



THE LONDON BOROUGH
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To: Members of the
SCHOOLS' FORUM

Andrew Downes (Chairman)	Secondary Academy Governor
David Bridger (Vice-Chairman)	Non-School Representative (Church of England)
Dr Martin Airey	Secondary Academy Head Teacher
Colin Ashford	Primary Academy Governor
Janice Box	Primary Maintained Head Teacher
David Dilling	Primary Academy Governor
Patrick Foley	Primary Maintained Head Teacher
Lee Mason-Ellis	Primary Academy Head Teacher
Neil Miller	PRU Head Teacher
Sam Parrett	Non-School Representative (14-19 Partnership)
Neil Proudfoot	Non-School Representative (Joint Teacher Liaison Committee)
Karen Raven	Secondary Academy Head Teacher
Alison Register	Non-School Representative (Early Years)
Keith Seed	Special Head Teacher/Governor
David Wilcox	Secondary Academy Governor
Aydin Önaç	Secondary Maintained Head Teacher
1 x vacancy	Primary Maintained Governor
1 x vacancy	Non-School Representative (Catholic Church)

A meeting of the Schools' Forum will be held at the Bromley College of Further and Higher Education, Rookery Lane, Bromley, BR2 8HE on **TUESDAY 13 SEPTEMBER 2016 AT 4.30 PM** *

*** PLEASE NOTE STARTING TIME AND VENUE**

MARK BOWEN
Director of Corporate Services

A G E N D A

- 1 APOLOGIES FOR ABSENCE**
- 2 DECLARATIONS OF INTEREST**
- 3 MINUTES OF THE MEETING HELD ON 30 JUNE 2016 (Pages 3 - 6)**
- 4 ADJUSTMENTS TO LOCAL AUTHORITY FUNDING RELATED TO FREE SCHOOLS - CONSULTATION RESPONSE (Pages 7 - 10)**

**5 AN EARLY YEARS NATIONAL FUNDING FORMULA - CONSULTATION
RESPONSE (Pages 11 - 18)**

7 ANY OTHER BUSINESS

8 DATE OF NEXT MEETING

24 November 2016

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SCHOOLS' FORUM

Minutes of the meeting held at 4.30 pm on 30 June 2016

Present:

Andrew Downes (Chairman)	Secondary Academy Governor
David Bridger (Vice-Chairman)	Non-School Representative (Church of England)
Colin Ashford	Primary Academy Governor
Janice Box	Primary Maintained Head Teacher
David Dilling	Primary Academy Governor
Patrick Foley	Primary Maintained Head Teacher
Neil Miller	PRU Head Teacher
Karen Raven	Secondary Academy Head Teacher
Keith Seed	Special Head Teacher/Governor

Also Present:

Jane Bailey	Director: Education
David Bradshaw	Head of ECHS Finance
Philippa Gibbs	Democratic Services Officer
Amanda Russell	Head of Schools Finance Support
Julia Waldman	Head of Schools, Early Years Commissioning and Quality Assurance

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Lee Mason-Ellis, Aydın Önaç, Sam Parrett, Neil Proudfoot, Alison Regester, and David Wilcox. Mr Richard Edmonds, Head Teacher at Warren Road Primary School, attended as alternate for Lee Mason-Ellis.

The Chairman reported that David Wilcox and Dr Martin Airey were from the same school. The constitution of the Schools' Forum allowed for only one representative from each school and therefore the membership of the Schools' Forum would need to be reconsidered.

In relation to Item 8 on the agenda, the Chairman reported that as the proposals relating to the Schools' Block had already gone out to consultation the discussion relating to these proposals would be held and minuted in Part 1 (public). The other proposals would for now remain in Part 2 (confidential).

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 MINUTES OF THE MEETING HELD ON 14 APRIL 2016

The minutes of the meeting held on 14 April 2016 were approved, and signed as a correct record.

4 SPENDING BY PRIMARY, SECONDARY AND SPECIAL MAINTAINED SCHOOLS IN 2015-16

Report ED17001

The Schools' Forum considered a report which provided information on all revenue and capital balances held by Primary, Secondary and Special Maintained Schools as at 31 March 2016. The report also provided a comparison to the balances held at the same time in the previous year.

Balances were recorded in accordance with the DfE Consistent Financial Reporting (CFR) Regulations. This was a framework for reporting income, expenditure and balances, providing schools with a benchmarking facility for comparison between similar schools to promote self-management and value for money. A CFR return was produced for all schools maintained by the Local Authority as at 31 March 2016. The CFR framework consisted of six balances, which provided an overall picture of the resources available to a school from one year to the next, and information on balances carried forward.

