

**Schools' Forum
AGENDA PACK
17 October 2017**

Venue: **Strood Academy, Carnation Road, Strood, Kent, ME2 2SX**

Time: **4:00pm to 6:00pm**

Agenda

1. Apologies
2. Minutes of the last meeting
3. Early Years Briefing Note (Mark Holmes)
4. National Funding Formula - Verbal Update (Maria Beaney)
5. Consultation Feedback (Maria Beaney) – Report tabled for meeting.
6. Growth Funding Policy (Maria Beaney)
7. Update Pupil Variation Numbers (Maria Beaney)
8. Provisional Schools and Academies Funding Formula 2018-19 (Maria Beaney) – Report tabled for meeting.
9. The Forward Plan
10. AOB
11. Date of next the meeting

WIFI Password: TBC on the day

**Agenda Item 3:
Early Years Briefing Note**

The Early Years Block of the Dedicated Schools Grant is calculated according to the number of child-places recorded as being funded by the local authority. The calculation is adjusted across a number of “headcount” points that span several academic and financial years, such that the final figure received by the local authority reflects the actual numbers of pupils funded. In year adjustments go both up and down, according to aggregated data.

National statistics on the education of children under 5 years of age are published annually in June. The most recent statistics are for the census of January 2017.

<https://www.gov.uk/government/statistics/education-provision-children-under-5-years-of-age-january-2017>

Numbers of children aged 3 and 4 years now taking up a funded early education place in Medway.

Year	PVI Settings	Ind School (Yr N)	Maintained School Yr N	Maintained School Yr R	Maintained School Total	Other	TOTAL	Change from previous year
2013	2995	80	1503	2155	[3658]	27	6760	+90
2014	3075	82	1545	2199	[3744]	26	6930	+170
2015	3134	80	1458	2253	[3711]	24	6950	+20
2016	3191	73	1567	2350	[3917]	34	7220	+170
2017	3005	46	1502	2387	[3889]	37	6980	-240

COMMENTARY: The total number of children accessing an early education place in either a school, or a private, voluntary or independent (PVI) setting has risen gradually over the previous four years, reflecting a steadily increasing population. The birth rate in 2013 is reported to have dropped – both in England as a whole, and in Medway. This has fed through to fewer children attending a nursery place in 2017.

Live Births in Medway

2010	2011	2012	2013	2014	2015	2016	2017
3538	3564	3693	3503	3531	3609	3667	tbc

Percentage of estimated population of children aged 3 and 4 years accessing a funded early education place.

	3 & 4 Year Olds (% of estimated popn)			
	2014	2015	2016	2017
ENGLAND	95%	95%	95%	95%
Medway	96%	94%	95%	93%

By Year Group

	2 Year Olds (% of estimated eligible popn)				3 Year Olds (% of estimated popn)				4 Year Olds (% of estimated popn)			
	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
ENGLAND	0	58	68	71%	93	93	93	93%	98	97	97	96%
Medway	0	71	66	67%	95	92	95	91%	96	95	95	95%

COMMENTARY: The take up of places in Medway is measured against the estimated population of Medway children of that age group, to create a % figure.

The % of **4 year-olds** has remained largely static, as virtually all children attend a school reception class. The “missing” 5% include those who attend Independent schools (which are not publicly funded so do not appear in this statistic); a small net deficit reflecting Medway children attending primary schools outside Medway; and children educated at home. 5% of the cohort equates to approximately 180 children.

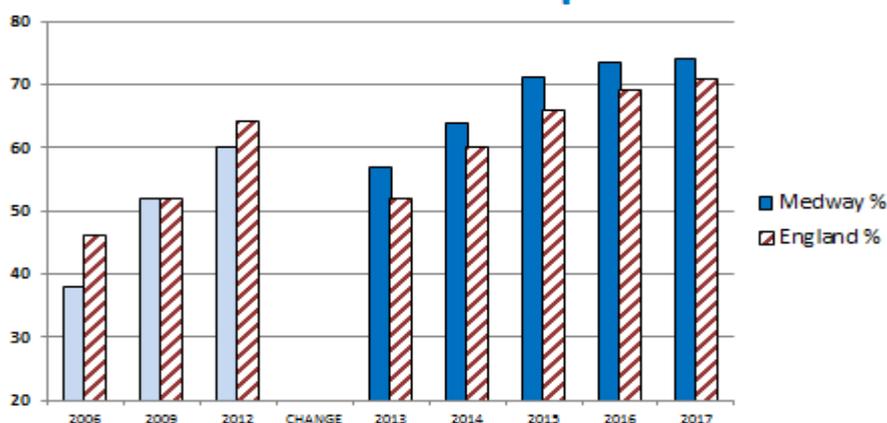
The % of **3 year-olds** accessing an early education place has fallen in 2017. Potential explanations are:

- Statistical variance reflecting the known drop in the national and local birth rate back in 2013
- The impact of funded children aged 2 years, and potentially fee paying childcare, on the capacity of PVI nursery providers to offer places for older nursery children
- Some changes in the provision of school and private nursery capacity caused by local decisions around financial viability.

