (SC) Headteacher, St Mary's Catholic Primary, Representative of the Roman Catholic Diocese

Local Authority

Jo Lyons (JL) Assistant Director, Education & Skills  
Carolyn Bristow (CB) Head of SEN Statutory Services (On behalf of GC)  
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  
David Kuenssberg (DK) Executive Director Finance & Resources  
Vicky Jenkins (VJ) Childcare Strategy Manager - Free Entitlement  
Chris Lambert (CL) Clerk to Forum

**Apologies:**

|                            |  |
|----------------------------|--|
| Ashley Harrold (AH)        | (Vice Chair) Headteacher, Blatchington Mill School |
| Stephen Berry (SB)         | Governor, Patcham High School                      |
| Georgina Clarke Green (GC) | Assistant Director, Health SEN & Disabilities      |
| Rachel Burstow (RBu)       | Executive Headteacher, Hill Park School            |
| Bob Speight (BS)           | Principal, BACA                                    |
| Emma Lake (EL)             | Executive Headteacher, Hangleton Primary           |
| Viv Warren (VW)            | Early Years Representative                         |

| No.       | Item   | Action |
|-----------|--|--------|
| <b>1.</b> | <b>Welcome and apologies.</b>  |        |
| 1.1       | PF welcomed the group and noted the apologies.   |        |
| 1.2       | Welcome back to Julie Champion, Special Schools Governor representative, and welcome to DK for the council finance update.   |        |
| 1.3       | DJ asked about recouping money from miscalculations for service charges. This is to be discussed as an AOB.  |        |
| <b>2.</b> | <b>General Fund Budget Report</b>  |        |
| 2.1       | DK introduced the report and highlighted that this was the final year of the council's 4 year budget plan. DK elaborated on the financial challenges and pressures faced by the council, especially those relating to increased demand for social care services and a reduction in funding from central government. The aim is to have a new 4 year plan set with the new administration's priorities. |        |
| 2.2       | There was discussion of the points raised, including a wish for more recognition of the impact on other services when cuts occur elsewhere. Also, the need to develop more cross-directorate thinking about how budgets are prioritised, for example early intervention services.  |        |
| 2.3       | A specific question was asked about the Area Cost Adjustment and the impact of Brighton & Hove being placed with East Sussex. DK assured the group that political lobbying has taken place.  |        |
| <b>3.</b> | <b>Minutes of last meeting (10 December 2018) and matters arising</b>  |        |
| 3.1       | The minutes from the last meeting were agreed for accuracy.  |        |
| 3.2       | Action 7.2 – PF reminded members to look at the self-assessment audit and send any comments to the Clerk.  |        |
| 3.3       | It was noted that the induction pack for new members is still to be progressed.  | RB     |
| 3.4       | Employers' contributions to teachers' pensions. AM confirmed that advice was circulated to schools the day before. There is a current DfE consultation with a proposal to fund the extra costs in year 1.  | RB     |

|           |  |  |
|-----------|--|--|
| <b>4.</b> | <b>DSG 2018/19 (4:15)</b>  |  |
| 4.1       | AM provided an update and confirmed that additional funding has been put into the HNB by the DfE and this has resulted in an additional £540k of funding to Brighton & Hove.   |  |
| <b>5.</b> | <b>DSG 2019/20 (4:20)</b>  |  |
| 5.1       | LH provided a further update to the plans for the DSG subsequent to the October meeting.   |  |
| 5.2       | Insurance costs have reduced by £40k in primary and increased by £28k for secondary.   |  |
| 5.3       | The growth fund has been adjusted from £510k to £494k.   |  |
| 5.4       | The changes were agreed with no additional questions asked.  |  |
| 5.5       | PF noted that the central services block had been agreed previously and there had been no change to this amount in the paper.  |  |
| <b>6</b>  | <b>Schools Block 2019/20</b>   |  |
| 6.1       | SW summarised the paper and highlighted that there has been an increase in Schools Block DSG funding. The paper reiterated the reduction in the lump sum from £150k to £130k per school.   |  |
| 6.2       | SW confirmed that no schools have required a top-up to meet the minimum per pupil funding requirements.  |  |
| 6.3       | The funding ratio between primary and secondary schools has changed slightly to 1:1.30.  |  |
| 6.4       | SW requested that the appendices remain confidential until school budgets have been issued.  |  |
| <b>7.</b> | <b>High Needs Block (HNB) 2019/20</b>  |  |
| 7.1       | CB introduced the paper and summarised its contents. There was discussion about the impact in the city of the levels of children with EHCPs and the availability of commissioned places in the city.   |  |
| 7.2       | JL explained that data on pupil numbers were regularly shared and the forthcoming School & College Leaders business meeting had a focus on SEND. CB explained that work is underway to improve the forecasting of future need to help plan ahead better. |  |
| 7.3       | PF highlighted that the Forum did not have regular attendance from a Post-16 representative. He asked that the council continue to encourage the attendance of a representative.   |  |
| 7.4       | The disparity in top-up funding was highlighted at a time when the vision for all hubs to be equal was nearing completion. CB explained that at this time Downs  |  |

|  |   |           |
|--|---|-----------|
| 7.5  | View is considered a more complicated multi-site establishment but there are plans to review funding from 2021/22.<br><br>PF requested a brief report outlining the pressures on post-16 (high needs) increase in demand and cost over the last few years.  | <b>CB</b> |
| <b>8</b>   | <b>Early Years Block 2019/20</b>  |           |
| 8.1  | VJ introduced this item and explained that there had been no change from last year and with the level of funding remaining the same, so the formula is unchanged.   |           |
| 8.2  | The issue of the Area Cost Adjustment was raised again and the Forum formally recorded its disquiet with the situation and the intransigent approach of central government.   |           |
| 8.3  | The Forum agreed to consider raising their disappointment with the new council administration when they are elected and appointed.  |           |
| 8.4  | The Forum agreed the 2019/20 proposed provisional funding rates and distribution method 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 has been no increase in the government funding allocation.   |           |
| 8.5  | The Forum also agreed that the Early Years Block centrally retained funding falls within the 5% allowed and noted the other points raised in section 2 of the Council paper.  |           |
| <b>9.</b>  | <b>Any Other Business</b>   |           |
| 9.1  | DJ asked a specific question on the council's position in relation to a miscalculation of charges associated with the energy and water service because some schools are being asked for additional payments.  |           |
| 9.2  | RB confirmed that the service level agreement is silent on the matter of financial adjustments due to human error. This had been discussed with the service and the Council are currently exploring options to address the issue. The lack of wording in the SLAs relating to this issue presents a difficulty and this will be rectified for arrangements in place for the financial year 2020/21. |           |
| 9.3  | Whilst the council was not aware of a precedent set previously, PF recalled a previous miscalculation dispute at Stanford Junior. The end result was that additional payment was written off by the supplier due to uncertainty over the correct amount.  |           |
| <p><b>Next Meeting: Monday 24 June, 4 – 6pm, room G91 Hove Town Hall. Room available from 3:30 for pre meet</b></p> <p><b>Future dates 2019. All meetings start at 4pm:</b></p> <p>7 October, (G91 Hove Town Hall)</p> <p>9 December, (G91 Hove Town Hall)</p> |   |           |

## Brighton &amp; Hove City Council

Meeting: Schools Forum

Date: 10 January 2019

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 for 2018/19.

**2 Recommendations**

2.1 To note the updated DSG for 2018/19 of £175.493m (before Academy recoupment of £12.587m), which has increased by £0.540m from the previously notified £174.953m. This relates to an increase in the High Needs Block (HNB) of £0.540m.

**3 Overall DSG 2018/19**

3.1 This table provides a summary of the 2018/19 DSG allocation as announced by DfE in December 2018.

3.2 On 17 December 2018 the DfE announced additional revenue funding allocations for high needs for 2018/19 and 2019/20. For Brighton and Hove, this announcement equates to an additional £0.540m in each financial year and is included in the table below. The additional allocation is recognition of the increasing costs of supporting children and young people with SEN and will help the LA manage pressures in this area, particularly in view of no transfer of funds having been made from the Schools Block.

|   | Schools Block  | Central Services Schools Block | High Needs Block | Early Years Block | Total 2018/19  |
|---|----------------|--------------------------------|------------------|-------------------|----------------|
|   | £k             | £k                             | £k               | £k                | £k             |
| Schools Block – Exception One                                 | 1,222          | 0                              | 0                | 0                 | 1,222          |
| Schools Block – Growth Fund                                   | 428            | 0                              | 0                | 0                 | 428            |
| CSSB – Exception Two  | 0              | 1,311                          | 69               | 6                 | 1,386          |
| CSSB – Exception Three  | 0              | 570                            | 33               | 10                | 613            |
| CSSB – Copyright Licenses                                     | 0              | 143                            | 0                | 0                 | 143            |
| CSSB – Statutory Duties                                       | 0              | 470                            | 0                | 0                 | 470            |
|   | <b>1,650</b>   | <b>2,494</b>                   | <b>102</b>       | <b>16</b>         | <b>4,262</b>   |
| Funding available in HNB & EYB                                | 0              | 0                              | 24,688           | 15,249            | 39,937         |
| Post de-delegation funding to schools                         | 131,294        | 0                              | 0                | 0                 | 131,294        |
| <b>Total Blocks (to be applied)</b>                           | <b>132,944</b> | <b>2,494</b>                   | <b>24,790</b>    | <b>15,265</b>     | <b>175,493</b> |
| <b>DfE Blocks (estimated)</b>                                 | <b>132,876</b> | <b>2,680</b>                   | <b>24,688</b>    | <b>15,249</b>     | <b>175,493</b> |
| Difference  | 68             | (186)                          | 102              | 16                | 0              |
| A. Exceptions DfE have in the CSSB rather than the HNB or EYB | 0              | (118)                          | 102              | 16                | 0              |
| B. Secondary Schools support commission                       | 68             | (68)                           | 0                | 0                 | 0              |