The average level of revenue balances both committed and uncommitted for Maintained Primary Schools stood at 11% of School Budget Shares compared to 9% at the end of 2014/15, an increase of 2%. Secondary School balances remained constant at 9% and Special School balances stand at 7% compared to 5% the previous year, an increase of 2%.

The Head of Schools' Finance reported that since the publication of the agenda one further return, from St George's School, had been received. Any updated information from individual schools would be included in the report due to be considered by the Council's Education Budget Sub-Committee.

In response to a question, the Head of Schools' Finance confirmed that schools were responsible for managing their own budgets and that there was now no balance control mechanism. The information contained in the report was provided by the schools and reported to Members however the Local Authority had little or no control. Officers within the Schools' Finance Team continued to work closely with schools to identify whether there was a valid reason for any surplus balances.

The Head of Schools' Finance confirmed that a Dedicated Schools Grant Outturn Report would be considered at a future meeting.

RESOLVED: That the balances be noted.

5 ANY OTHER BUSINESS

There was no other business.

6 DATE OF NEXT MEETING

It was agreed that the next meeting would be postponed until 6th October 2016.

**7 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE
LOCAL GOVERNMENT (ACCESS TO
INFORMATION)(VARIATION) ORDER 2006, AND THE
FREEDOM OF INFORMATION ACT 2000**

RESOLVED: that the Press and public be excluded during consideration of the items of business listed below as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the Press and public were present there would be disclosure to them of exempt information.

**8 REVIEW OF DEDICATED SCHOOLS GRANT EXPENDITURE
FOR 2017/18**

The Schools' Forum considered the report and noted the proposals.

The Meeting ended at 6.26 pm

Chairman

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Report No.
ED17012

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **SCHOOLS' FORUM**

Date: **Tuesday 13 September 2016**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **ADJUSTMENTS TO LOCAL AUTHORITY FUNDING RELATED TO FREE SCHOOLS - CONSULTATION RESPONSE**

Contact Officer: Amanda Russell, Head of Schools Finance Support
Tel: 020 8313 4806 E-mail: Amanda.Russell@bromley.gov.uk

Chief Officer: Director: Education (ECHS)

Ward: (All Wards);

1. Reason for report

This report provides an overview of the DfE consultation on proposed changes to free school funding and the suggested LA response

2. **RECOMMENDATION(S)**

The Schools Forum is asked to discuss the proposed changes and the LA draft response.

3. COMMENTARY

3.1 On the 21st July the DfE launched a consultation seeking views on proposals to change the local authority recoupment arrangements for mainstream free schools. The closing date for the consultation is 21st September.

3.2 At present there are two ways in which free schools can be established:

- Where the local authority has identified the need for a new school in the areas (known as the presumption process)
- Where an application to open a free school is made directly to the department by a proposer (known as the centrally delivered process)

3.3 Under the current arrangements where a free school is established through the presumption process, the local authority's Dedicated Schools Grant is charged from the point of opening. If it is established through the centrally delivered process, the LA is charged from the second year that the school is open.

3.4 The LA is aware of two secondary free schools expected to open in September 2017 that have been established under the centrally delivered process. Under the current arrangements there would be no charge to the LA in 2017/18, however if these changes are introduced then there will be a cost to the LA in 2017/18. Assuming that each school has an admission number of 180 pupils, early modelling indicates that the cost to the LA for the financial year 2017/18 will be around £1.3 million.

3.5 Full details of the consultation document can be found at the following address:

https://consult.education.gov.uk/funding-policy-unit/adjustments-to-la-funding-for-free-schools/supporting_documents/Adjustments%20to%20local%20authority%20funding%20related%20to%20free%20schools.pdf

3.6 Appendix 1 shows the draft response provided by the LA. The Schools Forum is invited to discuss the DfE proposal and the draft response.

Adjustments to local authority funding related to free schools – Draft response

Question – Do you agree with the proposal to recoup funding for all mainstream free schools from the first year of opening?

