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NOTICE OF MEETING



SCHOOLS FORUM

will meet on

TUESDAY, 11TH OCTOBER, 2016

At 2.30 pm

in the COUNCIL CHAMBER - TOWN HALL, MAIDENHEAD

TO: Head Teacher Representatives: Isabel Cooke, Richard Pilgrim (Chairman), Heidi Swidenbank, Helen McHale, Alison Penny, Nick Stevens (Vice-Chairman), Stuart Muir, Joolz Scarlett, Tony Dickens, Mike Wallace, Chris Tomes, Amanda Hough and Martin Tinsley.

Governor Representatives: Hugh Boulter and Jo Haswell.

Non- School Representatives: Gina Kendall and Anne Entwistle.

Karen Shepherd - Democratic Services Manager - Issued: 3/10/2016

Members of the Press and Public are welcome to attend Part I of this meeting. The agenda is available on the Council's web site at www.rbwm.gov.uk or contact the Panel Administrator

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AGENDA

PART I

| <u>ITEM</u> | <u>SUBJECT</u> | <u>PAGE NO</u> |
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| 1. | <u>APOLOGIES</u> To receive any apologies for absence. | - |
| 2. | <u>DECLARATIONS OF INTEREST</u> To receive any declarations of interest. | 5 - 6 |
| 3. | <u>MINUTES</u> To approve the minutes of the previous meeting. | 7 - 10 |
| 4. | <u>RBWM CONSULTATION ON HIGH NEEDS FUNDING</u> To agree a request to consult on proposals for changes in the way that high needs funding is allocated mainstream schools and colleges. | 11 - 22 |
| 5. | <u>2016-17 FINALISED DSG SETTLEMENT AND GUARANTEED 2017-18 DSG FUNDING.</u> To note RBWM's finalised 2016-17 DSG allocation and receive an update on school funding in 2017-18. | 23 - 30 |
| 6. | <u>DFE'S EARLY YEARS NATIONAL FUNDING FORMULA PROPOSALS</u> To receive an update on early years funding in 2017-18. | 31 - 38 |

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MEMBERS' GUIDANCE NOTE

DECLARING INTERESTS IN MEETINGS

DISCLOSABLE PECUNIARY INTERESTS (DPIs)

DPIs include:

- Any employment, office, trade, profession or vocation carried on for profit or gain.
- Any payment or provision of any other financial benefit made in respect of any expenses occurred in carrying out member duties or election expenses.
- Any contract under which goods and services are to be provided/works to be executed which has not been fully discharged.
- Any beneficial interest in land within the area of the relevant authority.
- Any license to occupy land in the area of the relevant authority for a month or longer.
- Any tenancy where the landlord is the relevant authority, and the tenant is a body in which the relevant person has a beneficial interest.
- Any beneficial interest in securities of a body where
 - a) that body has a piece of business or land in the area of the relevant authority, and
 - b) either (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body **or** (ii) the total nominal value of the shares of any one class belonging to the relevant person exceeds one hundredth of the total issued share capital of that class.

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This is an interest which a reasonable fair minded and informed member of the public would reasonably believe is so significant that it harms or impairs your ability to judge the public interest. That is, your decision making is influenced by your interest that you are not able to impartially consider only relevant issues.

DECLARING INTERESTS

If you have not disclosed your interest in the register, you **must make** the declaration of interest at the beginning of the meeting, or as soon as you are aware that you have a DPI or Prejudicial Interest. If you have already disclosed the interest in your Register of Interests you are still required to disclose this in the meeting if it relates to the matter being discussed. A member with a DPI or Prejudicial Interest **may make representations at the start of the item but must not take part in discussion or vote at a meeting.** The term 'discussion' has been taken to mean a discussion by the members of the committee or other body determining the issue. You should notify Democratic Services before the meeting of your intention to speak. In order to avoid any accusations of taking part in the discussion or vote, you must move to the public area, having made your representations.

If you have any queries then you should obtain advice from the Legal or Democratic Services Officer before participating in the meeting.

If the interest declared has not been entered on to your Register of Interests, you must notify the Monitoring Officer in writing within the next 28 days following the meeting.

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Agenda Item 3

SCHOOLS FORUM

TUESDAY, 5 JULY 2016

Present: Head Teacher Representatives: Isabel Cooke, Richard Pilgrim (Chairman), Heidi Swidenbank, Alison Penny, Nick Stevens (Vice-Chairman), Stuart Muir, Ania Hildrey, Mike Wallace and Chris Tomes.

Governor Representatives: Hugh Boulter and Jo Haswell.

Non- School Representatives: Gina Kendall.

Cllr D Wilson and Cllr Hill.

Officers: Alison Alexander, Kevin McDaniel, Edmund Bradley and David Cook.

APOLOGIES

Apologies for absence were received from Martin Tinsley, Anne Entwistle and Helen McHale.

DECLARATIONS OF INTEREST

There were no declarations of interest received.

MINUTES

Resolved unanimously: that the minutes of the meeting on the 13th April 2016 be approved as a true and correct record and that the minutes of the meeting on 8th March 2016 be approved as a true and correct record subject to page 15 noting that Chris Tomes represents Churchmead and not Charters.

GROWTH FUND 2016-17 TO 2018-19

The Chairman introduced the report that related to the proposed changes previously considered to the Growth Fund provision. The Forum were informed that under school finance regulations local authorities (LAs) could topslice the Dedicated Schools Grant (DSG) in order to create a growth fund to support maintained and academy schools which are required to provide extra places in order to meet basic need. The growth fund was designed to support a school temporarily or permanently increasing their PAN on a planned basis to meet basic need before the census process caught up with the number of pupils in the school. This is typically seven months for maintained schools and a year for Academy schools.

After being in operation for a number of years , the Forum considered the Growth Fund and felt that the formula had been over-generous, leading to some schools appearing to gain unduly. The forum approved a revised formula that had been applied retrospectively. A mechanism was introduced to get funds back if the planned growth did not happen.

Following feedback from school and discussions with schools expanding from September 2016 it was agreed to bring the formula back to the Forum to agree the future growth fund methodology for three financial years starting 2016/17.

The Forum were being asked to agree a new formula as set out in section 4 of the report, or modify the current scheme set out in section 5, or to maintain the current arrangements.

The Chairman said that a three year limit on the growth fund was to help employ a teacher before funding caught up and that this three years was sufficient to pay for a five year expansion.

Hugh Boulter reported that schools had entered into an agreement with the LA for the expansion of pupil numbers and had committed finances to make this happen; the LA had changed the rules and schools would receive less funding than they had planned for.

Mike Wallace agreed that schools had made a commitment with the LA and had put resources in place based on that agreement, he questioned if all schools had been consulted when the changes were made. The Forum were informed that they had made the decision and that they represented their sectors on this body.

The Chairman reported that when the report was considered in October there was a table that clearly showed the implications of the proposed changes.

Nick Stevens reported that there seemed to have been a problem communicating the changes to schools.

Cllr Hill in his capacity as Ward Member and governor of Oldfield School reported that he felt aggrieved about how the funding had been applied. The school had expanded and was oversubscribed and this expansion had been agreed with the LA. He felt it was not fair for the LA to then change the rules that would put a pressure on the school budget. He could understand the change for future expansion but not retrospectively applying it to schools. He was asking the Forum to change its decision in respect to Oldfield or if the Forum would provide support to the school from its reserves as if there was no change the school would be facing a £100k pressure.

Cllr Wilson was also in attendance as a Ward Member who supported the excellent school. As Lead Member for Planning he mentioned that there was a planned housing expansion in Maidenhead that would put further pressures on schools and it was not right to hinder this outstanding school that had been asked to expand to help meet demand. Funding had been secured for the first three years expansion but the changes had removed funding for the final three years and thus would result in a funding shortfall; he felt this was not acceptable. The LA should continue to fund the additional places until the school was full. He directed the Forum to the comments made by the school on page 32 of the report and that parents and governors had attended this meeting to support the schools request.

The Chairman mentioned that there was an issue with schools expectations, the decision made by the Forum in October had been very clear. There was an issue that support one borough school could have a negative impact on other schools as the funding was taken from the DSG.

Isabel Cooke reiterated that all schools are in need of extra funding; especially those expanding. Other schools would welcome the £60k reserve and we needed to be mindful of all pupils in the system and not just one school.

Cllr Hill replied that Oldfield could be seen as a special case due to the increased development in Maidenhead and demographic growth in the area.

Mike Wallace reported that he did not agree with the change and that his school had been affected. The problem was that there had been poor communication with school being told different things.

Cllr Wilson mentioned that there was an increasing pressure on local schools and that he LA should be contacting the DFE saying that we have an issue with funding due to the population growth.

The Forum were informed that regulations required that the growth fund be formulated and to allow a special case would set a precedent for future use.

The Chairman asked what would the impact of the MFG and was informed that section 3.13, page 27, of the report showed the impact of the MFG.

Jo Hasweell reported that she was a new member of the Forum but it seems that schools were encouraged to expand with additional funding being provided to support this and questioned if the changes were communicated to school. The Forum were informed that the Forum decisions and reports were public and that scheme changes were sent to schools. The decision was communicated to school but not face to face.

Members of the public in attendance raised concern that the new formula was not fair on schools going through expansion and then getting less funding. They mentioned that Oldfield school had been given a commitment that funding would be provided throughout expansion. The Forum was informed that the funding was taken out of the DSG and if funding for expansion was increased this would result in the funding per pupil in all schools dropping.

Cllr Wilson informed that the borough had taken the decision to expand Oldfield and when this decision was made they were aware of the additional funding requirements and this should not have been cut. The Chairman replied that the Forum had made the decision that three years growth funding was sufficient to fund growth.