Children’s Outcomes

Outcomes for children in Medway at the end of the Early Years Foundation Stage have improved for fifth successive year, with 74.1% of Medway children achieving the benchmark “Good Level Of Development”. This is up 0.6% on 2016, and remains 3.4% above the England figure.

Medway Data Good Level Of Development 2017



Agenda Item 6: Growth Fund Policy

1 Background

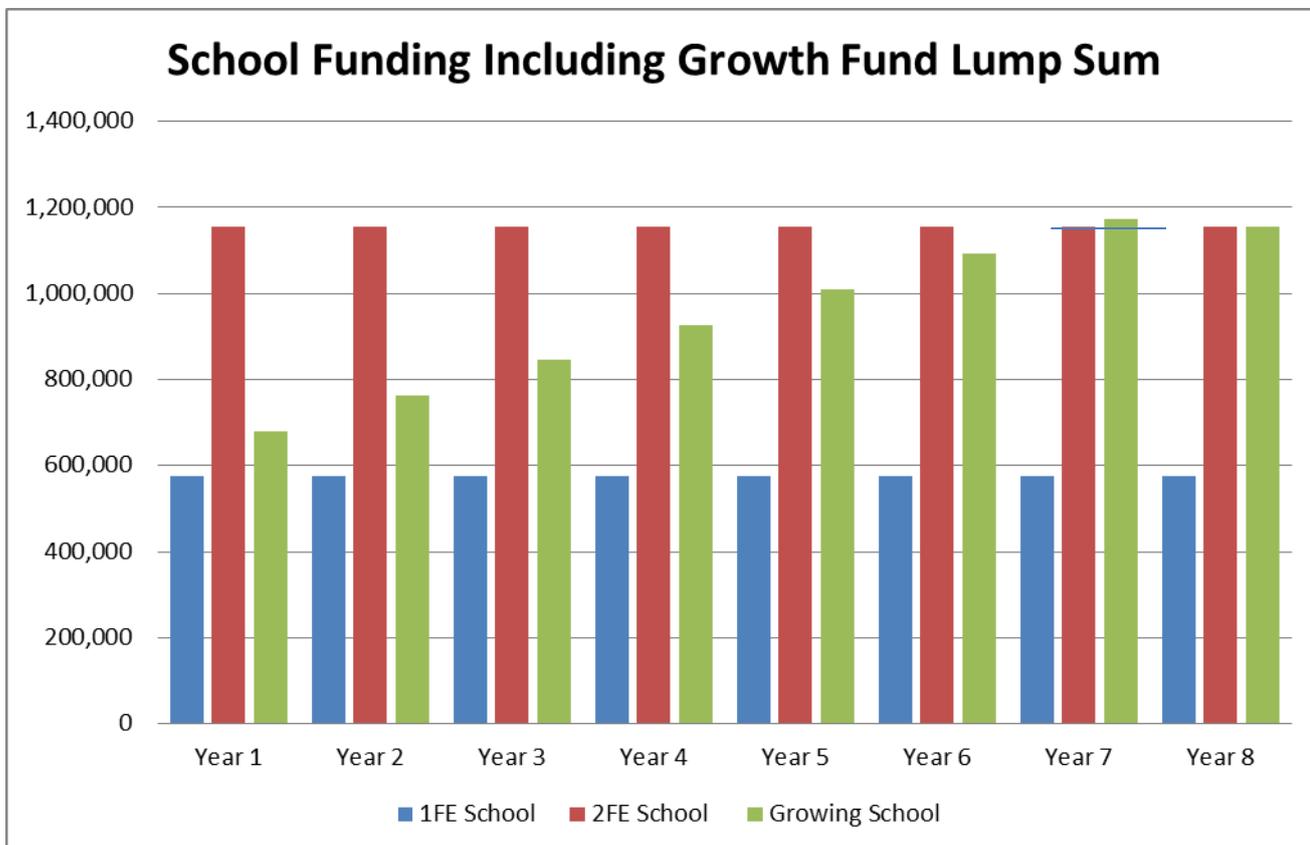
- 1.1 Each year, as part of the funding formula, The Schools' Forum set and approves the local authority centrally retained growth fund budget. At their meeting on 7 January 2017, the Schools' Forum approved the central growth fund budget of £1,047,880 for 2017-18.
- 1.2 The growth fund policy (see appendix 1) was first introduced in 2012 and has not been revised or updated since it was introduced.