3.3 The overall summary of the 2018/19 DSG including the adjustments for Academy recoupment is shown in the table below:

|   | <b>Schools</b>  | <b>Central Services Schools</b> | <b>High Needs</b> | <b>Early Years</b> | <b>Total DSG</b> |
|---|-----------------|---------------------------------|-------------------|--------------------|------------------|
| <b>Total DSG – as above</b>                                 | <b>132.944</b>  | <b>2.494</b>                    | <b>24.790</b>     | <b>15.265</b>      | <b>175.493</b>   |
| <b>Initial split of 2018/19 DSG (%)</b>                     | <b>75.75</b>    | <b>1.42</b>                     | <b>14.13</b>      | <b>8.70</b>        | <b>100.00</b>    |
| 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)                  | (2.510)         | 0.000                           | 0.000             | 0.000              | (2.510)          |
| Free School Recoupment – Bilingual Free School (£m)         | (1.508)         | 0.000                           | 0.000             | 0.000              | (1.508)          |
| <b>Total Academy Recoupment</b>                             | <b>(12.587)</b> | <b>0.000</b>                    | <b>0.000</b>      | <b>0.000</b>       | <b>(12.587)</b>  |
|   |                 |                                 |                   |                    |                  |
| <b>Updated split of 2018/19 DSG – October 18 Forum (£m)</b> | <b>120.357</b>  | <b>2.494</b>                    | <b>24.790</b>     | <b>15.265</b>      | <b>162.906</b>   |
| <b>Updated split of 2018/19 DSG (%)</b>                     | <b>73.88</b>    | <b>1.53</b>                     | <b>15.22</b>      | <b>9.37</b>        | <b>100.00</b>    |

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

**Brighton & Hove City Council****Meeting: Schools Forum****Date: 16 January 2019****Report of: Head of Health, Adults, Families, Children and Learning Finance****Subject: DSG 2019/20****Wards Affected: All****1 Purpose of the report**

- 1.1 To update the Schools Forum on the DSG for 2019/20, including the Central Schools Services Block (CSSB), Growth Fund, High Needs Block (HNB) and Early Years Block (EYB).

**2 Recommendations**

- 2.1 To note the updated DSG of £177.356m for 2019/20.
- 2.2 To agree the de-delegation of insurance within Exception 1 for the Primary phase of £0.283m as per paragraph 4.3, a reduction of £0.040m from the item agreed at the October 2018 Schools Forum.
- 2.3 To agree the de-delegation of insurance within Exception 1 for the Secondary phase of £0.169m as per paragraph 4.3, an increase of £0.028m from the item agreed at the October 2018 Schools Forum.
- 2.4 To agree the Growth Fund of £0.494m as per paragraph 5, from September 2019.
- 2.5 To note the items within the Central Services Schools Block (CSSB) of £1.294m as per paragraph 6.

**3 Background**

- 3.1 In December 2018 the DfE published the updated information for the DSG for 2019/20.
- 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 2019/20 and 2020/21, local authorities will continue to determine final funding allocations for schools through a local formula. In 2019/20 and 2020/21, 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 The original 2019/20 figures per phase are shown in the table below. These were agreed at the October 2018 Forum meeting on a phase by phase basis.

| Service  | Primary<br>£k | Secondary<br>£k | Total<br>£k  |
|--|---------------|-----------------|--------------|
| Mainstream Schools Contingency                         | 157           | 143             | 300          |
| 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           |
| <b>TOTAL</b>   | <b>889</b>    | <b>333</b>      | <b>1,222</b> |

4.2 The Insurance service have recalculated the costs for 2019/20 based on new premiums payable from September 2018, and the property portfolio, meaning that there is a reduction in overall costs of £12k from £464k to £452k. This is made of of a reduction in the primary phase of £40k and an increase in the secondary phase of £28k.

4.3 The final figures for 2019/20 are shown below;

| Service  | Primary<br>£k | Secondary<br>£k | Total<br>£k  |
|--|---------------|-----------------|--------------|
| Mainstream Schools Contingency                         | 157           | 143             | 300          |
| Ethnic Minority Achievement Service (EMAS)             | 349           | 0               | 349          |
| Free School Meals (FSM) eligibility administration     | 16            | 9               | 25           |
| Insurance  | 283           | 169             | 452          |
| Staff Costs (Union Duties / Jury service / Suspension) | 44            | 40              | 84           |
| <b>TOTAL</b>   | <b>849</b>    | <b>361</b>      | <b>1,210</b> |

#### 5 Growth Fund £0.494m – 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 2018/19, 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 2018/19 (£0.428m) and the LA is seeking similar agreement for the coming financial year.

5.2 The total budget provision required in the Growth Fund in 2019/20 is now estimated to be £0.494m (as detailed in appendix 1). This now includes the proposed new forms of entry at secondary schools from September 2019 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.

## 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 There has been a £5k increase in Copyright licenses, since the October 2018 report.

6.4 The table below shows a total of £1,294k after delegation to schools:

| <b>Total<br/>2018/19<br/>£k</b> | <b>Service</b>  | <b>Central<br/>Services<br/>Schools<br/>Block £k</b> | <b>High<br/>Needs<br/>Block<br/>£k</b> | <b>Early<br/>Years<br/>Block<br/>£k</b> | <b>Total<br/>2019/20<br/>£k</b> |
|---------------------------------|---|--|--|---|---------------------------------|
| 1,000                           | Ex 2 – Equal Pay – to be delegated in 2019/20                             | 0  | 0                                      | 0                                       | delegated                       |
| 199                             | Ex 2 – Combined Services – BHISS – to be delegated in 2019/20             | 0  | 0                                      | 0                                       | delegated                       |
| 33                              | Ex 2 – Combined Services – Legionella                                     | 26   | 6                                      | 1                                       | 33                              |
| 134                             | Ex 2 – Miscellaneous Expenditure – Broadband – to be delegated in 2019/20 | 0  | 0                                      | 0                                       | delegated                       |
| 20                              | Ex 2 – Miscellaneous Expenditure – Headteacher Support and Development    | 17   | 2                                      | 1                                       | 20                              |
| 321                             | Ex 3 – School Admissions  | 315  | 5                                      | 1                                       | 321                             |
| 252                             | Ex 3 – Termination of employment costs                                    | 223  | 22                                     | 7                                       | 252                             |
| 40                              | Ex 3 – Schools Forum  | 32   | 6                                      | 2                                       | 40                              |
| 143                             | Exception 4 – Copyright licenses as notified by DfE                       | 148  | 0                                      | 0                                       | 148                             |
| 209                             | Other Duties – Statutory and regulatory duties                            | 219  | 0                                      | 0                                       | 219                             |
| 112                             | Other Duties – Access for Education                                       | 112  | 0                                      | 0                                       | 112                             |
| 149                             | Other Duties – Asset Management   | 149  | 0                                      | 0                                       | 149                             |
|                                 |   |  |  |   |                                 |
| <b>2,680</b>                    | <b>Total Central School Services Block</b>                                | <b>1,241</b>   | <b>41</b>                              | <b>12</b>                               | <b>1,294</b>                    |

## 7. Overall DSG 2019/20

7.1 This table provides a summary of the 2019/20 DSG allocation we have been informed of and also the details how the LA is proposing to apply this between the funding blocks.

| <b>Total<br/>2018/19</b> |   | <b>Schools<br/>Block</b> | <b>Central<br/>Services<br/>Schools<br/>Block</b> | <b>High<br/>Needs<br/>Block</b> | <b>Early<br/>Years<br/>Block</b> | <b>Total<br/>2018/19</b> |
|--------------------------|---|--------------------------|---|---------------------------------|----------------------------------|--------------------------|
| <b>£k</b>                |   | <b>£k</b>                | <b>£k</b>   | <b>£k</b>                       | <b>£k</b>                        | <b>£k</b>                |
| 1,222                    | Schools Block – Exception One   | 1,210                    | 0   | 0                               | 0                                | 1,210                    |
| 428                      | Schools Block – Growth Fund   | 494                      | 0   | 0                               | 0                                | 494                      |
| 2,612                    | Central Services Schools Block  | 0                        | 1,241   | 41                              | 12                               | 1,294                    |
| <b>4,262</b>             |   | <b>1,704</b>             | <b>1,241</b>                                      | <b>41</b>                       | <b>12</b>                        | <b>2,998</b>             |
| 39,424                   | Funding available in HNB & EYB  | 0                        | 0   | 25,309                          | 15,258                           | 40,567                   |
| 131,294                  | Post de-delegation funding to schools                                   | 133,791                  | 0   | 0                               | 0                                | 133,791                  |
| <b>174,980</b>           | <b>Total Blocks (to be applied)</b>                                     | <b>135,495</b>           | <b>1,241</b>                                      | <b>25,350</b>                   | <b>15,270</b>                    | <b>177,356</b>           |
| <b>174,980</b>           | <b>DfE Blocks (estimated)</b>   | <b>134,211</b>           | <b>2,627</b>                                      | <b>25,260</b>                   | <b>15,258</b>                    | <b>177,356</b>           |
| 0                        | Difference  | 1,284                    | (1,386)   | 90                              | 12                               | 0                        |
| 0                        | A. Exceptions DfE have in the CSSB rather than the HNB or EYB           | 0                        | (53)  | 41                              | 12                               | 0                        |
| 0                        | B. Delegation of Equal Pay £1.000m, BHISS £0.199m and Broadband £0.134m | 1,284                    | (1,333)   | 49                              | 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 Equal Pay, BHISS and Broadband funding.