The Oldfield Business manager reported that over the past 11 years the school had balanced its books but since being asked to expand and move to a new site to aid expansion there had been an increase in costs such as business rates, utility bills and increased maintenance costs; no other expanding schools had these associated costs.

Ania Hildrey mentioned that she understood the concerns being raised by Oldfield as she had expanded her school on a new site and the concern of all schools where funding was an issue. However she did not feel that the Forum should be lobbied by individual schools the decision made for growth funding had been taken with the best interest of all school in mind. The Forum represented all sector but there were lessons to be learnt about communicating decisions.

Nick Stevens mentioned that we LA should lobby the DFE but whilst the Council continued to keep council tax at the same level whilst funding was reducing there was a reduced capacity to help schools.

Resolved: that recommendation 2.1 (set out in section 4 of the report) be approved (10 for, 3 against and 1 abstention.)

REQUEST FROM COX GREEN FOR GROWTH FUNDING IN 2016-17

Heidi Swindenbank requested that the Forum bring forward growth funding for Cox Green by one year. She informed that she was mindful of the previous discussion but it had been decided that Cox Green would expand in 2017, however after the LA decided to allow another secondary school to expand in 2016 Cox Green had to bring forward their expansion plans to prevent any negative impact on the school.

During the admission round the public were informed that the other school was expanding and thus pupils could apply to go to that school. It was requested that the Forum agree to bring forward the growth fund allocation for Cox Green from September 2017 to September 2016, to reflect the actual expansion taking place in 2016-17.

The Chairman asked if the Forum had the authority to make this decision and was informed that it had been brought to the Forum as there was an issue regarding fairness. When the press were told that Furze Platt Secondary School would be expanding in 2016 legal had advised that the expansion had to go ahead as there could be a number of successful school

appeals now that the expansion programme had been announced. Officers had been told that Cox Green was also expected to be over subscribed but on offer day they were below PAN and thus did not meet the expansion criteria.

Heidi Swindenbank reported that Cox Green was over PAN on decision day and the LA had said that both Furze Platt and Cox Green would expand.

Resolved unanimously: to bring forward the growth fund allocation for Cox Green from September 2017 to September 2016.

2015-16 SCHOOLS BUDGET OUTTURN, DSG RESERVE, & SCHOOL BALANCES

The Chairman introduced the report that detailed the final outturn position of the 2015-16 schools budget, the level of DSG reserve and the level of maintained school balances held at 31st March 2016. The Chairman highlighted that the level of reserve had dropped and asked the Forum to consider if this was too low or at the right level.

It was noted that the report showed that Oldfield was holding £70k in reserves and questioned why some schools were holding back funds that could be used for children's education; it was mentioned that there used to be a claw back mechanism for un allocated funds. The Forum were informed that this mechanism was never implemented.

It was mentioned that some schools may be future proofing against the new national funding formula or building up reserves for capital projects. The Forum were informed that the LA did question when maintained school had built up reserves and if they wished the Forum could set up a mechanism for the re-distribution of funds.

The Chairman said that the level of reserves being held by schools could be a future agenda item.

Resolved unanimously: that the Schools Forum note the report and approved the relative balances in the general and earmarked DSG reserves.

SEND FUNDING PROGRESS UPDATED

Item withdrawn.

FUNDING REFORM 2017-18 AND BEYOND

The Forum were informed that there was still no indication when the stage 2 consultation would be undertaken.

Isabel Cooke asked for clarification on the early help intervention officers whose funding was agreed by the Forum; it was agreed an update would be provided.

The meeting, which began at 2.30 pm, finished at 4.40 pm

CHAIRMAN.....

DATE.....

| | | | |
|----------------------|--|--------|---------------------------|
| Date: | 11 Oct 2016 | | |
| Title: | Proposed consultation on High Needs SEN pupil funding | | |
| Responsible officer: | Kevin McDaniel, Head of Education and Schools | | |
| Contact officer: | Debbie Verity, Service Leader CYPD | Tel: | 01628 685878 |
| | Geoff King | E-mail | Debbie.verity@rbwm.gov.uk |

SUMMARY

The Department for Education (DfE) funding strategy has made changes to the way schools are funded. As a result of this and legislation in 2014, the Local Authority (LA) is required to change the way it provides schools (the term schools used throughout this document includes colleges) with High Needs funding for children and young people with special educational needs.

It is proposed that the schools forum agrees to a period of consultation, leading to a revised process for allocating High Needs Funding to support Children and Young People eligible for an Education, Health and Care (EHC) plan or statement of Special educational needs.

It is proposed that consultation should take place during the autumn term 2016 with a view to implementation in April 2017.

This change in process only applies to High Needs pupils in mainstream schools or colleges and for the avoidance of doubt does not apply to High Needs pupils in resource provision/units or special schools.

PROPOSED CONSULTATION ON HIGH NEEDS SEN PUPIL FUNDING

1. PRESENT POSITION

1.1 RBWM's current system provides schools with top up funding for high needs pupils who have a statement of SEN or, more recently an EHC plan. RBWM's present system is not in harmony with the DFE's expectations as identified in the Code of Practice 2014. This is not an unusual position to be in, given the recent changes, but now needs to be addressed. The issue is that top-ups are currently allocated based on levels of needs (Needs weighted pupil units) which are linked to the old statements.

1.2 High needs expenditure includes:

- funding for places in specialist and post-16 institutions (e.g. special schools, special post-16 institutions and pupil referral units);
- top-up funding for individual pupils and students with high needs, including those in mainstream schools and young children in their early years; and
- services that local authorities provide directly, or through contracts or service level agreements with others – for example, specialist support for pupils with sensory

impairments, or tuition for pupils not able to attend school for medical or other reasons.

1.3 Pupils and students who receive support from RBWM's high needs budgets include:

- children aged 0 to 5 with SEN and disabilities, whom the local authority decides to support from its high needs budget. Some of these children may have EHC plans;
- pupils aged 5 to 18 with high levels of SEN in schools and academies, FE colleges, special post-16 institutions or other settings which receive top-up funding from the high needs budget. Most, but not all, of these pupils have either statements of SEN or EHC plans;
- those aged 19 to 25 in FE and special post-16 institutions, who have an EHC plan and require additional support costing over £6,000;
- pupils aged 5 to 16 placed in AP.

1.4 Over the past four years RBWM have spent between £15 million and £16 million pounds on high needs block funding. This compares with a 'similar authority' average of £57.37 million. (see fig 1)

Fig 1. High Needs Block (£m) (DSG)

| Authority | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 |
|------------------|-----------|-----------|-----------|--------------------|
| Bracknell Forest | 12.31 | 12.85 | 12.60 | 12.65 |
| RBWM | 15.14 | 15.77 | 16.02 | 15.99 ¹ |
| Wokingham | 17.33 | 17.59 | 17.98 | 17.71 |
| West Berkshire | 16.55 | 17.54 | 19.10 | 18.12 |
| Trafford | 22.82 | 23.34 | 24.08 | 23.73 |
| Oxfordshire | 46.70 | 49.16 | 50.22 | 50.83 |
| Cambridgeshire | 62.56 | 63.80 | 64.14 | 64.90 |
| Buckinghamshire | 65.60 | 68.38 | 69.00 | 69.39 |
| Hampshire | 86.90 | 90.40 | 91.77 | 93.20 |
| Hertfordshire | 92.19 | 94.75 | 96.11 | 97.86 |
| Surrey | 122.40 | 125.18 | 127.17 | 125.32 |
| Average | 54.53 | 56.30 | 57.22 | 57.37 |

1.5 The funding we allocate to mainstream schools for pupils 4-16 in their notional SEN budget is determined by the 'low prior attainment' funding. 2016-17 allocations through this factor were £5.2m. This is funded from the Schools Block allocation of the DSG, not high needs and should cover the first £6,000 of additional support needs.

1.6 Equivalent post 16 allocations for SEN are part of schools' 6th form funding from EFA .

1.7 Schools are expected to use other sources of formula funding – eg. AWPU, deprivation, EAL, to pay for high incidence low cost additional needs. The amounts delegated to schools (including academies) for AWPU, deprivation and EAL are £62.8m, £2.9m and £0.6m respectively.

1.8 Top-up expenditure (i.e. over and above the first £6,000 of additional needs) in 2015-16 on pupils in institutions in RBWM area (i.e. not out of borough), were:

¹ At present we spend a total of £16,55m made up of DSG High Needs Funding and other monies.

Fig. 2 Top-up expenditure 2015/16 (not including out of borough)

| | |
|--|-------------------|
| RBWM Resource Units | £169,147 |
| RBWM maintained mainstream | £865,248 |
| RBWM Academies mainstream | £464,553 |
| RBWM maintained and free special schools | £2,603,608 |
| FE Colleges | £482,660 |
| Total | £4,585,216 |

1.9 The LA has in the past begun working with a small working group of professionals reviewing the way in which high needs funding is provided. These proposals build on that work and propose a new process which is compliant with regulations, but more importantly offers transparency and consistency to schools, colleges, parents, children, young people and carers.

2. BACKGROUND

2.1 The purpose of this consultation paper is to advise on the national issues for the funding for High Needs Pupils (HNP) and to set out proposals for changes to existing local arrangements in 2017/2018 as they relate to high needs pupils in maintained schools and colleges.

2.2 Since June 2012 the DfE has published a series of policy documents detailing national changes to the school funding arrangements with implementation from April 2013.

2.3 All the published documents including the latest ones can be accessed electronically on the DfE website.

2.4 In terms of mainstream school funding the DfE direction of travel is now much clearer with the move towards a national funding formula for schools. Reforms already implemented in this area have been subject to extensive consultation with schools.