Response – No, due to the following issues:

- Schools opening under the centrally delivered process may mean that the places are not actually needed or in the right locations and may result in vacant places in other nearby schools
- The assumption that the LA will have fewer pupils to fund may be incorrect, as LA may already be funding bulge classes that have been set up to accommodate these pupils. Admission arrangements require places to be “double offered”
- Assumes that the pupils going into the free school are already in borough – new free schools opening on borough boundaries may import large numbers from other boroughs.
- LAs officers operating the DSG and or completing the APT do not always have access to free schools to obtain this information – any information that is available in time for the APT completion is likely to be inaccurate.
- What will happen to the savings that DfE will achieve from this process – will they be passed on to LAs/schools?
- Is it realistic/reasonable to introduce this change in advance of the NFF system as it will create additional work for LAs – would it be better to introduce this in line with the “hard formula” when LAs will no longer have a role in the formula process and DfE will have the pupil number data to directly inform this process.

Question – Do you think there is any particular support the department could give local authorities to help them estimate pupil numbers for new mainstream free schools, or any other support which would make recoupment fairer or simpler?

Response – Yes – do not operate two types of free schools – surely it is better in the short term to rely on LAs to have the best knowledge as to where and when free schools are required – once NFF has been established then all free schools can be administered as centrally delivered as LAs will no longer be involved.

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Report No.
Ed17011

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **SCHOOLS' FORUM**

Date: **Tuesday 13 September 2016**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **AN EARLY YEARS NATIONAL FUNDING FORMULA -
CONSULTATION RESPONSE**

Contact Officer: Amanda Russell, Head of Schools Finance Support
Tel: 020 8313 4806 E-mail: Amanda.Russell@bromley.gov.uk

Chief Officer: Director: Education (ECHS)

Ward: (All Wards);

1. Reason for report

This report outlines the DfE proposals for an Early Years National Funding Formula and changes to the way three and four year old entitlements to childcare are funded, and the LA's draft response.

2. **RECOMMENDATION(S)**

The Schools forum is invited to review and discuss the consultation document and the proposed draft response.

3. COMMENTARY

3.1 On the 11th August 2016 the DfE launched a consultation document on proposals for an early years national funding formula and changes to the way three and four year old entitlements to childcare are funded. The closing date for the consultation is Thursday 22nd September.

3.2 The consultation focuses on three main areas:

Part 1: National funding to local authorities –

- Hourly funding rates (national average) to increase from £4.56 to £4.88 for three and four year old (including average Early Years Pupil Premium spend) and from £5.09 to £5.39 for two year olds
- A new early years national funding formula would allocate funding to local authorities for the existing 15 hour entitlement for all three and four year olds and the additional 15 hours for three and four year old children of eligible working parents
- The formula would include factors for additional needs and an area cost adjustment to reflect variations in local costs
- While the majority of local authorities would see increases in their hourly funding rates, the DfE would set a funding floor to ensure that no authority would see a reduction of more than -10% once the formula is fully implemented
- To use transitional protections to ensure that no local authority would see an annual reduction in their hourly funding rates of more than -5% in any year
- That all local authorities should be funded by the early years national funding formula, without any transitional protections by 2019-20

Part 2: Local funding from local authorities to providers

- To require that all local authorities pass 93% in 2017/18 and 95% in 2018/19 of early years funding to providers
- Local authorities would use a universal base rate to fund providers for each hour of the free entitlement, by no later than 2019-20. This would bring about greater equality in funding between different types of provider.
- There would be supplementary funding for maintained nursery schools for at least two years to keep their transition to a universal base rate manageable.
- There would be a limited set of permitted funding supplements, limited to those which reflect drivers of cost and incentivise providers to meet the need of parents. These supplements would be capped at 10% of the hourly funding rate

Part 3: Meeting children's additional needs

- There would be a new Disability Access Fund to support disabled children to access the free entitlements
- Local inclusion funds for children with special educational needs would support providers in driving outcomes for these children
- The Early Years Pupil Premium will continue

3.3 The full consultation document can be found at the following address

<https://consult.education.gov.uk/early-years-funding/eynff>

3.4 Alongside the consultation document the DfE has published illustrative funding allocations which show that the funding rates for Bromley would increase from £4.19 (compared to a national average of £4.43) to £4.91 (compared to the national average of £4.71). It is anticipated that this increase would be passed onto providers and would mean that potentially there may not be the need to find savings in this block as part of the overall DSG budget exercise, and that settings may see a real increase in funding.

3.4 The consultation document outlines a number of specific questions covering these areas in great detail. The LA has produced a draft response to each question. We are still waiting for some wording relating to the set of questions regarding meeting the needs of disabled children and children with special educational needs. These responses will either follow shortly or will be tabled at the SF meeting.