7.2 The overall summary of the 2019/20 DSG including the estimated adjustment for Academy recoupment is shown in the table below:

| 2018/19         |   | Schools         | Central Schools | High Needs    | Early Years   | Total DSG       |
|-----------------|---|-----------------|-----------------|---------------|---------------|-----------------|
| <b>174.980</b>  | <b>Total DSG – as above (£m)</b>                            | <b>135.495</b>  | <b>1.241</b>    | <b>25.350</b> | <b>15.270</b> | <b>177.356</b>  |
| <b>100.00</b>   | <b>Proposed split of 2019/20 DSG (%)</b>                    | <b>76.40</b>    | <b>0.70</b>     | <b>14.29</b>  | <b>8.61</b>   | <b>100.00</b>   |
|                 | Adjustments:  |                 |                 |               |               |                 |
| (3.939)         | Academy Recoupment – BACA (£m)                              | (3.990)         | 0.000           | 0.000         | 0.000         | (3.990)         |
| (2.834)         | Academy Recoupment – PACA (£m)                              | (3.537)         | 0.000           | 0.000         | 0.000         | (3.537)         |
| (1.796)         | Academy Recoupment – City Academy Whitehawk (£m)            | (1.826)         | 0.000           | 0.000         | 0.000         | (1.826)         |
| (2.511)         | Free School Recoupment – Kings School (£m)                  | (2.663)         | 0.000           | 0.000         | 0.000         | (2.663)         |
| (1.508)         | Free School Recoupment – Bilingual Free School (£m)         | (1.732)         | 0.000           | 0.000         | 0.000         | (1.732)         |
| <b>(12.588)</b> | <b>Total Academy Recoupment (£m)</b>                        | <b>(13.748)</b> | <b>0.000</b>    | <b>0.000</b>  | <b>0.000</b>  | <b>(13.748)</b> |
|                 |   |                 |                 |               |               |                 |
| <b>162.392</b>  | <b>Updated split of 2019/20 DSG – January 19 Forum (£m)</b> | <b>121.747</b>  | <b>1.241</b>    | <b>25.350</b> | <b>15.270</b> | <b>163.608</b>  |
| <b>100.00</b>   | <b>Updated split of 2019/20 DSG (%)</b>                     | <b>74.41</b>    | <b>0.76</b>     | <b>15.50</b>  | <b>9.33</b>   | <b>100.00</b>   |

Academies and free schools for 2019/20 – recoupment academies are BACA, PACA, City Academy Whitehawk, Kings School & Bilingual Free School.

**Appendix 1 - New Forms of Entry 2019/20 - Proposed Use of Earmarked Growth Fund**

|   | Approx. AWPU | Extra Pupils Sept 18 | Part Year | Pupil Funding Allocation | Additional Revenue Funding | Total Revenue Funding |                                 |
|---|--------------|----------------------|-----------|--------------------------|----------------------------|-----------------------|---------------------------------|
| <b>a) New School Reorganisations - from September 2015</b>  |              |                      |           |                          |                            |                       |                                 |
| i) Saltdean - proposed permanent expansion to 3 FE from Sept 2015<br>- net increase of 30 pupils from September 2015    | £2,818       | 30                   | 0.583     | £49,315                  | £5,000                     | £54,315               | to Sept 2019 - final allocation |
| ii) St Andrews - proposed permanent expansion to 3 FE from Sept 2015<br>- net increase of 30 pupils from September 2015 | £2,818       | 30                   | 0.583     | £49,315                  | £5,000                     | £54,315               | to Sept 2021                    |
| <b>b) School Reorganisations - from September 2013</b>  |              |                      |           |                          |                            |                       |                                 |
| iii) Aldrington - additional form of entry from September 2013  | £2,818       | 30                   | 0.583     | £49,315                  | £5,000                     | £54,315               | to Sept 2019 - final allocation |
| <b>Secondary Schools growing from September 2018</b>  |              |                      |           |                          |                            |                       |                                 |
| Blatchington Mill - additional form of entry from September 2018  | £4,234       | 30                   | 0.583     | £74,095                  | £5,000                     | £79,095               | to Sept 2022                    |
| Dorothy Stringer - additional form of entry from September 2018   | £4,234       | 30                   | 0.583     | £74,095                  | £5,000                     | £79,095               | to Sept 2020 3yrs               |
| Patcham High - additional 10 pupils from September 2018   | £4,234       | 10                   | 0.583     | £24,698                  | £2,500                     | £27,198               | to Sept 2022                    |
| Varndean - additional form of entry from September 2018   | £4,234       | 30                   | 0.583     | £74,095                  | £5,000                     | £79,095               | to Sept 2022                    |
| Kings - additional 25 pupils from September 2018  | £4,234       | 25                   | 0.583     | £61,746                  | £5,000                     | £66,746               | to Sept 2022                    |
|   |              | 215                  |           | £456,674                 | £37,500                    | £494,174              |                                 |

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

**Brighton & Hove City Council****Meeting: Schools Forum****Date: 16 January 2019****Report of: Head of Health, Adults, Families, Children and Learning Finance****Subject: Schools Block 2019/20****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 2019/20 funding proforma to DfE. This paper follows the overall 2019/20 DSG report (Schools Forum agenda item 4).

**2 Recommendations**

- 2.1 To note the proposed approach to the application of the formula for 2019/20 and consider the final proforma (appendix 1) that the LA will submit to the Department for Education (DfE) in line with the deadline of 21 January 2019. 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.
- 2.2 To note the approach to determining notional SEN funding in mainstream school budgets in 2019/20.
- 2.3 To note the exemplifications of school by school budgets (appendix 2). These allocations represent the provisional 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 2019/20, the overall formula budget allocations to schools have increased by just under £2.5m and this is due to several factors:
- Increase in Schools Block DSG allocation (c. £1.2m)
  - Increase in delegation to schools as a result of reduction of funding held centrally in exceptions
    - Equal pay £0.951m
    - BHISS £0.199m
    - Broadband £0.134m

**3. Background and Key Changes in 2019/20**

- 3.1 The Department for Education has introduced national funding formulae (NFF) for each of the schools, high needs and central school services areas in 2019/20. These formulae will be used to calculate the blocks within the Dedicated Schools Grant (DSG) that are allocated to local authorities and sit alongside the early years national funding formula.

- 3.2 The introduction of the NFF represents a significant change. To provide stability for LAs and schools through the transition, the DfE announced in summer 2018 that LAs will continue to set a local schools formula to determine individual school budgets for both 2019/20 and 2020/21.
- 3.3 The DfE published final Schools Block datasets and allocations for 2019/20 on 17 December 2018.
- 3.4 During autumn 2018 a number of proposals were made concerning the operation of the funding formula for 2019-20. These proposals were subject to consideration by the Schools Forum and Schools Block Working Group and wider consultation also took place with all schools and academies. These changes are summarised below and follow the principle of moving towards the NFF on a gradual basis:
- reduce the lump sum from £150,000 to £130,000 per school with the balance of funding being re-allocated through the deprivation and low attainment factors
  - change the factor being used to identify deprivation from solely free school meals to a combination of free school meals, ever-6 free school meals and the income deprivation affecting children index (IDACI). This will be applied on a gradual, stepped approach in line with earlier views of the Forum and Schools Block Working Group
  - remove the primary weighting for low attainment because all results have now been collated under the new assessment framework. This is a technical change and was not part of the consultation with all schools
  - ensure all secondary schools will attract minimum per-pupil core funding of £4,700, and all primary schools £3,400 (core funding excludes funding for premises and growth)
  - apply a minimum funding guarantee (MFG) of minus 1.5% per pupil
  - seek to maintain the current funding ratio between primary and secondary
  - allocate any additional 'headroom' that comes into the DSG (as a result of the possible increase in pupil numbers or national funding increases) directly to the basic entitlement factor.
- 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.

#### 4. Observations and Considerations for 2019/20

- 4.1 As a result of the changes to the formula detailed in paragraph 3.4 above the amount of funding distributed through different formula factors will be subject to change in 2019/20 when compared with 2018/19. This is summarised below:

| Formula Factor                 | 2018/19<br>£m  | 2018/19<br>%   | 2019/20<br>£m  | 2019/20<br>%   | Change<br>£m |
|--------------------------------|----------------|----------------|----------------|----------------|--------------|
| Basic entitlement              | 100.166        | 75.59%         | 101.099        | 74.89%         | 0.933        |
| Deprivation                    |                |                |                |                |              |
| - FSM eligibility              | 10.856         | 8.19%          | 9.527          | 7.06%          | (1.329)      |
| - ever-6 FSM                   | 0.000          | 0%             | 1.588          | 1.18%          | 1.588        |
| - IDACI                        | 0.000          | 0%             | 1.588          | 1.18%          | 1.588        |
| Deprivation Total              | 10.856         | 8.19%          | 12.702         | 9.41%          | 1.847        |
| Low attainment                 | 7.505          | 5.66%          | 8.333          | 6.17%          | 0.828        |
| English as Additional Language | 1.388          | 1.05%          | 1.243          | 0.92%          | (0.145)      |
| Lump sum                       | 9.300          | 7.02%          | 8.060          | 5.97%          | (1.240)      |
| Mobility                       | 0.100          | 0.08%          | 0.100          | 0.07%          | 0.000        |
| Premises                       | 3.201          | 2.42%          | 3.464          | 2.56%          | 0.263        |
| <b>Total Funding</b>           | <b>132.516</b> | <b>100.00%</b> | <b>135.001</b> | <b>100.00%</b> | <b>2.485</b> |
| De-delegation                  | (1.222)        | -              | (1.210)        | -              | 0.012        |
| <b>Funding to schools</b>      | <b>131.294</b> | <b>-</b>       | <b>133.791</b> | <b>-</b>       | <b>2.497</b> |

- 4.2 It should be noted that the proportion of funding being allocated through the deprivation and low attainment factors in the formula have increased when compared to 2018/19. This is because in the 2019/20 funding has transferred from the lump sum to these 2 factors.
- 4.3 For deprivation there has also been a significant increase in the number of children recorded as being eligible for free school meals in October 2018 compared to the number in October 2017. This change has also meant an additional increase in the level of funding being allocated through the deprivation factor. The percentage of overall funding allocated through deprivation has increased from 8.19% to 9.41% between the 2 years. This is now closer to the weighting of 9.0% in the NFF.
- 4.4 The total funding distributed through the low attainment factor has also increased and this is largely as a result of the transfer in funding from the lump sum factor. The increase in funding allocated through this factor means that 6.17% of all funding is distributed on the basis of low attainment and this moves closer to the weighting of 7.4% applied in the NFF.
- 4.5 At the Schools Forum meeting in October 2018 it was agreed that the local funding formula for 2019/20 would operate with minimum overall levels of funding per pupil (excluding funding for premises and growth) of £3,400 for primary schools and £4,700 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 allocated via this mechanism in 2019/20.