2.5 The funding for Higher Needs Places is also subject to major national policy change. The DfE consulted in the Spring on a new high needs funding formula for allocating funding to LAs, and it is likely that this is rolled out in 2017-18 or 2018-19. At present, LAs have more discretion in allocating this funding to schools within the framework of place funding plus top-up. The new funding formula may impact on the amount of funding available for distribution.

2.6 It is important that any new process prioritises earlier intervention, that it builds on the quality first teaching process and that it is flexible and responsive to individual pupil needs. The proposals are expected to provide this, reduce the complexity of the present system and provide greater transparency.

2.7 The system for accessing high needs funding is intended to be as straightforward as possible to minimise workload for colleagues in schools and the local authority.

3. SUMMARY OF THE NATIONAL CHANGES

3.1 The key issues from the DfE reforms of the funding for HNP are: -

3.2 The DfE approach is called 'place-plus' and involves 3 elements: -

- Element 1 – Core Education Funding based for pre 16 pupils on pupil led funding Age Weighted Pupil Unit (AWPU) of up to £4,000 already delegated in the Schools Block.
- Element 2 – Additional Support Funding of up to £6,000 from Notional SEN funding already delegated in the Schools Block.
- Element 3 – Top up funding from the commissioner, usually a Local Authority (LA), funded from the HNP Block.

3.3 This means up to £10,000 per HNP to be funded from the schools delegated budget.

3.4 Proposals for consultation for change from 2017/2018 for consideration for the policy direction and subsequent funding for High Needs Pupils are detailed below.

4. CONTEXT

4.1 It is important to consider the High Needs Funding in the context of what provision the authority expects to be made from within a mainstream school's or college setting's budget. The Appendix 2 of this document builds on the RBWM "core standards for all pupils in our schools" and makes explicit the provision expected for learners requiring support from within the educational establishment without recourse to an Education Health and Care assessment and therefore High Needs Funding.

4.2 This guidance is important to schools because;

- All the borough's learners attending a college or a mainstream school should have the **same minimum entitlement** to provision for special educational needs;
- College/School and LA staff need a **joint understanding** to support their dialogue about individual learners;
- It supports the LA in its statutory duty to **monitor and evaluate effectiveness** of special educational needs provision;
- It provides the **threshold for access** to High Needs Funding and/or eligibility for statutory assessment.

4.3 The descriptors should be viewed alongside RBWM "core standards for all pupils in our schools" which represents good practice guidance. Some colleges/schools may need to make adaptations to their present practice if they are to meet the LA's minimum provision expectations.

4.4 Schools/ colleges will need to demonstrate that the learners they are putting forward for High Needs Funding and/or statutory assessment have needs that are significantly outside and beyond those which can be provided for using delegated schools funding.

4.5 Good provision mapping and the tracking of the outcomes of any interventions offered to the learner will ensure that colleges/schools have this evidence to hand.

5. PROPOSAL

5.1 It is proposed that, once evidence has been received that a pupil meets the criteria for statutory assessment, a funding matrix will be used to assess the level of High Needs funding that will be made available.

5.2 The matrix will consist of the main categories of need as identified in the Code of Practice 2014, subdivided for ease of use. Each child/young person eligible for statutory assessment will be risk assessed against these categories to determine the level of need that prevents the child or young person from achieving. It is envisaged that this assessment will be co-ordinated by the RBWM SEN service, although it will involve considerable collaboration with all those who have detailed knowledge of the individual. The level of risk will reflect the intensity of intervention required to support the individual to make progress towards their goals.

5.3 Each child/young person can be assessed against as many of the categories as evidence suggests is required.

5.4 A simple formula helps to calculate the need in numeric form from the matrix. These are mapped onto a four scale banding system.

5.5 From this a total sum of money is calculated. This sum is not designed to equate to numbers of staff or ratios. It reflects the level of additional need, beyond the notional delegated budget. The school/college is expected to spend this, alongside the delegated funds, in accordance with the targeted gains and outcomes specified on the EHC plan.

5.6 More detail on the financial calculation will develop as the consultation take shape. However, it is not intended that this methodology is used to make savings, but to offer transparency and consistency. We also hope that we can emerge with a system that aligns with our geographical neighbours (Bracknell, Slough, Bucks and Wokingham) as far as possible.

Figure 2 shows an example.

| 2014 Code of Practice Primary areas of need | | | | | | | | | | |
|---|--------------------|--------|-------------------------------|-----|------------------------------------|------------------|--------------------|------------------------|---------|--|
| Sensory and physical | | | Communication and interaction | | Emotional social and mental health | | | Cognition and Learning | | |
| Physical/medical | Hearing | Vision | SpLD | ASD | Emotional wellbeing | Social behaviour | Learning behaviour | cognitive | Spec LD | |
| 0 | Descriptors | | | | | | | | | |
| 1 | Descriptors | | | | | | | | | |
| 2 | Descriptors | | | | | | | | | |
| 3 | Descriptors | | | | | | | | | |
| 4 | Descriptors | | | | | | | | | |

6. TRANSITIONAL PROTECTION

6.1 As with any policy change there may be an impact on the existing funding arrangements and therefore it is important to consider potential transitional protection.

6.2 Mainstream Schools and Pupils with High Needs Statements, Post 16 and FE

a) For children and young people in mainstream schools and colleges, the proposed funding arrangement should result in similar funding to the present rates for pupil led and hourly rates respectively.

It will be necessary to allocate pupils with High Needs funding, including any post 16, to the new bandings as soon as possible. The first opportunity for this will be the transfer from statement to EHC plan. For children and young people who are new into the system, the revised methodology will be used immediately. There is likely to be a baseline for non school post 16 and FE in terms of current costs and provision.

b) There are no prescribed requirements from the DfE to consider funding protection. However, the LA is minded of the potential impact. It is **proposed therefore that the LA will consider some protection in 2017-2018 as required.**

c) The likely methodology is to compare funding under the new model for existing pupils compared to the existing baseline in 2016-17 to assess the impact. This will be available for one year only as the new system is introduced and the new system will operate fully from 2018-19. New pupils will have to be allocated directly to the new bandings.

7. DECISION REQUIRED

7.1 That the schools forum agrees to a period of consultation on proposals for a revised methodology (matrix) to distribute High Needs Funding.

8. RISKS

- 8.1 There is a risk that DFE and Ofsted will find that the present arrangements unsatisfactory and this will be reflected in their 'area assessment' of SEN.
- 8.2 The High needs funding will not be distributed using a fair, equitable and transparent methodology.

9. NEXT STEPS

- 9.1 It is suggested that the consultation should include all stakeholders and be completed by December 2016.
- 9.2 A report will be brought back to the schools forum in December.

APPENDIX 1

What is a special educational need?

All learners learn and develop at different rates and have both areas of strength and interest and areas of weakness. A learner may have a special educational need if, despite appropriate classroom/college activities, and differentiated planning and support, they continue to experience a greater difficulty than their peers in learning and developing skills.

It is important to distinguish learners with special educational needs from learners who are underachieving but who can and will catch up.

'Consideration of whether special educational provision is required should start with the desired outcomes, including the expected progress and attainment and the views and wishes of the pupil and their parents. This should then help determine the support that is needed and whether it can be provided by adapting the school's core offer or whether something different or additional is required.' (SEN Code of Practice (2014) section 6.40)

APPENDIX 2

Evidence required to access High Needs Funding

Definition of High Needs Pupils

High Needs Pupils are those whose learning needs are

- Significantly “additional to” or “different from” the differentiated approaches and learning arrangements normally provided as part of high quality, personalised teaching.

AND

- When offering that support, there is irrefutable evidence that the cost to the school, per annum, is more than the Average Weighted Pupil Unit + £6,000 from the school’s devolved additional needs funding

Use of descriptors

It is proposed that Schools/colleges will be expected to have referred to the SEN Descriptors and the RBWM “core standards for all pupils in our schools” when making provision from the devolved schools block of funding. Schools/colleges must have evidence that the recommended provision for learners in different categories of special educational need has been made or attempted prior to application for High Needs Funding. It will not be necessary to evidence all of the recommended interventions but evidence of support from schools/colleges delegated budget/notional SEN presented to the panel must be:

- educationally justified as having been likely to lead to accelerated progress
- sustained
- costed

Accessing the High Needs Block

It is important that there is clarity concerning the expectation of what would be expected to be provided within the delegated budget and what would be the point at which the proposed matrix is triggered. The descriptions below are designed to help to clarify those expectations.

Descriptors that populate the matrix will be generated throughout the consultation process.

The RBWM “core standards for all pupils in our schools” should be the starting point for these shared expectations.

Schools/colleges, other professionals and parents should consider the proposed criteria below from which descriptors for the proposed matrix can be generated.

Communication and interaction (Including **SLCN** and **ASD**.)

A child with speech and language needs and no other learning needs would not normally meet the criteria for a statutory assessment as we would expect these needs to be addressed by the school or by NHS services providing advice to school and parents regarding approaches and programmes, with courses of direct therapy if required.

However with regard to both speech and language difficulties and ASD diagnoses, the child's barriers to learning i.e. anxiety, self-centred behaviours, language difficulties, emotional difficulties and the extent to which it affects access to the curriculum should be considered.

Cognition and Learning Needs:

Severe learning difficulties:

The Code states that children with severe learning needs are likely to require support in all areas of the curriculum and may have other associated difficulties, such as with mobility and communication.

Children with severe cognition and learning needs, who may require a statutory assessment, will have cognition and learning scores '**below the 2nd percentile**'. Scores at this level would appear to indicate that the child has a 'significantly greater difficulty in learning than the majority of others of the same age'.

A child who is attaining below the expected range in their key stage (defined as '**out of key stage**') may also have severe learning difficulties. Schools must give consideration to 'P' levels. A child achieving P8 or less in attainments may be out of key stage, but this approach will need to take account of child's year group e.g. a Year 1, achieving P8, could still remain at this stage in mainstream.