2 Current Growth Fund Policy.

- 2.1 The growth fund policy was first introduced in 2012 and despite education funding changes since then; Medway's policy has not kept pace and reflected the changes.
- 2.2 Medway's policy effectively offers growing schools two protections for each new class opened, it:
 - 1) Guarantees pupil numbers.
 - 2) Offers a yearly lump sum of £55,000 for each year a new class is opened.
- 2.3 The lump sum was intended to compensate those schools who were taking on additional costs (Teacher, TA and equipment) until the funding formula provided the lagged funding.
- 2.4 However in 2014, the funding formula guidelines changed to allow LA's to adjust school numbers on roll to provide in year funding for growing schools, but Medway's growth fund policy was not changed to reflect this.
- 2.5 A growing school will now receive both the in year pupil funding adjustments and the yearly £55,000 lump sum, which is seeing growing schools receiving more funding per class than non-growing schools. See table 1 below.

	Maintained School (7 Months)	Academy School (12 Months)	Maintained School (12 Months)
Additional Pupil Funding -1 Class	48,073	82,410	82,410
Lump Sum	55,000	55,000	55,000
Funding per new class	103,073	137,410	137,410
Average Standard Funding Per Class	82,410	82,410	82,410
Funding for the New Class	103,073	137,410	137,410
Variance	20,663	55,000	55,000
Teacher	26,250	45,000	45,000
TA	11,667	20,000	20,000
New Equipment	12,000	12,000	12,000
Total Expenditure	49,917	77,000	77,000

2.6 Under our current Policy in the example below, in year 7 (which is Yr 6) the growing school will receive more funding than a 2FE school which has become.



- 2.7 Medway’s growth fund policy is more generous than other local authorities, Kent for example guarantee pupil numbers but only pay a one off £6,000 lump sum for one year as start-up costs.
- 2.8 If the growth funding policy continues as it stands, an additional £385,000 growth funding budget is required to fund the 7 new classes required for 2018-19. This additional cost will require an additional reduction to the lump sum for each of the 96 schools of £4,000.
- 2.9 The table below also provides an example of the growth funding budget required over the next three years if the policy is not adjusted.
- An additional £385,000 in 2018-19, which means an additional reduction to the lump sum of £4,000.
 - An additional £220,000 in 2019-20, which means an additional reduction to the lump sum of £2,300.
 - An additional £110,000 in 2020-21, which means an additional reduction to the lump sum of £1,200.

School	Years of Support	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Napier Primary Academy	6 of 7	55,000	55,000					
Wainscot Primary School	6 of 7	55,000	55,000					
Delce Junior Academy (YR R)	2 of 3	55,000	55,000					
Brompton Westbrook Primary Academy	5 of 7	55,000	55,000	55,000				
Saxon Way Primary Academy	5 of 7	55,000	55,000	55,000				
Cedar Primary School	4 of 7	55,000	55,000	55,000	55,000			
Cuxton Junior Academy	4 of 4	55,000						
New Horizons Primary Academy	4 of 7	165,000	165,000	165,000	165,000			
Hundred of Hoo Academy - Primary Phase	4 of 7	55,000	55,000	55,000	55,000			
Bligh Federation	2 of 7	55,000	55,000	55,000	55,000	55,000	55,000	
Cliffe Woods	2 of 4	110,000	110,000	110,000				
Woodlands Academy	4 of 7	55,000	55,000	55,000	55,000			
Halling	1 of 7	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Sub total On going		880,000	825,000	660,000	440,000	110,000	110,000	55,000
Riverside	1 of 7	55,000	55,000	55,000	55,000	55,000	55,000	55,000
St Mary’s Island	1 of 7	55,000	55,000	55,000	55,000	55,000	55,000	55,000
A school or schools in the Chatham area	1 of 5	110,000	110,000	110,000	110,000	110,000		
a School in the Rochester Area	1 of 5	55,000	55,000	55,000	55,000	55,000		
a School in the Rainham Area	1 of 5	55,000	55,000	55,000	55,000	55,000		
Sub total New- 2018		330,000	330,000	330,000	330,000	330,000	110,000	110,000
Total		1,210,000	1,155,000	990,000	770,000	440,000	220,000	165,000
A new school	1 of 5		55,000	55,000	55,000	55,000	55,000	
A new school	1 of 5		55,000	55,000	55,000	55,000	55,000	
A new school	1 of 5		55,000	55,000	55,000	55,000	55,000	
A new school	1 of 5		55,000	55,000	55,000	55,000	55,000	
A new school	1 of 5		55,000	55,000	55,000	55,000	55,000	
Sub total New- 2019			275,000	275,000	275,000	275,000	275,000	
Total			1,430,000	1,265,000	1,045,000	715,000	495,000	165,000
A new school	1 of 5			55,000	55,000	55,000	55,000	55,000
A new school	1 of 5			55,000	55,000	55,000	55,000	55,000
A new school	1 of 5			55,000	55,000	55,000	55,000	55,000
A new school	1 of 5			55,000	55,000	55,000	55,000	55,000
A new school	1 of 5			55,000	55,000	55,000	55,000	55,000
Sub total New- 2020				275,000	275,000	275,000	275,000	275,000
Total				1,540,000	1,320,000	990,000	770,000	440,000