## **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 21 January 2019. This proforma provides an overall summary of the proposed local formula for mainstream schools and reflects the operational decisions made in consultation with Forum and the 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 1:1.30. This is a very small change from the 2018/19 ratio of 1:1.31, and moves closer to the aspirational 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 2019/20 is affordable.
- 5.4 It is proposed to maintain the approach to defining notional SEN budgets for mainstream schools in 2019/20. 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 changes in formula factors described in the earlier part of this report means that the overall notional SEN figure increases when compared to 2018/19 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 2019/20, the LA is proposing to continue to allocate £200k through this mechanism. This funding will 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 and teachers pay grant for 2019/20 are not included in the proforma as these are allocated through separate grants, and are 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.

**Appendix 1 - Provisional Local Authority School Funding Proforma 2019/20**

|            |                   |
|------------|-------------------|
| LA Name:   | Brighton and Hove |
| LA Number: | 846               |

|   |              |
|---|--------------|
| Total DSG schools block allocation  | £135,495,000 |
| Total Funding For Schools Block Formula as a percentage of DSG schools block allocation | 100.00%      |
| Total funding allocated to schools as a percentage of DSG schools block allocation      | 99.64%       |
| Total funding allocated to growth and falling   | 0.36%        |

| 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  | Secondary (KS3 only) minimum per pupil funding |       | Secondary (KS4 only) minimum per pupil funding level | Secondary (KS3 and KS4) minimum per pupil funding level |
| £3,400.00  |  |       |  | £4,700.00   |

**Pupil Led Factors**

| 1) Basic Entitlement Age Weighted Pupil Unit (AWPU) | Reception uplift                                     | Yes                      | Pupil Units  |                                    |   | 29.00        | Total       | Proportion of total pre MFG funding (%) | Notional SEN (%)         |                            |
|---|--|--------------------------|--|------------------------------------|---|--------------|-------------|---|--------------------------|----------------------------|
|   | Description  | Amount per pupil         | Pupil Units  |                                    | Sub Total   |              |             |   |                          |                            |
|   | Primary (Years R-6)                                  | £2,818.36                | 18,635.00  |                                    | £52,520,139   | £101,099,163 | 38.90%      | 2.50%                                   |                          |                            |
|   | Key Stage 3 (Years 7-9)                              | £4,233.84                | 7,029.00   |                                    | £29,759,627   |              |             |   |                          |                            |
|   | Key Stage 4 (Years 10-11)                            | £4,233.84                | 4,445.00   |                                    | £18,819,397   |              |             |   |                          |                            |
| 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  | £2,087.30                | £2,333.33  | 2,814.71                           | 1,565.00  | £9,526,804   | £12,702,495 | 9.41%                                   | 20.00%                   | 20.00%                     |
|   | FSM6   | £233.76                  | £214.89  | 4,166.92                           | 2,856.14  | £1,587,827   |             |   |                          |                            |
|   | IDACI Band F   | £89.58                   | £92.35   | 1,560.60                           | 946.20  | £227,180     |             |   |                          |                            |
|   | IDACI Band E   | £107.14                  | £125.78  | 1,129.73                           | 684.06  | £207,081     |             |   |                          |                            |
|   | IDACI Band D   | £159.82                  | £159.21  | 1,040.93                           | 645.17  | £269,081     |             |   |                          |                            |
|   | IDACI Band C   | £171.53                  | £175.93  | 900.38                             | 549.07  | £251,038     |             |   |                          |                            |
|   | IDACI Band B   | £189.09                  | £187.07  | 1,835.10                           | 1,155.02  | £563,067     |             |   |                          |                            |
|   | IDACI Band A   | £314.62                  | £228.43  | 133.79                             | 124.00  | £70,419      |             |   |                          |                            |
| 3) Looked After Children (LAC)                      | LAC X March 17                                       | £0.00                    |  | 113.94                             |   | £0           | £1,342,774  | 0.00%                                   | 0.00%                    |                            |
| 4) English as an Additional Language (EAL)          | EAL 3 Primary  | £522.27                  |  | 1,568.79                           |   | £819,329     |             |   |                          |                            |
|   | EAL 3 Secondary                                      |                          | £1,607.51  |                                    | 263.42  | £423,445     |             |   |                          |                            |
| 5) Mobility   | Pupils starting school outside of normal entry dates | £2,241.95                | £2,241.95  | 44.60                              | 0.00  | £100,000     |             | 0.07%                                   | 0.00%                    | 0.00%                      |
| 6) Prior attainment                                 | Description  | Weighting                | Amount per pupil (primary or secondary respectively) | 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 (%) |
|   | Primary Low Attainment                               |                          | £822.62  | 35.65%                             | 6,643.00  | £5,464,654   | £8,332,537  | 6.17%                                   | 100.00%                  |                            |
|   | Secondary low attainment (year 7)                    | 63.59%                   | £1,292.99  | 20.90%                             | 2,218.03  | £2,867,884   |             |   |                          |                            |
|   | Secondary low attainment (year 8)                    | 58.05%                   |  | 21.02%                             |   |              |             |   |                          |                            |
|   | Secondary low attainment (year 9)                    | 48.02%                   |  | 19.81%                             |   |              |             |   |                          |                            |
|   | Secondary low attainment (years 10 to 11)            |                          |  | 17.34%                             |   |              |             |   |                          |                            |

**Other Factors**

| 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  | £130,000.00                     | £130,000.00                             |                                |                                     | £8,060,000 | 5.97%                                   | 0.00%            |
| 8) Sparsity factor   | £0.00                           | £0.00                                   | £0.00                          | £0.00                               | £0         | 0.00%                                   | 0.00%            |
| 9) Fringe Payments   |                                 |   |                                |                                     | £0         | 0.00%                                   |                  |
| 10) Split Sites  |                                 |   |                                |                                     | £377,860   | 0.28%                                   | 0.00%            |
| 11) Rates  |                                 |   |                                |                                     | £2,815,307 | 2.09%                                   | 0.00%            |
| 12) PFI funding  |                                 |   |                                |                                     | £237,079   | 0.18%                                   | 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%                          |                                     |            |   |                  |
| <b>Total Funding for Schools Block Formula (excluding minimum per pupil funding level, funding floor protection and MFG Funding Total)</b> | <b>£135,001,000</b>             | <b>100.00%</b>                          |                                |                                     |            |   |                  |
| 14) Additional funding to meet minimum per pupil funding level   | £0                              | 0.00%                                   | 0.00%                          |                                     |            |   |                  |
| <b>Total Funding for Schools Block Formula (excluding funding floor protection and MFG Funding Total)</b>                                  | <b>£135,001,000</b>             | <b>100.00%</b>                          |                                |                                     |            |   |                  |
| 15) Funding floor protection (select Yes if applying this protection)  | No                              | £0                                      | 0.00%                          |                                     |            |   |                  |
| <b>Total Funding for Schools Block Formula (excluding MFG Funding Total)</b>   |                                 | <b>£135,001,000</b>                     |                                |                                     |            |   |                  |
| 16) Minimum Funding Guarantee  | -1.50%                          | £236,547                                |                                |                                     |            |   |                  |
| Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)  | Yes                             |   |                                |                                     |            |   |                  |
| Apply alternative gains cap for schools gaining more than 15%?   | No                              |   |                                |                                     |            |   |                  |
| Capping Factor (%)   | 0.00%                           | Scaling Factor (%)                      | 16.56%                         |                                     |            |   |                  |
| Total deduction if capping and scaling factors are applied   |                                 | -£236,547                               |                                |                                     |            |   |                  |
| MFG Net Total Funding (MFG + deduction from capping and scaling factors)   | Total (£)                       | Proportion of Total funding (%)         | Notional SEN (%)               |                                     |            |   |                  |
|  | £0                              | 0.00%                                   | 0.00%                          |                                     |            |   |                  |
| <b>Total Funding for Schools Block Formula</b>   | <b>£135,001,000</b>             |   | <b>£13,400,516</b>             |                                     |            |   |                  |
| High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)                      |                                 |   |                                |                                     |            |   |                  |
| Additional funding from the high needs budget  | £200,000                        |   |                                |                                     |            |   |                  |
| Growth fund (if applicable)  | £494,000                        |   |                                |                                     |            |   |                  |
| Falling rolls fund (if applicable)   | £0                              |   |                                |                                     |            |   |                  |
| Other Adjustment to 18-19 Budget Shares  | £0                              |   |                                |                                     |            |   |                  |
| <b>Total Funding For Schools Block Formula (including growth and falling rolls funding)</b>  | <b>£135,495,000</b>             |   |                                |                                     |            |   |                  |
| % Distributed through Basic Entitlement  | 74.89%                          |   |                                |                                     |            |   |                  |
| % Pupil Led Funding  | 91.46%                          |   |                                |                                     |            |   |                  |
| Primary: Secondary Ratio   | 1 :                             | 1.30                                    |                                |                                     |            |   |                  |
| Total funding for schools block formula contains funding from outside of the 2019-20 Schools Block allocation?                             | No                              |   |                                |                                     |            |   |                  |



**Brighton & Hove City Council**

**Meeting:** Schools Forum

**Date:** 16 January 2019

**Report of:** Head of SEN / Head of Health, Adults, Families, Children and Learning Finance

**Subject:** High Needs Block and Funding of Special Schools 2019/20

**Wards Affected:** All

**1. Purpose of the report**

1.1 To update the Schools Forum on funding arrangements for the High Needs Block (HNB) and the proposals for funding special schools in the 2019/20 financial year.