The expected levels for most children to be working at in each Key Stage are as follows:

End of KS1: NC levels 1 – 3

End of KS2: NC levels 2 – 5

End of KS3: NC level 3 +

End of KS4: NC level 4 +

Specific Learning Difficulties (SpLD):

For children with specific learning difficulties (SpLD) we would expect that these needs can be identified and addressed from resources available in the Local Offer without the need for a statutory assessment, unless there are other needs which impede access to the curriculum.

Social, emotional and mental health:

Pupils with these needs are likely to require access to specialist services, but would not require a statutory assessment leading to an EHC plan unless they had low cognitive ability and/or a disability, which was hindering their access to the curriculum. For

diagnoses of ADHD/ADD /ODD, consideration must be given to the extent in which these create a barrier to learning; however an expectation would be that these medical diagnoses would usually be addressed by medication and/or other interventions recommended by health professionals.

It is clearly stated in the Code (Page 98, s. 6.33) that schools and colleges should have clear processes to support children and young people with these difficulties, including how they will manage the effect of any disruptive behaviour so it does not adversely affect other pupils.

Sensory and/or physical needs.

Hearing impairment, visual impairment and multisensory impairment:

Pupils with these difficulties would normally be able to access local mainstream provision as set out in the Local Offer, which should detail the access that these pupils will have to specialist support and/or equipment to access their learning e.g. access to a Teacher of the Deaf; VI specialist teacher; MSI specialist support. An EHC Plan would usually only be needed if the pupil also had low cognitive ability or other disability that affected access to the curriculum.

Physical difficulties and medical difficulties:

These pupils would normally be able to access local mainstream provision as set out in the Local Offer. However, it is important to consider what is in the best interests of the child and some children with complex or debilitating medical conditions may require a statutory assessment which may lead to an EHC plan and placement in a setting which could address their more complex physical and medical difficulties.

Schools must have regard to the statutory guidance for governing bodies of maintained schools and proprietors of academies '**Supporting pupils at school with medical conditions**' **April 2014 Decision making by the Local Authority:**

APPENDIX 3

Descriptors

Suggested descriptors will be set out in the tabular form. They will indicate provision that the LA expect settings/schools to make for learners with regard to:

Cognition & Learning

- Moderate/General Learning Difficulty
- Specific Learning Difficulty

Communication & Interaction

- ASD
- Speech, Language & Communication needs

Medical Needs

Physical Impairment

Sensory Impairment

- Hearing Impairment
- Visual Impairment
- Multi-sensory Impairment

Social, Emotional and Mental Health

For each group of students detailed information will be provided about the LAs expectations, in terms of:

- I. Impact of SEN on learning
- II. Quality teaching strategies and specialised adaptations
- III. Relevant information & assessments

The descriptors will be indicative; they will not be an exhaustive list. A learner need not be experiencing all the needs described for consideration to be given to whether they have needs which will be appropriately supported at a given level.

Some of the needs that will be described may not, individually, warrant intervention, but they may be significant in conjunction with other needs. Schools may find a learner has needs across a number of the headings, or a cluster of needs under one heading. Hence the advantage of a matrix type methodology.

The descriptors will be designed to support schools to gauge the levels of support they need to arrange for children **before applying to the High Needs Block for additional funding**.

ROYAL BOROUGH OF WINDSOR & MAIDENHEAD SCHOOLS FORUM

| | | | |
|----------------------|--|-----------------------------|----------------------------|
| Date: | 11 Oct 2016 | | |
| Title: | 2016-17 Finalised DSG Settlement and guaranteed 2017-18 DSG funding | | |
| Responsible officer: | Kevin McDaniel, Head of Education and Schools | | |
| Contact officer: | Edmund Bradley Finance Partner (Children & Schools) | Tel: 01628 796904 E-mail | Edmund.bradley@rbwm.gov.uk |

1 SUMMARY

- 1.1 This paper summarises changes in RBWM's 2016-17 Dedicated Schools Grant (DSG) allocation as a result of the finalised settlement announced by the Education Funding Agency (EFA) in July 2016; the impact on planned expenditure in 2016-17, and on the distribution of funding between the Early Years, Schools, and High Needs blocks. The final section of the paper summarises the changes to school funding arrangements for 2017-18 and RBWM's indicative 2017-18 DSG allocation.

2 RECOMMENDATIONS

- 2.1 Schools Forum is asked to note seven key points:
- The funding available to support planned expenditure in the schools budget in 2016-17 has increased by £123k compared with the December 2016 DSG settlement. This is mainly due to an increase in the number of early years pupils.
 - £117k of the increase will be added to early years budget in 2016-17 including £6k to the high needs block.
 - The EFA's proposals for the implementation of a 'soft' national funding formula have been postponed to 2018-19. Further consultation will be held in the autumn.
 - The EFA have guaranteed that RBWM's schools block funding in 2017-18 will not be lower than the adjusted 2016- 2017 baseline per pupil (£4,421.73 per pupil), and the high needs block will be at least the same adjusted cash amount as in 2016-17 (£17.672m).
 - The deadline for submission of RBWM's 2017-18 funding formula to the EFA is 20 January 2017, but there is no longer a requirement to submit a draft formula in October.
 - Any changes to the number of high needs places at individual institutions RBWM want to commission for 2017-18 will need to be funded from its total High Needs allocation of £17.672m.
 - The Education Services Grant general funding to the local authority is falling from £77 per pupil to zero from September 2017.
- 2.2 Schools Forum is asked to comment on and give an in principle agreement to:
- Leave the 2017-18 local school funding formula unchanged from 2016-17 in light of the turbulence expected in 2018-19 when the national funding formula will be implemented (para 5.3).
 - Use the 2017-18 basic per pupil entitlement rates across all key stages to balance the schools budget if pupil numbers turn out differently from the estimate (para 5.4).
 - Retain maintained schools DSG funding in 2017-18 at the rate of £11 per pupil and to seek voluntary contributions from Academy schools at a similar level, to part fund school improvement / governor services currently funded by the general funding element of the Education Services Grant (para 5.10 to 5.14).
- 2.3 Schools Forum is asked to approve:
- The retention of £315k in 2017-18 for the statutory services set out in paragraph 5.9 previously funded by the retained duties element of the Education Services Grant.

3 2016-17 FUNDING CHANGES AND IMPACT ON EXPENDITURE

3.1 In July 2016, the EFA published RBWM's finalised 2016-17 DSG allocation, £104.965m¹, an increase of £123k on the DSG settlement announced in December 2015 which was reported to Schools Forum in March 2016, see table 1.

3.2 The increase is mainly due to an increase of 31 FTE three and four year olds compared with Jan 2015 as shown in table 1. Indicative early years block allocations for 2016-17 are initially based on January 2015 pupil numbers. They are revised in summer 2016 for pupils on the January 2016 Early Years census². The 2016-17 Schools Budget agreed by Schools Forum in March 2016 was based on the January 2015 EY numbers. This revised allocation now takes account of the January 2016 two, three and four year old pupil numbers.

3.3 2016-17 schools block funding, based on the October 2015 pupil census, is the same as previously reported, and the per pupil funding rates used to determine RBWM's 2016-17 revised DSG allocation have not changed.

| | Per FTE |
|-------------------------------------|-----------|
| Two year olds | £5,215.50 |
| Three and four year olds | £4,247.85 |
| Early Years pupil premium (per PTE) | £301.64 |
| Pre 16 (Years R to 11) | £4,468.08 |

| Table 1 Change in 2016-17 DSG funding | Provisional DSG (Dec 2015) | | Revised DSG (Jul 2016) | | Change £000 |
|---------------------------------------|----------------------------|-----------------|------------------------|-----------------|----------------|
| | FTEs | £000 | FTEs | £000 | |
| Schools Block | 18,403 | £82,258 | 18,403 | £82,258 | £0 |
| Two year olds (FTEs) ³ | 100 | £519 | 96 | £501 | (£18) |
| Three & four years olds | 1,579 | £6,707 | 1,610 | £6,839 | + £132 |
| Early years pupil premium (PTE) | 120 | £36 | 132 | £40 | + £3 |
| Early years Block total | | £7,263 | | £7,380 | + £117 |
| High Needs | | £15,993 | | £15,993 | £0 |
| EFA directly funded places | Not pupil led | (£672) | Not pupil led | (£666) | + £6 |
| High Needs Block total | | £15,321 | | £15,327 | £6 |
| Total 2016-17 DSG | | £104,842 | | £104,965 | + £123 |

3.4 In March 2016, Schools Forum agreed an expenditure budget of £104.842m for 2016-17 which allocated £1.199m of schools block funding and £0.025m of early years funding to high needs budgets, see table 2.

| Table 2 Allocation of provisional 2016-17 DSG | Total £000 | Early Years £000 | High Needs £000 | Schools £000 |
|---|----------------|------------------------|-----------------------|-----------------|
| Planned expenditure ⁴ (March 2016) | 104,842 | 7,238 | 16,545 | 81,059 |
| Block funding allocations (from table 1) | 104,842 | 7,263 | 15,321 | 82,258 |
| Difference between expenditure and funding | 0 | (25) | 1,224 | (1,199) |

3.5 As the additional grant received in 2016-17 is mainly due to an increase in early years pupils, £117k of the additional £123k funding will be allocated to early years budgets, and

¹ The £104.965m is after deduction of high needs places directly funded by the EFA (£0.666m) but before recoupment for academies (£43.348m). Academy recoupment will change during the year as more schools convert.

² Final 2016-17 allocations will be revised again after the end of the financial year in June 2017, based on 5/12ths of the Jan 2016 census and 7/12ths of the Jan 2017 census.