3.5 The Schools Forum is asked to consider these proposals and the LA's draft responses.

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Early Years National Funding Formula Consultation

1. Should there be an early years national funding formula (to distribute money from central government to each local authority)?
It is important to recognise the need for a national funding formula for Early Years in the same way as it is planned for schools. At present the funding differences between Local Authorities are as diverse for Early Year funding as they are in the Schools Block. As an Outer London Authority, again Bromley fund itself receiving not only one of the lowest levels of funding compared to other outer London borough, but also being funding at less than half the amount of most of the Inner London boroughs, some of which are our immediate neighbours.
Many of the costs faced by our providers are in line with London levels, especially in terms of rent, rates, and staffing costs. The proposed increase would allow us significantly increase the level of funding our settings receive, at a time when we had been looking at the possibility of having to reduce our funding levels. We feel this will have a very positive impact on our EY settings, at a time where they are facing significant financial pressures.
2. To what extent do you agree with the proposed funding floor limit, so that no LA would face a reduction in its hourly funding of greater than 10%?
It would seem reasonable to protect the (higher) levels of funding by imposing a limit as long as this does not impact on those LAs who will benefit from increased funding. It should also be noted that those LAs in receipt of higher funding levels have had the benefit of these for a number of years.
3. Considering a universal base rate of funding which does not vary by local area, should the universal base rate be included in the early years national funding formula?
Yes -Bromley's own previous research, whilst not current, has found this premise to be correct.
4. ..is 89.5% of overall funding the right amount to channel through this factor?
Whilst 89.5% would appear to be in the right ballpark, it does beg the question as to whether it might be simpler to administer (and only marginally less accurate) to use 90%
5. Considering an additional needs factor.. . should an additional needs factor be included in the early years national funding formula?
Yes we would support this as it allows for a differential level of funding to be targeted at specific issues.
6. Do we propose the correct basket of metrics?
In principle yes, although we would question what the impact of UIFSM may have on the deprivation measure as Bromley has seen a significant decrease in fsm applications since this was introduced.
7. Do we propose the correct weightings for each metric?
Again in principle yes, although the deprivation elements forms the largest proportion and as detailed in the previous comment could be impacted by UIFSM.
8. Considering an area cost adjustment... should the early years national funding formula include an area cost adjustment?
It is important that an area cost adjustment is used to reflect the additional costs faced by EY settings in inner and outer London
9. Should that adjustment be based on staff costs (based on the General Labour Market measure) and on nursery premises costs (based on rateable values)?
The adjustment should be based on the GLM measure and rateable values as staffing costs and rates are two of the main areas where there are cost differences.
10. To implement the increased hourly rate for the two year old free entitlement.. should we retain the current two year old funding formula?

LA officers felt that the current two year old funding mechanism was not particularly clear and transparent and that it might be better to take this opportunity to extend the 3 and 4 year old funding methodology to include 2 year old funding as many of the issues are the same.

11. Should we use the additional funding secured at the spending review to uplift local authorities allocations based upon this?
Yes definitely. Like many other LAs, Bromley has been funding settings for 2 year olds at a higher hourly rate than that funded by the DfE (£6.00 per hour compared to £5.28). We had been looking at the possibility of having to reduce this level of funding as pressures on the DSG and the potential ringfencing of the blocks has meant that this would not have been viable in the long term, so this would help to sustain the higher level of funding.
12. Considering the Dedicated Schools Grant ... should the free entitlement be capped at 30 hours for children of eligible working parents and 15 hours for all other children?
Bromley currently only provides 15 hours of free entitlement and plans to continue to do so (subject to the introduction of the additional 15 hours childcare) – we are aware that other LAs may historically have funded more than 15 hours in particular areas in the past but may not be able to continue to do this once the blocks within the DSG are ringfenced.
13. Should the Government set the proportion of early years funding that must be passed on to providers?
Yes – this funding is aimed at the provision of early years education and as such the majority of the funding should be passed on directly to the providers. Bromley’s current expenditure reflects this and in fact currently exceeds this target level.
14. Do you think that 95% is the correct minimum proportion of the money that should be passed from local authorities to providers?
95% would seem to be a reasonable level.
15. Should local authorities be required to give the same universal hourly base rate to all childcare providers in their area?
Yes – Bromley has been using the same base rate for all providers for a couple of years.
16. Should local authorities be able to use funding supplements?
Yes but only at the margin ie the 10% that is proposed. Currently Bromley’s supplements sit at around 13% but we have already been looking at ways to simplify the formula which would result in reducing this percentage.
17. Should there be a cap on the proportion of funding that is channelled through supplements?
Yes
18. If you agree that there should be a cap on the proportion of funding that is channelled through supplements, should the cap be set at 10%?
10% would seem to be a reasonable level to ensure fairness and also to help minimise the complexity of some LA formulas. This would seem to be a logical set towards the inevitability of a national EY funding formula.
19. Should the following supplements be permitted? Deprivation, sparsity/rural areas, flexibility, efficiency, additional 15 hours?
 - *Deprivation – yes - currently it is mandatory for LAs to have a deprivation supplement and we believe that this should continue.*
 - *Rurality/Sparsity – Bromley does not have cause to use this as a supplement so cannot comment on this*
 - *Flexibility – no – whilst the LA understands the principle of this and have previously used this as a supplement, we have ceased to use it as in practice we found it hard to administer and check for eligibility at a time where formulas need to be simplified.*
 - *Efficiency – no – as again this would not be easy to manage*
 - *Additional 15 hours – no – this would be adding another level of complexity which would be difficult to manage*