**2. Recommendations**

2.1 To note the Department for Education announcement concerning the 2019/20 funding arrangements for the HNB including the provision of additional funding.

2.2 To note the Local Authority's proposals for commissioning places and funding special schools in Brighton & Hove in 2019/20.

**3. Background**

3.1 For 2019/20, 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 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 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 |   |                      |   |                            |   |                            |
| ACA weighted      |   |                       |   | Children in bad health | KS4 low attainment          | IDACI              |   |                      |   |                            |   |                            |
|                   |   |                       |   | ACA weighted           |                             |                    |   |                      |   |                            |   |                            |

The table 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' previous 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 2019/20, every local authority will receive an increase of at least 1.0% 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 2018, the Department for Education (DfE) announced the provisional HNB allocation for the 2019/20 financial year.

This is summarised as follows:

|   |           |
|---|-----------|
| 2019/20 Actual NFF allocation excluding basic entitlement and import / export adjustments | £23.295m  |
| Basic entitlement factor  | £1.985m   |
| Provisional 2019/20 Import/Export adjustment  | (£0.291m) |
| Estimated deduction for direct funding of post-16 maintained places by EFA*               | (£0.269m) |
| Additional HNB funding announced December 2018  | £0.540m   |
| Total Indicative 2019/20 HNB  | £25.260m  |

- 3.9 On 17 December 2018 the DfE announced additional revenue funding allocations for high needs for 2018/19 and 2019/20. For Brighton and Hove, this announcement equates to an additional £0.540m in each financial year and is included in the table above. The additional allocation is recognition of the increasing costs of supporting children and young people with SEN and will help the LA manage pressures in this

area, particularly in view of no transfer of funds having been made from the Schools Block.

- 3.10 It should also be noted that from the academic year 2019 to 2020, starting in August 2019, funding for post-16 places in maintained schools (including maintained special schools) and pupil referral units (PRUs) will remain in the DSG paid to local authorities, rather than being deducted from local authorities' DSG allocations and paid as sixth form grant.
- 3.11 At this stage the HNB allocation issued by DfE is only indicative and may be subject to further adjustments to reflect updated information relating to the import/export adjustment.
- 3.12 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.
- 3.13 The LA is now analysing the implications for the HNB in 2019/20 and will be finalising budget commitments and allocations in this block prior to the start of the financial year.

#### **4. Commissioning Process and Funding Proposals for Special Schools in 2019/20**

- 4.1 As in 2018/19, 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 changes to special schools in the city were implemented in September 2018.
- 4.4 The LA held commissioning meetings with special schools during autumn term 2018 to agree the place number requirements for the 2019/20 academic year.

## 5. Funding Arrangements for 2019/20

- 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 2018/19 financial year:

| Commissioned Places 2018/19               |            | Commissioned Places 2019/20* |            | Variance  |
|---|------------|------------------------------|------------|-----------|
| Homewood College                          | 45         | Homewood College             | 45         | 0         |
| Cedar Centre                              | 68         | Downs View Hub               | 209        | +5        |
| Downs View (inc. post-16 provision)       | 136        |                              |            |           |
| Downs Park (inc. West Blatchington units) | 117        | Hill Park Hub                | 198        | +3        |
| Hillside                                  | 78         |                              |            |           |
| <b>Total</b>                              | <b>444</b> | <b>Total</b>                 | <b>452</b> | <b>+8</b> |

\*please note these places are subject to final agreement

- 5.2 The commissioned places at Downs View and Hill Park hubs for 2019/20 will be split on the basis of need of the predecessor schools. The split of the places for the new hubs is as follows:

|                |     |                                       |     |
|----------------|-----|---------------------------------------|-----|
| Downs View Hub | 209 | Downs View Woodingdean (inc. post 16) | 145 |
|                |     | Downs View Hollingdean                | 64  |
| Hill Park Hub  | 198 | Hill Park Lower (Hillside)            | 83  |
|                |     | Hill Park Upper (Downs Park)          | 115 |

- 5.3 The LA is also engaging with mainstream schools operating special units / facilities to agree place commissioning arrangements for the 2019/20 academic year and the balance of places will be adjusted against this provision.
- 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 2019/20 are as follows:

|                                       |         |
|---------------------------------------|---------|
| Homewood College                      | £14,566 |
| Downs View Woodingdean (inc. post 16) | £14,306 |
| Downs View Hollingdean                | £5,666  |
| Hill Park Lower (Hillside)            | £13,357 |
| Hill Park Upper (Downs Park)          | £5,666  |

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 2018/19.

- 5.6 It should be noted that there continues to be an upward pressure on the place requirements in special schools. The increases in commissioned places at Downs View (Woodingdean) and Hill Park Lower (Hillside) place additional financial pressures on the high needs block due to the high level of top-up funding assigned to pupils in this provision.

- 5.7 As the integrated hubs become more established it will be necessary to review the funding mechanism applied. The LA has already had initial discussions with special school heads and it is anticipated that a re-assessment and moderation process of the needs of special school pupils will take place in autumn 2019.
- 5.8 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.
- 5.9 For Alternative Provision in 2019/20, the Local Authority is proposing to continue to commission the following places:

|                     |    |
|---------------------|----|
| Pupil Referral Unit | 54 |
| The Connected Hub   | 34 |

It is also proposed that the arrangement whereby secondary schools part fund the commissioned places at the Connected Hub will continue for 2019/20.

**Brighton & Hove City Council****Meeting:** Schools Forum**Date:** 16 January 2019**Report of:** Vicky Jenkins, Childcare Strategy Manager, Free Entitlement  
Andy Moore, Principal Accountant, Health, Adults, Families, Children  
and Learning Finance**Subject:** 2019/20 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 2019/20.

**2. Recommendations**

- 2.1 To note the funding allocations announced by government in December 2018 and the below average level of funding for Brighton & Hove compared with south east and national averages.
- 2.2 To agree the 2019/20 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 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 2019/20 of £360,000 (no increase from 2018/19). For two year olds funding for inclusion will be £100,000 (also no increase from 2018/19).
- 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 2019/20 as there has also been no change in funding for this age group.

**3. Background**DSG – 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 2018 the government published its funding allocations for the Early Years Block for the 2019/20 financial year; for Brighton & Hove there is no increase from 2017/18 or 2018/19.

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

| <b>Funding Area</b>  | <b>Allocation<br/>£m</b> |
|--|--------------------------|
| Universal entitlement for 3 and 4 year olds                                    | 9.508                    |
| Extended entitlement for 3 and 4 year old children of eligible working parents | 3.557                    |
| Early years entitlement for disadvantaged 2 year olds                          | 1.800                    |
| Early years pupil premium  | 0.128                    |
| Supplementary funding for maintained nursery schools                           | 0.197                    |
| Disability Access Fund (DAF)   | 0.068                    |
| <b>2019/20 Provisional Early Years Block Total</b>                             | <b>15.258</b>            |

### **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 national average of £4.86. 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 as well as in 2018/19 and will continue to do so in 2019/20.
- 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 2019/20.
- 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 2018/19 and is likely to be a similar percentage in 2019/20.
- 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 to private, voluntary and independent (PVI) providers and will continue to do so in 2019/20.
- 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 and 2018/19.

## **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 SENIF of £100,000 for two year olds and will retain this for 2019/20.

## **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 2019/20 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 PVI sectors where there is 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 SENIF amounting to £360,000.
- 4.2 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.
- 4.3 Our funding proposals for 2019/20 would mean that a percentage pass through to providers of in excess of 95% will be achieved.
- 4.4 Schools' Forums must also be consulted on changes to local early years funding formulae, including agreeing central spend by 28 February 2019, although the final decision rests with the local authority.

## **5. Other Issues**

- 5.1 There was a requirement to offer providers monthly payments by September 2018. Providers were consulted on this in May 2018 but based upon responses it was decided not to move to monthly payments. Most other local authorities had a similar response to their consultations
- 5.2 The early years funding group have been sent a copy of this paper for their comments. There was concern regarding the fact that the level of funding has not increased, and consequential potential impact on quality of provision.

**Brighton & Hove City Council**

**Meeting:** Schools Forum

**Date:** 16 January 2019

**Report of:** Executive Director of Finance & Resources

**Subject:** General Fund Budget Briefing 2019/20

**Wards Affected:** All

**1 Purpose of the report**

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

**2 Recommendations**

- 2.1 To note the overall General Fund budget position for 2019/20.
- 2.2 To note the council's draft General Fund budget proposals (savings) for the Families, Children & Learning directorate for 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 these 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 £56.758 million have been achieved over the first 3 years of the period (2016/17 to 2018/19) and further savings of £12.015 million are proposed in 2019/20. However, at present, there remains a budget gap of £2.150 million to close. Total savings of approximately £69 million will therefore have been achieved by the end of the 4-year period.

Draft Budget Proposals 2019/20

- 3.3 As at the 6 December Policy, Resources & Growth (PR&G) meeting, draft savings proposals of £12.015 million had been identified for 2019/20 leaving a remaining gap of £2.150 million to be addressed. Since the meeting, the government has announced the provisional Local Government Finance Settlement for 2019/20. For BHCC, this provided

additional resources of £0.893 million from redistributed national business rates and £0.252 million from an improved New Homes Bonus forecast (because the government did not change the rules as had been expected). This has therefore reduced the budget gap to approximately £1 million for which further options are being explored.

3.4 As 2019/20 is the last year of the current CSR and 4-year planning period, the draft budget report focuses on what has happened over the period including the 3 primary financial challenges, totalling over £111 million, that the council has had to address over the 4 years including:

- the reduction of government grant funding (Revenue Support Grant) of £39.574 million over the period;
- providing for normal pay, pension and price inflation of £16.136 million over the period to insure against real terms service reductions, and;
- most significantly, providing for re-investment in essential, priority services to meet the identified growth in demand, abnormal cost pressures (mainly social care) and, to a lesser extent, income shortfalls, with a combined total of £55.842 million.