³ For early years pupils, 1 PTE is equivalent to 0.6 FTEs. So in the table above 100 FTE 2 year olds is the same as 167 PTEs, 96 FTEs the same as 162 PTEs.

⁴ The table excludes post 16 grant of £8.694m allocated to the ~~SB4~~ and £0.243m allocated to the HNB.

£6k to high needs. As a result, planned expenditure on early years will increase from £7.238m to £7.355m and on high needs from £16.545m to £16.551m, see table 3.

| Table 3 Allocation of revised 2016-17 DSG | Total £000 | Early Years £000 | High Needs £000 | Schools £000 |
|--|-----------------------|---------------------------------|--------------------------------|-------------------------|
| Planned expenditure (table 2) | 104,842 | 7,238 | 16,545 | 81,059 |
| Plus additional budget from revised allocation | 123 | 117 | 6 | 0 |
| Revised planned expenditure | 104,965 | 7,355 | 16,551 | 81,059 |

4 PROVISIONAL FUNDING FOR 2017-18

- 4.1 The funding arrangements for 2017 to 2018 will remain broadly similar to last year. This follows the DfE announcement in the summer that implementation of the national funding formula would be put back to 2018-19. The EFA have now published provisional allocations for 2017-18 which set out the minimum funding local authorities will receive.
- 4.2 In April, LAs were asked to notify the EFA about actual pattern of planned spending on schools, early years, and high needs within their annual DSG allocation in a process called “the baselines exercise”. The EFA have used the new 2016-17 baselines to calculate LAs’ 2017-18 allocations for the schools block and high needs block rather than how government has allocated funding since 2013.
- 4.3 The starting point for 2017-18 funding is RBWM’s planned spend of £104.959m through the DSG in 2016-17, as agreed at Schools Forum in March 2016⁵ and confirmed to the EFA in the baselines exercise. The EFA have then made two adjustments totalling £0.807m to arrive at the adjusted 2016-17 baseline of £105.765m, see table 4.

| Table 4: Changes to 2016-17 baseline | 2016-17 planned spend £m | Adjustments to baseline £m | Adjusted 2016-17 baseline £m |
|---|--------------------------|----------------------------|------------------------------|
| Delegated Schools Block | 80.191 | | 80.191 |
| Central schools block | 0.867 | 0.315 | 1.182 |
| High needs block | 17.180 | 0.492 | 17.672 |
| Early years block | 6.720 | | 6.720 |
| Total | 104.959 | 0.807 | 105.765 |

- 4.4 The baseline adjustments relate to:
- The transfer of £315k Education Services Grant (ESG) retained duties funding in to the schools block. This is currently a Council grant paid by the EFA at the rate of £15 per pupil, in support of statutory services provided centrally on behalf of all schools (see para 5.7 to 5.9 below).
 - The transfer of £492k of place funding (at £6,000 per place) for high needs places in further education (FE) colleges. From 2017-18 these places will be funded from LAs’ initial high needs block allocation. Before RBWM’s high needs block allocation is finalised in March, the EFA will then deduct an equivalent amount to fund these and other institutions directly. The impact of this adjustment is therefore cost neutral.⁶
- 4.5 For 2017-18, the EFA have guaranteed that no local authority will see a reduction from their adjusted 2016-17 baseline on the updated schools block (per pupil funding) or the high needs block (cash amount). RBWM’s 2017-18 adjusted schools block per pupil amount will

⁵Figures reported to Schools Forum (table xx) differ from those submitted in the baselines exercise because two year old funding and Early Years pupil premium were excluded from the baselines exercise, whilst high needs expenditure directly funded by the EFA (academies etc.) was included.

⁶ Place funding for specialist post-16 institutions and non-maintained special schools is not included in the DSG high needs block baseline or above adjustments, as the EFA will allocate this funding directly to providers based on the number of children and young people attending, without reference to information from local authorities.

be £4,421.73 and is calculated by dividing the 2016 -17 adjusted baseline by schools block pupil numbers, as shown in table 5. The indicative high needs cash amount is £17.672m.

| Table 5: Guaranteed DSG funding amounts for 2017-18 | Adjusted baseline | |
|--|---|--------------------------------|
| | Delegated and central Schools Block (per pupil) | High Needs block (cash amount) |
| Adjusted 2016-17 baseline (table 4) | £81.373m | £17.672m |
| 2016-17 pupil numbers | 18,403 | |
| Guaranteed amount for 2017-18 | £4,421.73 | £17. 672m |

- 4.6 RBWM's schools block guaranteed unit of funding (GUF) for 2017-18 is £34.41 per pupil less than the 2016-17 GUF of £4,456.14, and reflects the amount of funding that has transferred into the high needs baseline. Table 6 shows RBWM's 2017-18 per pupil unit of funding is around £20 more than the average of the other Berkshire LAs.

| Table 6 2017-18 Schools Block GUF | Per pupil unit | Difference |
|---|------------------|------------|
| RBWM | £4,421.73 | - |
| Average of all LAs (incl London Boroughs) | £4,700.10 | -£278.37 |
| Berkshire LAs average | £4,402.02 | +£19.71 |
| Berkshire LA max (Slough) | £4,847.13 | -£425.40 |
| Berkshire LA min (Wokingham) | £4,152.15 | +£269.58 |

- 4.7 Final allocations for schools and high needs blocks will follow in December on the basis of pupil numbers recorded in the October census. Early years block allocations for 2017-18 are the subject of separate funding proposals and are not part of this guarantee.

5 OTHER CHANGES IN 2017-18 FUNDING ARRANGEMENTS

Formula factor changes

- 5.1 The list of allowable funding factors remains the same in 2017-18 as for 2016-17. RBWM's formula uses seven factors:⁷

| Factor | Definition |
|----------------------------------|--|
| 1. Basic Entitlement (mandatory) | Funding allocated based on an age-weighted pupil unit (AWPU) - a single rate of at least £2,000 for primary pupils, and different rates for KS 3 and 4, with a minimum of £3,000 for each. |
| 2. Deprivation (mandatory) | Based on free school meals (one year or 'ever 6') and/or IDACI. For 2017-18 bandings have been redesigned to return them to a similar size to 2015-16 in terms of the % of pupils in each band. The draft 2017-18 data sets (using pupils numbers at Oct 2015) based on the redesigned bands show that this change as had little impact on the deprivation allocations of individual RBWM schools. |
| 3. Prior attainment | Proxy indicator for low level, high incidence SEN. Allocated based on pupils identified as not achieving the expected level of development within the early years foundation stage profile and for secondary pupils not reaching the expected standard in KS2 at either English or maths. The 2016 KS2 assessments are the first which assess the new, more challenging national curriculum. At a national level, a higher number of the year 7 cohort in financial year 2017 to 2018 will have low prior attainment. The EFA will apply a weighting to this cohort to ensure that it does not have disproportionate influence within the overall budget total. LAs will not be able to change this weighting but will be able to adjust the unit rate for this element to maintain funding allocated through this factor at previous levels. |
| 4. Children in | Funding for any child who has been looked after for 1 day or more as recorded |

⁷ The following allowable factors are note used in RBWM's local formula: Mobility, sparsity, Split site, Private finance initiative, London Fringe, exceptional premises factors.

| Factor | Definition |
|-------------|--|
| care | on LA SSDA903 at 31 March 2016. |
| 5. EAL | Base on EAL pupils. |
| 6. Lump sum | The maximum permitted value for either the primary or secondary phase is £175,000 (including fringe uplift) and the lump sum may be different for primary and secondary schools. |
| 7. Rates | Based on actual costs. |

5.2 The EFA's latest [analysis of LAs' 2016-17 funding formulas](#)⁸ shows that RBWM's formula remains largely in line with other LAs in terms of the factors used, the per pupil value of each factor, and the proportion of funding allocated through each factor. As in previous years, RBWM remains an outlier in two areas:

- Deprivation funding per FSM pupil unit and the proportion of funding allocated for deprivation are both in the lowest quartile of the 152 other LAs.
- Both primary and secondary prior attainment per pupil values are in the upper quartile, as is the proportion of funding allocated through this factor.
- The proportion of funding allocated through these two factors combined is in line with the average of other LAs.

5.3 Although implementation of a 'soft' national funding formula has been delayed until 2018-19, the DfE remains committed to its implementation. Detailed information setting out what the new funding formula will mean for individual LAs is expected in the autumn, but it is clear that there will be some turbulence for LAs and individual schools. It is therefore proposed to leave RBWM's local funding formula unchanged for 2017-18.

5.4 Subject to any adjustments to the 2017-18 low prior attainment and deprivation values deemed necessary to maintain funding allocated through these factors at previous levels, it is proposed to use the basic per pupil entitlement across all key stages to balance the budget if actual pupil numbers differ from the estimate. Prior agreement on this principle will help speed up the local approval process before submission of the final funding formula in January 2017 once Oct 16 pupil numbers are confirmed in December.

5.5 Schools and academies will continue to receive other types of funding in addition to formula funding, including:

- Early years funding
- Post 16 funding
- High needs funding –place funding for resource units, and top-up for all high needs pupils
- Pupil premium
- PE and sports grant
- Universal infant free meals funding
- Capital grant.

Minimum funding guarantee

5.6 The pre-16 minimum funding guarantee (MFG), which applies to pupils aged 5-16, will remain at minus 1.5% per pupil in 2017 to 2018. The EFA's proposal to allow LAs flexibility in setting a local MFG rate will now not happen in 2017 to 2018, but LAs will continue to be able to seek approval to disapply the MFG for exceptional circumstances. RBWM does not currently have any such approvals. LAs will continue to be able to fund the cost of MFG protection by capping or scaling back the overall gains of individual schools in order to make the formula affordable.