- *The LA is of the view that the EY years funding formula should be as simple as possible and that any supplements that are used should conform to the SMART principles, whereas some of the options that you are proposing would be neither particularly specific nor measurable. We feel that it is more important to get the base rate right, and once this is right there is less need for a large number of additional supplements.*
20. When using funding supplements, should local authorities have discretion over the metrics they use and the amount of money channelled through each one?
Yes, subject to the limit on the number of supplements and the amount that can be channelled through them.
 21. If you agree that efficiency/additional 15 hours should be included in the set of supplements, do you have a suggestion of how it should be designed?
We do not support this as an additional supplement
 22. If you think any additional supplements should be permitted which are not mentioned here, please set out what they are and why you believe they should be included?
*We cannot suggest any other supplements other than to suggest that any supplements should be both simple and SMART.
(Questions 23 -31 to be answered by LA officers at the Phoenix centre)*
 23. Should there be a Disability Access Fund to support disabled children to access their free entitlement?
 24. Should eligibility for the Disability Access Fund be children aged 3 or 4 which are a) taking up their free entitlement and b) in receipt of Disability Living Allowance?
 25. When it comes to delivering the funding for the Disability Access Fund, is the most appropriate way the existing framework of the Early Years Pupil Premium.
 26. To what extent do you agree that a lack of clarity on how parents/childcare providers can access financial support results in children with special educational needs not receiving appropriate support (is children who do not already have an EHC plan)
 27. When it comes to establishing an inclusion fund, should local authorities be required to establish an inclusion fund?
 28. Would an inclusion fund help improve the supply of appropriate support children receive when in an early years setting?
 29. If you envisage any barriers, arising from existing practice or future proposals, to introducing a new requirement on local authorities to establish an inclusion fund, please tell us what they are and how they might be overcome
 30. When it comes to the SEN inclusion fund, should local authorities be responsible for deciding a) the children for which the inclusion fund is used, b) the value of the fund and c) the process of allocating the fund?
 31. Where specialist SEN or SEND services are delivered free at the point of use, should they be considered as funding passed directly to providers for the purpose of the 95% high pass-through?
 32. To what extent do you agree with the transition approach proposed for the Early Years National Funding Formula (money distributed from the Government to local authorities)?
The LA understands the need for some transitional protection and supports this as long as it does not impact on other LAs potential increases
 33. To what extent do you agree with the transition approach for the high pass-through of early years funding from local authorities to providers?
We understand that this may take time for some LAs not adjust their formulas to meet the proposed targets
 34. To what extent do you agree that our proposals on the high pass-through of funding from local authorities to childcare providers makes the existing Minimum Funding Guarantee for the early years unnecessary?

We are not sure of the principle behind this statement – If LAs are currently passing through less than the new limit then it would make sense that there is no (immediate) need for the MFG to continue, however if LAs already pass through a higher percentage of funding there is a risk that some settings could be negatively impacted by a change in the funding formula

35. To what extent do you agree with the transition approach proposed for introducing the universal base rate for all providers in a local authority area?

We understand that this may take time for some LAs not adjust their formulas to meet the proposed targets

36. Please provide any representations/evidence on the impact of our proposals for the purposes of the Public Sector Equality Duty (Equality Act 2010). The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race (including ethnicity), religion or belief, sex and sexual orientation.

None