The above challenges are set out in more detail below:

| <b>Financial Challenges<br/>4-Year Summary (2016/17 to 2019/20)</b> | <b>Financial Year</b> |                |                |                | <b>4-Year<br/>Total</b> |
|---|-----------------------|----------------|----------------|----------------|-------------------------|
|   | <b>2016/17</b>        | <b>2017/18</b> | <b>2018/19</b> | <b>2019/20</b> |                         |
| <b>Service Pressures (Re-investments):</b>                          | <b>£m</b>             | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>               |
| Adult Social Care   | 6.648                 | 5.799          | 6.152          | 10.786         | 29.385                  |
| Children's Social Care  | 2.648                 | 3.384          | 3.286          | 1.281          | 10.599                  |
| Public Health (Grant Reduction)                                     | 1.096                 | 0.521          | 0.651          | 0.640          | 2.908                   |
| Loss of other Core Grant Funding (mainly ESG) *                     | 0.800                 | 2.232          | 1.050          | 0.170          | 4.252                   |
| Homelessness  | 1.023                 | 2.232          | **             | **             | 3.255                   |
| Additional cost of IT Infrastructure, Security and Resilience       | 0.857                 |                |                |                | 0.857                   |
| Neighbourhoods, Housing & Community Services                        |                       |                | 0.444          | 0.319          | 0.763                   |
| 2017 Business Rate Revaluation (on council properties)              |                       |                | 0.347          |                | 0.347                   |
| City Environmental Services   |                       |                | 0.120          | 0.950          | 1.070                   |
| All Other Priority Services   | 0.100                 | 0.702          | 0.834          | 0.770          | 2.406                   |
| <b>Total Service Pressures</b>                                      | <b>13.172</b>         | <b>14.870</b>  | <b>12.884</b>  | <b>14.916</b>  | <b>55.842</b>           |
| <b>Inflation Provision (Pay &amp; Prices)</b>                       | <b>2.913</b>          | <b>3.067</b>   | <b>4.688</b>   | <b>5.468</b>   | <b>16.136</b>           |
| <b>Loss of Revenue Support Grant</b>                                | <b>12.971</b>         | <b>11.508</b>  | <b>7.474</b>   | <b>7.621</b>   | <b>39.574</b>           |
| <b>Total Financial Challenges</b>                                   | <b>29.056</b>         | <b>29.445</b>  | <b>25.046</b>  | <b>28.005</b>  | <b>111.552</b>          |

\* Reductions in specific grants such as ESG (Education Services Grant) result in a service pressure where there is no corresponding reduction or transfer of function.

\*\* Homelessness service pressures in these years are mitigated by short term Housing Flexibility and Trailblazer grant funding.

3.5 To manage these financial challenges, the council developed a 4-year planning approach supported by a Modernisation Programme to help it plan effectively over a longer term and drive through necessary service redesign and efficiency programmes that could help contribute to savings. Including draft 2019/20 proposals, the savings provided over the period will total £68.773m or approximately 20% of the gross General Fund budget.

- 3.6 The remainder of the challenge has been met through taxation increases. Over the period £31.4 million has been generated through a combination of annual Council Tax increases (totalling 9.96%), Adult Social Care precepts (totalling 8%) and growth in the taxbase (i.e. more housing). Business Rate retained revenues have also improved through business growth and annual inflation and have provided a small increase in revenues of £4.8m over the period. However, even with the Adult Social Care precepts, it can be seen that increases in taxation revenues were not sufficient to cover the Adult and Children's social care cost pressures and overall have provided less than one third of the resources necessary to address the full range of financial challenges.

#### Savings Proposals (for Re-investment)

- 3.7 As in previous years, each directorate has set out its proposals for achieving savings that align with the council's modernisation approach and corporate priorities as far as possible. The proposals are summarised in the 6 December 2018 budget report to Policy, Resources & Growth Committee and set out in detail in Appendix 2 of the report. Total savings of £12.105 million are currently proposed but 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. The £12.015 million savings proposals can also be broadly categorised as follows:

| <b>Category of Saving</b>                 | <b>Rationale</b>   | <b>Amount (£m)</b> |
|---|--|--------------------|
| Service Redesign (including Digital)      | Services can and should strive for cost efficient service delivery that provides good value for money. This means continually exploring opportunities including skills development, process redesign and utilising new technologies or digital investment to improve services and/or reduce operational costs.             | 3.374              |
| Shared Service Partnership (Orbis)        | The Orbis Shared Service with Surrey and East Sussex County Councils aims to achieve cost reductions across support functions through scale economies, sharing best practice and investing in improved and integrated processes and teams. There is also an Orbis Public Law shared service which includes West Sussex CC. | 0.808              |
| Commissioning & Demand management changes | These savings are achieved through expert re-commissioning of services, often in partnership with others, aimed at improving or maintaining outcomes for people at lower cost wherever possible.   | 3.705              |
| Enterprise Strategy - Income Generation   | The council continues to explore innovative business opportunities for generating income such as developing new chargeable services, benchmarking fees & charges to alternatives, or vying for public sector service contracts where practicable.  | 0.813              |
| Procurement & Contract Management         | The council will invest additional one-off resources of £1.100m over 3 years to drive value in the £300m+ spent on services provided by third party suppliers and providers by improving its management of contracts and contractors and seeking economies through re-procurement of goods and services.                   | 2.747              |
| Funding Changes                           | Funding changes and cost reductions in non-priority areas.   | 0.568              |
| <b>Total Savings</b>                      |  | <b>12.015</b>      |

### Service Pressure funding (Re-investment of Savings)

3.8 Service Pressure funding is primarily provided through the re-investment of savings to support priority investment areas and protect services for vulnerable people by funding projected growth in demands and exceptional (above inflation) cost increases. As noted above, 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 2019/20 includes the following main pressure areas:

- Children's Social Care: £1.281 million to support increasing demand and costs of Looked After Children. Re-investment is after taking account of cost reductions anticipated through the Sustaining Social Care programme and other cost mitigations totalling £0.831m.
- Adults Learning Disabilities: £1.676 million to support increased costs in community care and sleep-in costs as well as the cost of transitions from Children's to Adult social care. Provision is after taking account of cost reductions anticipated through the Sustaining Social Care programme of £0.429m.
- Adult Social Care: £9.110 million for changes in demand for physical, memory & cognition, and mental Health services as well as meeting reductions in Better Care and Clinical Commissioning Group (CCG) funding. Provision is after taking account of cost reductions anticipated through the Sustaining Social Care programme and other cost mitigations totalling £2.087m.
- Public Health: £0.640 million reduction in ringfenced grant. This must be matched by savings in the same service area.
- Economy, Environment & Culture directorate: £1.450 million is required to meet a range of unanticipated costs pressures across this directorate including CityClean commercial operations, commercial property rent pressures (due to the retail sector's decline), and other income pressures.

Overall, the budget provides for £14.916 million service pressures. 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 2019 when the final overall resource position is known, including an update on the financial situation in the current year.

3.9 Figures above incorporate cost containment measures anticipated through the Sustainable Social Care programme. The council will be investing in improvements to its management of costs around children's and adults social care. This has no impact on eligibility criteria or the council's statutory duty to assess and meet need. Instead, this involves reviewing social care practice and procedures, improving commissioning efficacy with partners, improving the quality and use of data to scrutinise costs and activity, and ensuring regular and effective reviews of care packages while ensuring that vulnerable people are not disadvantaged, assessed needs continue to be met and that good quality services remain in place.

3.10 Note the budget proposals include the deletion of an estimated 70 full time posts in 2019/20, some of which may result in staff being at risk of redundancy.

### Future Years

3.11 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 general funding from 2020/21 which will be covered by the next government Comprehensive Spending Review (CSR),

expected to be announced in Autumn 2019. The next CSR is expected to provide greater clarity on a wide range of issues including:

- The proposed national distribution of resources through the government's 'Fair Funding Review' which is currently out for consultation;
- The impact of the proposed increase from 50% to 75% local retention of business rates including the transfer of Public Health grant and other funding streams into this mechanism;
- The long term position on improved Better Care Funding and social care funding in general;
- Changes to and/or decisions on the future of the New Homes Bonus scheme and rules;
- Changes to taxation rules and regulations including 'excessive council tax regulations', and;
- The government's stance on future deficit reduction measures and what this may mean for local government (and schools) finances.

Schools will also be clearly watching the national picture in respect of both funding and development of the national formula.

#### **4 Timetable**

- 4.1 The full set of 2019/20 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 14 February 2019 including feedback from consultation processes. The budget will be considered by Budget Council on 28 February 2019.

#### **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 (particularly High Needs).
- 5.2 It is recognised that the funding situation for schools is also very challenging and many are experiencing pressures in much the same way that the council's General Fund public services are. There are an increased number of schools with licensed deficits, which are being monitored closely, and others that are having to take significant cost saving measures to achieve balance. Although there is provision for 0.5% per pupil increase within the national funding formula and there are protections for schools (e.g. minimum funding guarantee of -1.5%), there is a clear recognition of the pressures facing local schools including roll numbers, pressures on the high needs block and the high cost of pay awards.
- 5.3 The General Fund budget report refers to the schools funding position and highlights to members the current situation regarding formula funding and the position on school balances (which have recovered slightly from last year).
- 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 Budget Narrative 2019/20

#### Services and Responsibilities

Families, Children and Learning brings together different services for children and young people from birth up to the age of 25, together with services for adults focused on skills & employment and learning disabilities. Much of the education and special educational needs provision is funded through the ring-fenced Dedicated Schools Grant (DSG). Although this budget strategy is focused on General Fund spend there are also parallel proposals in relation to the DSG as there is a significant pressure on the budget following the extension of support for young people with Special Educational Needs & Disabilities (SEND) up to the age of 25 and also parallel pressures on school budgets.