Transfer of Retained Duties Education Services Grant into the Schools Block

5.7 As well as delegated and central schools block expenditure, schools block funding in 2017-18 will now include £315k previously paid to the Council as the retained duties element of

⁸ "Schools block funding formulae 2016 to 2017 - Analysis of local authorities' schools block funding formulae" July 2016

the education services grant (ESG). This grant currently supports statutory services provided centrally on behalf of all schools⁹ which include:

- Education welfare services (prosecution of parents for non-attendance; tracking children missing from education; and issues relating to child employment).
- Asset management (capital programme planning and functions relating to academy leases)
- Statutory and regulatory duties – (including finance, HR and legal functions and the strategic planning of children’s services).

5.8 The transfer of this funding into the schools block means that at least this amount will need to be retained centrally in 2017-18 to pay for the services that were previously funded by the retained duties ESG. This is not new funding for schools. It is a transfer of funding that reflects the transfer of responsibilities from the LA Budget to the Schools Budget¹⁰. Had the EFA not postponed their proposal to establish a central schools block for 2017-18, it is likely that the former retained duties ESG would have been allocated to the central schools block, rather than to the delegated funding schools block. However, at the current time, the LA requires Schools Forum approval for these items as set out in Annex A.

5.9 Schools Forum approval, on a line-by-line basis, for the services previously funded by the retained rate of the ESG is now required for 2017-18 so that the 2017-18 budget can be planned with certainty. Schools Forum are asked to approve the retention of £315k in 2017-18 for:

| | |
|---------------------------------|------------|
| | £000 |
| Education Welfare services | 83 |
| Capital planning | 86 |
| Statutory and regulatory duties | <u>146</u> |
| | 315 |

Removal of ESG general funding rate and schools block retention

5.10 As well as retained duties ESG, there is also the ESG general funding rate. This is currently paid at the rate of £77 per pupil to academies and LAs to fund duties that academies are responsible for delivering for their pupils, and that LAs deliver for maintained pupils. These duties extend the statutory functions and include education services such as school improvement, asset management functions, education welfare services, financial planning for the whole of DSG, equalities duties, data collection and returns, religious education planning, and overall education strategy planning.

5.11 The 2015 Spending Review confirmed that this element of the ESG will end completely in September 2017. RBWM currently receives £837k in general funding ESG. The fall-out of this grant is taken account of in RBWM’s medium term financial plan and in the Council’s directorate efficiency targets for 2017-18 and beyond.

5.12 The EFA recognises that LAs may not be able to achieve the full savings through efficiencies, and may need to use other sources of funding to pay for education services once the general funding rate has been removed. Regulations will be amended to allow LAs to retain some of their schools block funding to cover the statutory duties that they carry out for maintained schools which were previously funded through the ESG. The EFA’s proposed method for doing this is similar to the de-delegation arrangement, with the main difference that the statutory responsibility to fulfil the duties for maintained schools remains with the LA and cannot be delegated.

5.13 Under this method, retaining some of the maintained schools’ DSG for duties currently funded by the ESG general funding rate will result in an effective reduction to core schools funding. This method does not apply to academy schools who have been receiving, at a

⁹ Further details on the split of former ESG duties to be funded from centrally retained schools block funding (for all pupils) are expected in the autumn.

¹⁰ The EFA will consult on the change in regulations that are needed to implement this change as part of the draft Schools Finance regulations consultation in the autumn.

Trust level, similar education support grant allocations. The allocation received by academies is also being reduced from September 2017 with a transition protection scheme.

- 5.14 For 2017-18, we propose to use this new flexibility to retain £100k to support school services at the current level. This would be funded by a topslice to all maintained schools funding at a rate of £11 per pupil (primary, secondary and special). We would welcome your views on this proposal and maintained Schools Forum members will be asked to formally approve any resulting proposal in December. We would welcome views about a voluntary contribution at the same rate from Academy schools.

Other centrally retained budgets

- 5.15 The DfE will not now be reducing schools block allocations for 2017 to 2018 as a result of the spring review of LAs' 'historic commitments', but they do expect LAs to use funding in 2017 to 2018 in accordance with the regulations, i.e. where there is evidence of an ongoing commitment entered into before 2013. RBWM currently retains £268k of 'combined services funding' which the DfE includes under the 'historic commitments category'. This is for:
- discretionary psychology services (£104k)
 - contribution to provision of information, advice and support (£60k)
 - provision of early help social care support (£104k).
- 5.16 We do not envisage any significant change to the amount we currently retain for combined services in 2017-18 although this will be subject to any feedback from the DfE as a result of the historic commitments review.
- 5.17 There are no other changes to centrally retained budgets for 2017-18. We will formally request Schools Forum approval for centrally retained budgets in December 2016, where this is required as set out in Annex A.

High Needs Funding

- 5.18 In 2016-17 RBWM budgeted to spend £17.2m on high needs (including high needs places directly funded by the EFA), as confirmed to the EFA in the baseline exercise in April. The EFA have guaranteed that for 2017-18, RBWM's allocation will be at least this amount, plus the additional £492k for FE colleges (see para 4.4). Final allocations will be confirmed in December.
- 5.19 Any planned changes to the number of high needs places at individual institutions RBWM want to commission for 2017-18 will need to be funded from its total allocation. Changes in the number of places at non maintained institutions (academies, free schools, NMSS, FE colleges etc.) in the RBWM area will be notified to the EFA in the autumn. Once agreed, the amount required to fund these places will be deducted from the RBWM's allocation and £672k was deducted in 2016-17 in this way. This will increase to around £1.2m with the inclusion, new for 2017-18, of FE place funding.
- 5.20 The EFA will publish more information on high needs funding in the autumn, including proposals for a high needs funding formula for 2018-19.

Changes to the funding formula submission requirements

- 5.21 The Authority Proforma Tool (APT) is used by all LAs to model and submit their local funding formula to the EFA for validation. For 2017-18, the final submission date is 20 January 2017, but this year LAs will no longer have to submit a draft APT in October.
- 5.22 The October 16 census data and pupil level information used to drive the formula allocations will only be available in December. To speed up the approval process in January once the DSG pupil numbers are known, this paper seeks SF's views on the principle of adjusting the basic per pupil entitlement across all key stages first and foremost to balance the budget if actual numbers turn out differently from estimates (para 5.4).

Centrally retained budgets

| Approval required | Services covered (and funding block) |
|--|--|
| Schools forum approval is not required (although they should be consulted). | <ul style="list-style-type: none"> • high needs block provision • central licences negotiated by the Secretary of State |
| Schools forum approval is required for each line | <ul style="list-style-type: none"> • early years block provision • remission of boarding fees at maintained schools and academies • places in independent schools for non-SEN pupils • services previously funded by the retained rate of the ESG. |
| Schools forum approval is required for each line. The budget cannot exceed the 2016-17 agreed amount. | <ul style="list-style-type: none"> • admissions • servicing of schools forum |
| Schools forum approval is required for each line. The budget cannot exceed the 2016-17 agreed amount and no new commitments can be entered into. | <ul style="list-style-type: none"> • capital expenditure funded from revenue so no new projects can be charged. • contribution to combined budgets – this is where the schools forum agreed prior to April 2013 a contribution from the schools budget to services which would otherwise be funded from other sources. • existing termination of employment costs (costs for specific individuals must have been approved prior to April 2013 so no new redundancy costs can be charged). |
| Schools forum approval is required for each line including approval of the criteria for allocating funds to schools. | <ul style="list-style-type: none"> • funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy • funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years. |

ROYAL BOROUGH OF WINDSOR & MAIDENHEAD SCHOOLS FORUM

| | | | |
|----------------------|--|---|--|
| Date: | 11 Oct 2016 | | |
| Title: | Early Years National Funding Formula 2017-18 | | |
| Responsible officer: | Kevin McDaniel, Head of Education and Schools | | |
| Contact officer: | Edmund Bradley Finance Partner (Children & Schools) | Tel: 01628 796904 E-mail: Edmund.bradley@rbwm.gov.uk | |

1 SUMMARY

- 1.1 This paper summarises the DfE's proposals for an early years national funding formula (EYNFF), set out in their consultation document [Early Years National Funding Formula](#). The consultation was published on 11 August 2016 and closed on 22 September. Decisions in light of the consultation responses have not yet been announced. This paper also summarises RBWM's illustrative 2017-18 early years DSG allocation and assesses the impact of these on RBWM's existing early years funding arrangements. Figures are illustrative and are dependent on the outcome of the DfE's consultation.

2 RECOMMENDATIONS

- 2.1 Schools Forum is asked to note the following key points from the paper:
- RBWM's provisional funding rate for 3 and 4 year olds will be £5.00 per hour, an increase of £0.61 per hour (+13.9%).
 - 2017-18 funding allocated through the new formula for the 3 and 4 year old universal entitlement will be 7.647m, an increase of £0.927m on 2016-17.
 - RBWM will receive £1.214m in 2017-18 (Sep to Mar) for the 'additional hours for working parents'.
 - Transition funding of £246k for each of the next two years will be made available for maintained nursery schools, to recognise the higher costs of these schools.
 - Funding for disadvantaged two year olds will increase by £0.39 per hour to £5.88,
 - Total early years funding for 2017-18 will increase by around £2.4m to £9.684m. Half of the increase is for the new entitlement for working families. Most of this increase will need to be passed on to providers in increased hourly rates.
 - LAs will be required to set a universal base rate for all provider types by 2019-20, replacing the current differential rates that currently exist. Without transition funding, maintained nursery schools will need to make significant efficiency savings as a result.
 - A 'quality' supplement to the hourly rate will no longer be allowed, but LAs will be able to have an 'additional hours' supplement to incentivise the delivery of additional hours for working parents.
 - Steps to facilitate access to the free entitlement by disabled and SEN children include a new disability access fund for children on disability living allowance, and the requirement for LAs to earmark funding for SEN pupils in an inclusion fund.
- 2.2 Schools Forum is asked to note that a further paper will be brought in December setting out precise details of RBWM's early years funding formula for 2017-18. This will include proposals for:
- Hourly base rate to be paid to providers for three and four year olds
 - Two year old hourly rate.
 - Supplements to be included in RBWM's new EY formula, and the associated funding rates.
 - The amount of early years funding to be retained centrally.
 - Arrangements for allocating transition funding to maintained nursery schools
 - The amount to be retained for the inclusion fund for SEN children.
 - Eligibility and funding allocation arrangements from the inclusion fund.