The main area of General Fund spend relates to the placement costs for children and young people in care and adults with learning disabilities (LD). The LD budget transferred across on 1 November 2016 in order to ensure improved pathways between children and adult services. It is a large net budget of just over £30m and includes a supported employment budget, part of which supports a team supporting adults with learning disabilities which work closely with colleagues in the Education and Skills branch. There are significant pressures on this budget and it is currently overspending in relation to placement costs within the Community Care budget arising from residents requiring more support.

Nationally the number of children with child protection plans and children being brought into care continues to increase. Over the last two years however, the numbers in Brighton & Hove have been reducing. This has led to cost savings, but is at risk if there is a high profile safeguarding case either nationally or locally. In addition, both locally and nationally there has been an increase in the number of adolescents requiring intensive support, including high cost residential placements. In part this is related to the greater focus on meeting the needs of young people who are vulnerable to exploitation. There is currently a significant issue regarding foster placement sufficiency, which is having an adverse impact. This is a national issue resulting from the significant rise in the number of children in care and the impact locally is that when placements are required, the lack of options mean that placements can sometimes be made on the basis of availability rather than need. This can result in children being placed in more expensive provision.

Our vision is for a directorate that is ambitious and works more closely with partners. We want all of the city's families and children to be happy, healthy and safe, fulfilling their potential. Over the last few years, services have been redesigned in order to improve efficiency and reduce costs and this will continue in future years. Inevitably, this requires difficult decisions in balancing untargeted, non-statutory support with preventative, statutory and safeguarding provision.

There are 3 key branches in the directorate together with a performance and safeguarding service that ensures that we meet our duties and provides quality assurance. The key branches are as follows:

#### Education and Skills (Budget £7.362m)

This service area includes:

- Early Years, Youth and Family Support (including Children's Centres)
- School Organisation and access to education
- Education Standards and Achievement
- Skills and Employment
- Virtual School for children in care and those previously in care
- Troubled Families
- Ethnic Minority Achievement Service and Traveller Education Service

#### Health SEN and Disability Services (Budget £37.774m)

This service area includes:

- Inclusion support services for schools

- Special Educational Needs
- Social work and early help support for children with a disability
- Residential, short break and respite provision for children with a disability
- Assessment, social work, behaviour support and health services for adults with learning disabilities
- Council residential and day activities services for adults with learning disabilities

### **Safeguarding and Care (Budget £40.013m)**

This service area includes:

- Fostering and Adoption Services
- Children in Need and Child Protection
- Children in Care and Leaving Care services
- Adolescence and Youth Offending Services
- Front Door for Families which includes MASH (Multi Agency Safeguarding Hub)
- Early Parenting Assessment Programme & Looking Forward project
- Contact Service

### **Users of Families, Children & Learning Services**

The directorate provides a range of different services from universal to those targeted at small groups of people with very high levels of need and/or where we are required to fulfil a statutory duty. Some of the key groups of users we interact with are as follows\*:

32,230 children attend city schools;

8,419 parents/Carers applied for school places between Sept 17 and Aug 18;

13,554 contacts relating to 7,637 children were received by the Multi Agency Safeguarding Hub/Front Door for Families this year, of these 3,038 relating to 2,925 children were safeguarding concerns that required follow up work;

5,551 children have been identified as having a special educational need or disability;

4,237 children are eligible for free school meals;

4,191 children with additional needs are supported by the Inclusion Support Service;

1,522 children attended a council Children's Centre in the last quarter;

1,821 children are open to our social work service, of these, at September 2018, 358 are on a child protection plan and 394 have been brought into the care of the Council;

1,047 children have an Education Health & Care plan (or statement of SEN);

1,876 families have been identified locally through the national Troubled Families Programme;

665 children attend a council nursery

366 children receive supported bus travel to school and a further 390 children receive free bus passes;

540 young people were supported by the Youth Employability Service;

217 children are electively home educated in June 2018;

118 homeless families were supported by the directorate;

141 foster care families are supported by the directorate;

131 families who have an adopted child were supported and last year;

28 children moved out of care into adoption;

A further 263 children are supported through a special guardianship order;

873 Community Learning Disability Team service users.

\* Please note these figures are a mixture of snapshots in time or usage over a set period and are shared with the intention of being illustrative.

## Appendix A (Budget Narrative and Savings Proposals)

| Section   | Service Area  | Rationale for Strategy  | Service & Financial Proposals  | Delivery Risk & Impact on Outcomes  | Savings<br>2019/20<br>£'000 |
|---|---|---|--|---|-----------------------------|
| <b>Director of Families, Children &amp; Learning Total</b>                    |   |   |  |   |                             |
| Director of Families, Children and Learning                                   | Salary and directorate support costs for the Director and support staff                         | Savings of £0.030m have been identified which relate to the overall administrative support for senior managers across the directorate. This is in addition to previous savings in both management and administrative costs.   | A review of administrative support will identify the savings to be achieved. All directorates across the Council will be seeking savings in this area.   |   | 30                          |
| <b>Director of Families, Children &amp; Learning Total</b>                    |   |   |  |   |                             |
| <b>Health &amp; Disability Services Total</b>                                 |   |   |  |   |                             |
| 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).<br>The new integrated special school hubs have started to offer an extended range of short breaks outside of school hours 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. | 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. | Opportunities will be impacted.<br><br>Potential impact on respite provision<br><br>See EIA 1.                                  | 140                         |
| Services for children with disabilities and Adults with learning disabilities | Management, assessment, operations and admin  | 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 160 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.   | 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.   | Delivery Risk: May impact on management capacity at pressure points but priority will be on statutory duties.<br><br>See EIA 1. | 200                         |
| Services for children with disabilities                                       | Direct payments   |   |  |   | 0                           |
| Services for children with disabilities                                       | Family support services   |   |  |   | 0                           |
| Services for children with disabilities                                       | Contracted services, adaptations, management  |   |  |   | 0                           |
| 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   |  |   | 0                           |

| Section  | Service Area  | Rationale for Strategy   | Service & Financial Proposals  | Delivery Risk & Impact on Outcomes  | Savings 2019/20<br>£'000 |
|--|---|--|--|---|--------------------------|
|  |   | 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.   |  |   |                          |
| 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 19/20.   |  |   | 0                        |
| Inclusion Support Service  | Inclusion Support Service. Including Educational Psychology Service and Child & Adolescent Mental Health Services (CAMHS) | The main funding for this team 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 are possible savings that will need to be achieved from the service as it will need to trade more fully with schools. If schools are unwilling too purchase the traded element, there is a risk to current staffing levels, but as yet this has not been determined.   |  |   | 0                        |
| Community Care (Adults) including:<br>Community Support<br>Day Care<br>Direct Payments<br>Home Care<br>Shared Lives<br>Supported Accommodation<br>Residential Care<br>Nursing Care | Learning Disabilities   | Savings in 19/20 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. In addition to the savings identified the Council has identified budget pressures based on the anticipated increase in costs for current and future clients. This is £2.105m which means that overall this budget will increase next year and not reduce. We are developing a more personalised approach to our clients, including close working with housing colleagues. We will also be strengthening our commissioning arrangements, with tighter contract management controls implemented with our providers, including the review of contract uplifts. 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 | 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 | Delivery Risk: Limited availability of suitable accommodation in the City, high unit cost and continued increase in the numbers of clients with eligible need. These demands equate to estimated additional costs of £1.676m for 19/20. Savings can only be achieved by accessing local accommodation and through effective commissioning.<br><br>Impact on Outcomes: Concentrating on key statutory duties and those clients who present the highest risk to themselves and to the Community, ensuring needs are met in the most cost effective manner.<br>See EIA 2 | 660                      |

| Section  | Service Area   | Rationale for Strategy  | Service & Financial Proposals   | Delivery Risk & Impact on Outcomes   | Savings 2019/20 £'000 |
|--|--|---|---|--|-----------------------|
|  |  | care.   |   |  |                       |
| Learning Disabilities - Community Support (Adults)       | Community Support Service  | This early help service works to prevent need escalating and thus avoid unnecessary costs arising   |   |  | 0                     |
| 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. In addition, to reduce the provision running and catering costs.                             | Planned individualised transitions to alternative options using advocacy where required. Continued engagement with family carers. Potential staff reductions once service users numbers have reduced. Any reprovision costs to be closely monitored so they do not put pressures on to the community care budget. See EIA 3. | 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.   | Continue to support service users with the most complex needs but identify further efficiencies in the delivery of these services through reviewing individual client needs and their capacity to work towards more independent living. | See EIA 4.   | 52                    |
| 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.  |   |  | 0                     |
| 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.  |   |  | 0                     |
| Learning Disabilities - Supported Accommodation (Adults) | Registered Supported Living (8 Services)   |   |   |  | 0                     |
| <b>Health &amp; Disability Services Total</b>            |  |   |   |  | <b>1,102</b>          |
| <b>Education &amp; Skills Total</b>                      |  |   |   |  |                       |
| Schools PFI  | PFI budget for 3 schools   | No change proposed. Tied to long term PFI contract.   |   |  | 0                     |
| Standards & Achievement                                  | Core school intervention team, commissioned school partnership advisers (this funding previously was part of the Education Services Grant - please see below). | 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. | We will reduce financial support and intervention to schools causing concern.   | Delivery Risk: Medium risk. Impact on Outcomes: Concern related to reduction in any additional grants for School Improvement. Limited LA funding now available to  | 33                    |