3 BACKGROUND

- 3.1 SR2015 announced £1b additional funding each year till 2019-20 to support the introduction of 30 hours free childcare for working parents from September 2017. Around £300 million of this will also be used to increase the average hourly funding rates paid to providers for the two-, three- and four-year-old entitlements. This increase is intended to help incentivise providers to offer 30 hours of free childcare. Currently providers deliver 'non-funded' hours above the 15 hour basic entitlement which parents pay for at market rates. The Government hopes that the additional funding will be the mechanism for incentivising providers to switch from parent-paid hours to government-funded hours.
- 3.2 In its proposed reforms, the Government also wants to address the variation that currently exists between LA funding rates which are not related to the costs of provision, and disparities between the funding rates providers in similar LAs receive. Often, different providers within the same LA are funded at different rates for no justifiable reason. There are big differences in the funding formulae LAs use to fund providers, and differences in the amounts of early years funding LAs hold back centrally. In the Government's view, not all these differences can be justified by local circumstances.
- 3.3 The key principles which underpin the Government's early years funding proposals are to:
- maximise funding to the front line providers;
 - allocate funding fairly both to LAs and to different types of provider;
 - distribute funding efficiently and effectively to ensure value for money;
 - ensure transparency so LAs and providers can understand how their funding rates are calculated;
 - target effectively additional funding at those children who need it; and
 - allow adequate time to transition to the new funding arrangements.

4 FUNDING FROM CENTRAL GOVERNMENT TO LOCAL AUTHORITIES

The early years national funding formula for 3 & 4 year olds

- 4.1 A new Early Years National Funding Formula will allocate funding to LAs for both the existing 15-hour entitlement for 3 and 4-year-olds, and for the additional 15 hours for children of working parents starting in September 2017. The funding rate will be the same for both, and LAs will also be expected to fund providers for the existing 15 hour entitlement and the additional 15 hours using a non-differentiated rate. Funding will continue to be based on take-up of places.
- 4.2 The formula is designed to be simple and transparent, with a limited number of factors focussed on the key drivers of cost variation. They are:
- i) a universal base rate of funding for each LA for 3 and 4 year olds designed to fund the core costs of childcare provision and not differentiated by local area or provider type.
 - ii) an additional needs factor reflecting the extra costs of supporting children with additional needs. Allocations will be calculated by multiplying the total number of 3 and 4 year olds in each LA with proxy indicators based on
 - the proportion of primary school pupils in KS1 and 2 who are eligible for free school meals
 - the proportion of KS1 and 2 EAL5 pupils.
 - the headcount number of children under 5 who are entitled to Disability Living allowance.
 - iii) an area cost adjustment (ACA) applied to i) and ii) to reflect variations in local costs.
- 4.3 The average national hourly funding rate will increase from £4.56 to £4.88 for 3 and 4 year olds. RBWM's provisional funding rate will be £5.00 per hour, an increase of £0.61 per hour from the current funding rate of £4.39. Early Years pupil premium, transition funding for

maintained nursery schools, funding for quality and expertise, and the Disability Access fund, are all outside of the funding formula and in addition to the £5.00 per hour rate.

Funding allocated through the formula to RBWM for the universal entitlement

- 4.4 The provisional universal entitlement funding allocated to RBWM for 2017-18 through the new formula is £7.647m, an increase of £0.927m on the 2016-17 baseline¹. It is calculated by multiplying the new hourly rate by the total number of hours taken (£5.00 x 2,683 PTEs at Jan16 x 570 hours per PTE).
- 4.5 RBWM's funding rate is calculated with reference to the EFA's 'starting point' hourly rates for each of the formula factors (see table 1). These are the same for all LAs. The 'starting point' rates are uplifted by an area cost adjustment (ACA) to reflect the relatively higher staffing and premises costs of the local area. RBWM's ACA uplift is calculated at 1.34 on a scale of 1 to 1.9, and amounts to £1.28 per pupil. The staff costs element is based on the General Labour Market (GLM) measure, the premises costs element is based on the rateable values of nursery premises. A weighting of 80% is given to GLM, and 10% to rates, with the remaining 10% of costs assumed to be the same for all authorities.
- 4.6 The uplifted hourly rates for each factor are multiplied by the relevant pupil counts. The sum of these allocations (£7.654m) is then divided by 3 and 4 year old pupil numbers (2,683 PTEs * 570 hours), to arrive at the hourly funding rate of £5.00 (see table 1):

Table 1
Calculation of hourly rate

| | a | b | c = a*b | d = b*c* 15hrs * 38wks | e | f | g = d / 2,683 PTEs |
|-------------------|------------------------------|-----------------------------------|----------------------------------|------------------------------|----------------|---|--|
| | Starting point hourly rate £ | RBWM hourly rate after ACA @ 1.34 | Estimated eligible pupils (PTEs) | RBWM Funding £ | RBWM Funding % | Average national funding (for comparison) | RBWM hourly rate for transitional protection |
| Basic Hourly Rate | £3.53 | £4.74 | 2,683.0 | £7,247,928 | 94.7% | 89.2% | £4.74 |
| FSM hourly rate | £2.13 | £2.86 | 158.3 | £258,206 | 3.4% | 8.2% | £0.17 |
| EAL hourly rate | £0.29 | £0.38 | 469.5 | £102,770 | 1.3% | 1.6% | £0.07 |
| DLA hourly rate | £0.74 | £0.99 | 80.0 | £45,339 | 0.6% | 1.0% | £0.03 |
| | | | | £7,654,243 | | | £5.00 |

- 4.7 Note that 94.7% of RBWM's 3&4 year old funding will be channelled through the base rate compared with the national average of 89.2%. This reflects the lower level of additional needs in RBWM compared with the country as a whole.

Transitional protection and capping

- 4.8 Most LAs will see increases in their hourly funding rates under the new formula, but no LA will face a reduction of greater than 10% against its 2016-17 baseline (and no more than 5% in each of 2017-18 and 2019-20). LAs facing increases in funding will see their percentage gain in their hourly rate capped at the maximum 22.9%.
- 4.9 RBWM's equivalent 2016-17 re-baselined hourly rate, reflecting planned spend on early years in 2016-17, was £4.39². The £0.61 per hour increase to £5.00 (+13.9%) means there is no impact for RBWM either for transitional protection or capping.

Funding for 3 & 4 year old 'additional hours for working parents'

¹ The 2016-17 baseline reflects the pattern of RBWM's planned spend, as reported to the EFA in April 2016 in the 'baselines exercise', not the amount of funding RBWM currently receives through the EY block.

² Note that the hourly rate based on RBWM's 2016-17 DSG Early Years block Basic Unit of Funding, before the baselining exercise, was £4.47 (£4,247.85 per FTE * 0.9 PTE / (15 hours * 38 weeks)).

- 4.10 RBWM's funding rate of £5.00 described above will also be used to calculate the new funding for 'additional hours for working parents' (AHWP) starting in September 2017. RBWM's indicative 2017-18 allocation for AHWP is £1.214m and is based on the EFA's estimate for RBWM of 730.4 PTEs eligible children³ (426.1 PTEs for 7 months from Sep 2017), (i.e. whose parents are in work and meet the relevant earnings criteria). This figure assumes that 80% of eligible children will take up 12 hours (not 15) of AHWP provision.
- 4.11 2017-18 allocations will be updated later in the year using data from the January 2018 census on actual take-up of additional hours (weighted with the existing estimated counts on a 5/12ths and 7/12ths basis).

Funding for 3 and 4 year olds outside of the EYNFF

- 4.12 The £4.88 average national hourly funding rate for 3 and 4 year olds includes funding which falls outside of the EYNFF:
- Early Years pupil premium.
 - Supplementary funding for maintained nursery schools for at least the next two years.
 - Supplementary funding for quality and expertise
 - Funding for the Disability Access Fund.

Early Years Pupil Premium (EYPP)

- 4.13 Funding allocated nationally for EYPP equates to £0.05 of the national average hourly rate of £4.88. The funding methodology for EYPP remains the same as in 2016-17 and will continue to be paid at the rate of £0.53 per hour per eligible pupil (equivalent to £302 per eligible child). Funding will be allocated through DSG but distinct from the new formula. As now, final 2017-18 EYPP allocations will be based on 5/12ths * January 2017 eligible PTEs, and 7/12ths January 2018 PTEs. RBWM's illustrative 2017-18 allocation, based on 131.7 PTEs at Jan 2016, is £39,716.

Supplementary funding for maintained nursery schools (MNS)

- 4.14 In the consultation, the Government recognises the value of maintained nursery schools (MNS) in providing quality education in often deprived areas. Typically these schools cost more than most other providers. To minimise disruption for these schools, it proposes supplementary funding for at least two years while they explore how to become more sustainable in the longer term. The funding made available for this equates to £0.09 of the new £4.88 national average hourly rate.
- 4.15 RBWM's indicative allocation of supplementary funding for maintained nursery schools is £246k for each of the next two years. The figure takes account of current costs, and is calculated by comparing their hourly rate of £6.31⁴ with RBWM's new EYNFF hourly rate, after applying the 93% universal pass-through rate ($£5.00 * 93\% = £4.65$, see para 5.1), a difference of £1.66 per hour.
- 4.16 RBWM's response to the consultation urged the EFA to make the two year transition funding for maintained nursery schools permanent. This would provide financial certainty to those nursery schools whose structure results in comparatively high running costs and whose viability in the longer term could be threatened once the transition funding ended.