| Section  | Service Area  | Rationale for Strategy  | Service & Financial Proposals   | Delivery Risk & Impact on Outcomes  | Savings 2019/20<br>£'000 |
|--|---|---|---|---|--------------------------|
|  |   |   |   | intervene with schools causing concern, and to deliver our statutory duty.  |                          |
| 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.   | 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.   |   |   | 0                        |
| 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.  |   |   | 0                        |
| 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. School improvement budgets have reduced year on year with massive reduction in capacity to intervene with schools in categories of concern or those at risk of concern which remains a statutory duty. If they were to reduce any further it would not be possible to prevent schools failing across the city. |   |   | 0                        |
| 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 | Whilst savings have been achieved in this delivery area over previous years the Council is now delivering its statutory and strategic priorities only. However this service area faces budget pressures in the area of home to school transport which is a demand led budget. Nevertheless, a further efficiency saving has been identified in the organisation of these functions which can equate to a saving but does not impact on front line delivery of services.   | The provision of statutory services will not be affected by the proposals to achieve a saving in this service area. The saving will be made through achieving a greater efficiency in the processes funded within School Organisation that do not affect front line delivery of services. | There is no change to the entitlement to receive services such as home to school transport, attendance support or the school admission processes. The level of support for contact with residents will remain unchanged. However processes that are undertaken in relation to these service areas will be | 39                       |

| Section                          | Service Area  | Rationale for Strategy  | Service & Financial Proposals                    | Delivery Risk & Impact on Outcomes                      | Savings 2019/20 |
|----------------------------------|---|---|--|---|-----------------|
|                                  |   |   |  |   | £'000           |
|                                  | who live 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.   |   |  | rationalised and thereby releasing a saving. See EIA 5. |                 |
| 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.  |  |   | 0               |
| Other Services/Management        | Branch Leadership and Management  | Leadership of education and skills branch   |  |   | 0               |
| 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. |   | 0               |
| 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  |  |   | 0               |
| 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. |  |   | 0               |
| 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 2018, 1522 children attended Children's Centres, 344 children received targeted interventions and 37 adults volunteered.  | Reduction in running and administration costs.   | Delivery Risk - Low                                     | 30              |

| Section   | Service Area   | Rationale for Strategy  | Service & Financial Proposals  | Delivery Risk & Impact on Outcomes   | Savings 2019/20<br>£'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. The Council receives a low level of funding from the Government for free childcare. 550 children attend council run nurseries.   | The nurseries are under pressure from rising costs and reducing income (from the Dedicated Schools Grant) therefore no saving is possible in 2019/20 |  | 0                        |
| 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.  | Reduction in management costs to support childcare workforce development and childminding.   | Delivery Risk- Low risk  | 35                       |
| Early Help - Integrated Team for Families and Parenting Service (including the Troubled Families Grant) | 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. Much of this service is funded by the Troubled Families Grant. Brighton & Hove has been successful in gaining 'Earned Autonomy' which has provided greater certainty of funding until 2020 and reduced our reporting requirements | 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. As the proposals for savings in 2019/20 were already known the restructure incorporated the proposed savings for next year and this has already been achieved. Subsequent to the redesign of the team the city was successful in achieving 'Earned Autonomy' from Troubled Families. This has led to a decrease in reporting requirements and greater certainty of funding. In previous years the budget varied considerably from year to year as a result of the payment by results methodology. This constrained longer term planning. Earned Autonomy has meant that we have been able to increase the capacity of support services for families with parental conflict and mental health issues. The Troubled Families Initiative is due to end in 2020. | Reduction of two Family Coach posts funded by the Council General Fund   | Delivery Risk: Low risk. The reduction in staffing has been offset by greater investment in support services following the achievement of Earned Autonomy. See EIA 6 | 80                       |
| Skills & Employment   | Skills & Employment Team. This team supports community learning, as provided by The Friends Centre which is funded via   | 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   | The savings target is being achieved across the whole team from efficiencies including some external funding until the end of 2020.                  | No negative impact is anticipated.   | 55                       |

| Section   | Service Area  | Rationale for Strategy   | Service & Financial Proposals  | Delivery Risk & Impact on Outcomes  | Savings 2019/20 |
|---|---|--|--|---|-----------------|
|   |   |  |  |   | £'000           |
|   | Skills Funding Agency (SFA). This team also includes:<br>- Apprenticeship team<br>- Youth Employability Service<br>- Post-16 Learning & Skills  | relatively low. This means that young people have a good start on 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 its own funds via the apprenticeship levy.        |  |   |                 |
| 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 conditions with the intention of supporting them into the workplace. | 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 by just under £200k. Work is currently taking place to reduce this overspend and a cross party working group will be making a recommendation to CYPS committee is January 2019. | Without the significant rationalisation of the business, it is predicted Able & Willing will continue to generate significant overspends. | 0               |
| Print & Sign  | Print & Sign Unit   | This service is entirely funded by work it carries out on a cost recovery basis. It is envisaged that this service will move out of Education and Skills by the end of the financial year.   | There is a small saving attached for the year 2019-20 derived from efficiencies and increased work.  |   | 5               |
| <b>Education &amp; Skills Total</b>                 |   |  |  |   | <b>277</b>      |
| <b>Children's Safeguarding &amp; Care Total</b>     |   |  |  |   |                 |
| Fostering & Adoption                                | Payments to in-house carers for fostered and adopted children.  | Review of SGO & adoption allowances in order to make efficiencies  | Maintain budget as investment in this area is better value for money than foster agency placements.  | Delivery risk: Low risk. Impact on Outcomes: No impact anticipated See EIA 7.   | 35              |
| Fostering & Adoption                                | Staffing teams assessing and supporting foster carers and potential adopters. Allowances paid to Adopters   |  |  |   | 0               |
| Social Work & Legal                                 | Social work staffing teams.   | Introduction of relationship based model of social work and move to one Front Door for Families has contributed to a reduction in demand for social work services since October 2015. This has already enabled a reduction of social work staffing by the equivalent of 1.5 pods, therefore no further savings to staffing are proposed. |  |   | 0               |
| 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.   |  |   | 0               |

| Section             | Service Area   | Rationale for Strategy   | Service & Financial Proposals   | Delivery Risk & Impact on Outcomes  | Savings 2019/20<br>£'000 |
|---------------------|--|--|---|---|--------------------------|
| Social Work & Legal | Legal costs relating to assessment and court fees.   | No changes proposed as courts are making increasing demand on care applications  |   |   | 0                        |
| Contact Service     | Family contact for children in care (CiC) and children in need (CIN)                                 | The service provides co-ordinating, supporting and supervising court ordered parental and family contact with children in care and children in need. Service redesign has resulted in significant savings in previous years  | Review of sessional worker use and their transportation costs should result in modest savings   | Delivery Risk: Medium risk. Impact on Outcomes: Reducing sessional worker capacity could result in service being unable to deliver required level of contact for children and their families See EIA 8a.  | 40                       |
| 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.   |   | 0                        |
| 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. In addition to the savings proposed there is pressure funding of £910k to cover in future anticipated in creased costs for existing clients | 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.<br>Work streams:<br>Increasing number of in house foster carers and those able to provide support to more complex children;<br>Increasing and extending preferred provider options for the Local Authority in partnership across the South East;<br>Developing in house capacity with regards Supported | Delivery Risk: This is a high cost service where the failure of effective prevention and demand management will not only impact on the achievement of cost reduction but is likely to be of corporate financial significance to the council's challenging medium term financial position. The proposals set out here assume that other pressures on this budget will be met across the overall budget. A small number of adolescents with very significant needs continue to provide pressure on these budgets combined with a national shortage of placements.<br><br>Impact on Outcomes: Improved practice model prevents children needing care and contributes to improved outcomes for young people. Demand management has implications for managing risk effectively to meet safeguarding requirements and statutory duties. | 1,614                    |

| Section  | Service Area   | Rationale for Strategy   | Service & Financial Proposals   | Delivery Risk & Impact on Outcomes   | Savings 2019/20 £'000 |
|--|--|--|---|--|-----------------------|
|  |  |  | Lodgings - an area of increasing demand and unit costs.   | See EIA 8b.  |                       |
| 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.                             | The adolescent service brings together a number of different teams who work with higher risk young people. It has been successful in ensuring that needs are largely met and has reduced the funding pressures arising from this group of young people. No further savings are proposed therefore. |   |  | 0                     |
| Family Support Services                                      | Family group conferences and intensive intervention initiatives  | Maintaining investment in this preventive service area is critical for effective demand management. Family Group Conferencing is used to identify alternative means to meet the needs of families who are facing difficulties and so avoid the need for a child to be brought into care.           | Modest savings from Family Information Service based at FDFP via efficiencies.  | Impact on Outcomes: No impact anticipated.<br>See EIA 9.   | 10                    |
| Specialist Assessment  | Clermont Assessment Centre & expert assessments and living Without Violence service.   | Further development of model of social work practice to ensure a focus on supporting social workers to be the "expert" and deliver high quality and comprehensive enhanced assessments where required and reduce reliance on seeking these via 3rd parties.  | Redesign of Clermont delivery model in order to support the upskill of social workers via Lead Practitioner model, thereby reducing demand for specialist assessments from both Clermont & external providers, enabling savings | Delivery risk - Low Risk<br>Impact on Outcomes - increase in social work demand could result in insufficient capacity to undertake specialist assessments.<br>See EIA 10.  | 100                   |
| Specialist Assessment  | Therapeutic Services   | This is funded externally  | External funding  |  | 0                     |
| <b>Children's Safeguarding &amp; Care Total</b>              |  |  |   |  | <b>1,799</b>          |
| <b>Children's Safeguarding &amp; Quality Assurance Total</b> |  |  |   |  |                       |
| 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.   | Delivery Risk: Continuing high demand and referral rates would put at risk this potential staffing efficiency.<br>Impact on Outcomes: Could put delivery within the statutory timeframes at risk if there were an increase in numbers in statutory services. | 85                    |
| <b>Children's Safeguarding &amp; Quality Assurance Total</b> |  |  |   |  | <b>85</b>             |
| <b>Families, Children &amp; Learning Total</b>               |  |  |   |  | <b>3,293</b>          |