Funding for quality and expertise, and disability access funding

³ The EFA's estimate of eligible 3 & 4 year olds uses population data from the Family Resources Survey (FRS), Annual Population Survey (APS), Survey of Personal Incomes (SPI), the schools census, the early years census, and Office for National Statistics (ONS) population projections. More information can be found at paras 40-50 of the EFA's [EY National Funding Formula Technical Note](#)

⁴ RBWM nursery schools receive more funding than other providers because the formula allocates a higher hourly base rate to MNS (£4.90) as well as a lump sum of £48k per school which other providers do not get.

- 4.17 The consultation confirms the Government's intention to provide additional support for quality and expertise, and for eligible 3&4 year olds in receipt of the Disability Living Allowance (for the Disability Access Funding). The funding they have set aside for these equates to £0.01 and £0.02 respectively of the national average hourly rate of £4.88.
- 4.18 The illustrative 2017-18 early years funding for LAs do not include allocations for quality or the disability access fund, and further details are awaited. Based on the above rates, RBWM could be expected to receive around £15k and £38k respectively.

Funding for disadvantaged two year olds

- 4.19 In the 2015 Spending Review, the government committed to increasing the national average hourly rate of funding for two-year-old provision in 2017-18 from £5.09 to £5.39. As a result, all LAs will receive a 7.1% uplift in their existing two year old funding rate. For RBWM, this equates to an increase in its funding rate of £0.39 per hour from £5.49 to £5.88. RBWM currently pays providers at the rate of £5.30 per hour. The increase means RBWM will receive an allocation of £0.537m based on a pupil count of 160.2 PTEs at January 2016, an increase of £36k on the 2016-17 baseline.

Summary of illustrative early years funding in 2017-18

- 4.20 In summary, RBWM's estimated funding for early years will increase by £2.423m to £9.684m. £1.214m of this increase is funding for the new entitlement for working parents from September 2017 (see table 2).

Table 2 Summary of funding

| | PTE | Hourly rate | | Allocation £000 | | Notional hourly rate | |
|--|------|-------------|-------|-----------------|---------------|----------------------|--------------|
| | | 16-17 | 17-18 | 16-17 | 17-18 | RBWM | Nat avge |
| EYNFF - Universal entitlement | 2683 | | | £6,720 | £7,647 | | |
| EYNFF - AHWP (Sep to Mar) | 426 | £4.39 | £5.00 | | £1,214 | £5.00 | £4.71 |
| Subtotal EYNFF | | | | £6,720 | £8,861 | | |
| Early Years Pupil Premium | 131 | £0.53 | £0.53 | £40 | £40 | £0.03 | £0.05 |
| Transition funding for MNS | | | | | £246 | £0.16 | £0.09 |
| Quality and expertise | | | | not avail | | £0.01 | £0.01 |
| Disability access funding | | | | not avail | | £0.02 | £0.02 |
| Subtotal additional funding | | | | £40 | £286 | £0.22 | £0.17 |
| Total 3 & 4 year olds (A+B) | | | | £6,760 | £9,147 | £5.22 | £4.88 |
| Two year old funding | 160 | £5.49 | £5.88 | £501 | £537 | | |
| Total early years funding | | | | £7,261 | £9,684 | | |

FUNDING GIVEN BY THE LA TO PROVIDERS FOR 3 AND 4 YEAR OLDS

Maximising funding to providers

- 4.21 To ensure that all providers receive a sustainable funding rate and that the majority of funding is passed on to providers, the Government will require LAs to 'pass-through' at least 93% of all early years funding in 2017-18, and 95% by 2018-19. Based on the indicative £9.147m allocation shown in table 2 (excluding 2 year old funding), RBWM would be required to 'pass through' a minimum of £8.5m in 2017-18 and £8.7m by 2018-19.
- 4.22 RBWM currently 'passes through' 98% of its EY funding, retaining just 2% (£147k) for central services. This is below the 6% LA average and below the proposed 5% upper limit. One reason why RBWM retains less central funding than other LAs is because SEN support for EY pupils is mainly funded from the high needs block. Other LAs also earmark early years funding for high needs.

Universal base rate for all providers

- 4.23 The EFA's Cost of Childcare Review found that the costs of providing childcare are broadly comparable for most types of provider. In light of this, the Government wants to address the disparities in funding allocated to different providers that currently exist in some LAs. The base hourly rates which RBWM pays, for example, are differentiated as shown below:

| RBWM base rates paid to providers | Hourly rate |
|--|--------------------|
| Maintained nursery classes and independent providers | £3.78 |
| Private & voluntary providers | £3.86 |
| Child minders | £3.86 |
| Maintained nursery schools | £4.90 |
| Lump sum for maintained nursery schools | £48,075 |

- 4.24 The EFA will therefore require LAs to set a universal base rate in their local funding formula which is the same for all types of provider by 2019-20. LAs are encouraged to implement this change earlier, and Schools Forum are asked to consider the timescale for implementing a universal rate in RBWM.
- 4.25 As mentioned at para 4.15, the EFA will provide transition funding for maintained nursery schools for at least the first two years to provide some stability while these schools explore how to become more sustainable in the longer term. We will bring proposals in December on the methodology for allocating this funding and the amount.

Funding supplements

- 4.26 LAs will still be able to use supplements to channel additional funding to providers for particular purposes, but under the proposals quality will no longer be allowed as an additional supplement on grounds that all providers should be offering a quality service. For 2017-18, the use of supplements will be capped at 10% of funding and limited to:
- Deprivation (mandatory)
 - Rurality / sparsity
 - Flexibility in offering the free entitlement
 - Efficiency
 - Delivery of the additional 15 hours for working parents.
- 4.27 RBWM's formula currently has a deprivation and quality supplement through which it allocates £499k (7.6% of funding). The funding rates are the same for all provider types:

Table 3 RBWM EYFF funding supplements

| Supplement | Criteria | Min per hour | Max per hour |
|-------------|---|--------------|--------------|
| Deprivation | % of pupils in Acorn bands 4&5 | £0.09 | £0.29 |
| Quality 1 | Professional status of leadership staff | £0.06 | £0.14 |
| Quality 2 | Qualifications of other staff | £0.06 | £0.14 |

- 4.28 Taking the base rate and supplements together, table 4 shows the difference between what an RBWM provider currently receives and what, according to the EFA, they might expect to receive in 2017-18:

| Table 4 Comparison of 2016-17 rates and indicative 2017-18 provider rate | Min | Max | 2017-18 indicative |
|--|-------|-------|--------------------|
| Maintained nursery classes & independent providers | £3.88 | £4.36 | £4.90 |
| Private & voluntary providers | £4.07 | £4.43 | |
| Child minders | £4.07 | £4.43 | |
| Maintained nursery schools (excluding lump sum) | £5.11 | £5.48 | |

- 4.29 Anecdotal evidence suggests that RBWM's rates are currently set too low to influence patterns of delivery among providers. Our consultation response argued that the cap on funding through supplements should be set higher than 10%, to better incentivise providers in the delivery of wider outcomes, in particular, to offer the additional 15 hours. We invite the Schools Forum's views on which supplements to include in the RBWM local formula for 2017-18 and the hourly rates to be used.

5 MEETING THE NEEDS OF DISABLED AND SEN CHILDREN

Targeted Disability Access Funding

- 5.1 Evidence from the *Parliamentary Inquiry into Childcare for Disabled Children* suggests that additional needs can be a barrier to disabled and SEN children accessing their entitlement to free childcare. The Government plans to address this in its funding proposals by making £12.5m available through its ringfenced Targeted Early Years Disability Access Funding (EYDAF) to support access for disabled and SEN children. This will be paid to all providers for each child in receipt of Disability Living Allowance taking up a place in their setting. It will be paid as an annual amount rather than an increase to the hourly rate.
- 5.2 The provider will be responsible for deciding how their EYDAF allocation should be deployed. It is not intended to cover all costs, and providers will still be able to work with the LA to access other sources of funding, e.g. from the high needs block of the DSG, early years central funding and other appropriate budgets.

Inclusion Fund for Children with SEN

- 5.3 The Government's view is that the current early years funding system lacks the necessary structure and transparency to ensure that early years children with SEN receive the support that they need. They recognise that this has contributed to inconsistencies on which additional SEN costs early years settings are expected to meet and how additional funding can be accessed. Anecdotal evidence suggests this is the experience of some RBWM providers too.
- 5.4 To enable providers to deliver more effective support for SEN children, LAs will be required to set up an inclusion fund, providing greater transparency on how funding is allocated to meet additional needs as well helping the LA commissioning process. Under the proposals, earmarked funding would be pooled from either or both of the high needs and early years allocations within the DSG. LAs would be expected to pass the majority of the funding through to providers in the form of 'top ups' on a case by case basis, but they could also use their inclusion fund to provide 'free' local specialist services to providers. Whether or not the inclusion fund would be considered as part of the 95% of funding which must be

passed through to providers is a matter of the consultation, but the proposals do suggest that decisions on who should benefit and on what basis funding should be allocated should be made at the local level.

- 5.5 It is not currently clear how much RBWM currently spends on early years pupils with SEN, but funding in excess of this amount allocated to the inclusion fund from RBWM's high needs block is likely to result in high needs budget pressures elsewhere.