3 Consultation on changing the policy?

- 3.1 Over time this generous policy becomes unaffordable and as part of the funding formula consultation, Medway has been consulting with schools and academies about this policy.
- 3.2 The consultation asked four questions:
- 3.2.1 Do you support the change in policy?
 - 3.2.2 Should Medway continue to guarantee pupil numbers up to 7 years?
 - 3.2.3 Should Medway continue pay the lump sum each year up to 7 years?
 - 3.2.4 If the lump sum is removed what level of protection should we offer?
- 3.3 The main feedback is included in the consultation feedback paper but three main topics of were raised by business managers as part of the training workshops.
- 3.4 **The lump sum is used to expand the buildings and therefore should continue.** Medway Council undertake the building infrastructure changes as part of the basic need building programme. We also pay up to £12,000 for classroom equipment refurbishment in the first year.
- 3.5 **This additional funding pays for a new teacher.** The school receives in year adjusted income (pro-rated) for the new September intake of pupils which is designed to pay for a teacher, TA. School books and classroom equipment.
- 3.6 **Schools have built their budgets on the assumption this lump sum will be paid over the life of the scheme i.e. 3, 4, 7, and 5 years.** Medway recognise that schools will have built their budgets based on the information they have been given. We therefore believe we should honour our commitment to these schools.

4 Recommendations.

- 4.1 Medway recommend two changes to the growth fund policy to bring it up to date and to make it affordable.
- 1) Section 2.7 is added into the policy - Permanent PAN Increases will be paid through the funding formula, whilst temporary funding will be paid from the growth fund.
 - 2) Section 3.2 is removed from the policy - For each basic need growth class opened, a contribution of £55,000 is payable towards the setup costs of each new classroom, up to the maximum year of support as outlined in section 2.5 above. In general a class is defined as the increase in pupil numbers divided by 30 pupils.
- 4.2 If the growth funding policy continues as it stands, an additional £385,000 growth fund budget is required to fund the 7 new classes required for 2018-19. This additional cost will require a reduction to the lump sum for each of the 96 schools of £4,000. The table below also provides a brief outline on the spend forecast going forward.

4.3 Medway Council would also recommend, the Schools' Forum honour the new class funding for those schools who currently receive the lump sum. This will reduce over the next 3 – 5 years.

5 The Schools Forum

5.1 The Schools forum is asked to **COMMENT** and **VOTE** on the recommendations:

5.1.1 To include section 2.7 in the policy - Permanent PAN Increases will be paid through the funding formula, whilst temporary funding will be paid from the growth fund.

5.1.2 To remove section 3.2 removed from the policy - For each basic need growth class opened, a contribution of £55,000 is payable towards the setup costs of each new classroom, up to the maximum year of support

5.1.3 To continue to honour the growth fund forecast.

Report Author:

Maria Beaney

Finance Business Partner Education & Schools

Medway Council Growth Funding Policy
Version Update: 2012

1. Overview

- 1.1 This funding policy is for revenue associated reorganisations only and does not relate to capital items.
- 1.2 Schools (the term schools used throughout this document includes academies) can access the funding and eligibility where there is a basic need requirement. The DfE define Basic Need as new pupil places which are requested by the local authority because there are insufficient places available for pupils in the area.
- 1.3 Medway Council's place planning team will determine if a school meets the eligibility criteria.
- 1.4 Reorganisation funding and rising roll funding will be paid on an academic year basis and will be calculated on the growth in numbers from September less the preceding October's school census count.

2. Reorganisation Funding – Protected Pupil Funding

- 5.2 Funding paid to schools for protected pupil funding includes:
- a) Permanent expansion – an increase over time to all year groups in the school
 - b) Bulge year/ bulge classes (i.e. not a permanent expansion)
 - c) A new opening school
- 5.3 Reorganisation protection in primary and secondary schools can be split into two different types. One, where the increase in pupils triggers sufficient funding to meet the cost of the resource needed to support the additional pupil intake and two, where the increase in PAN will take a longer period of time to fill up and therefore provide the necessary level of resources needed to cover the costs of the additional pupil intake.
- Example: Where the PAN increase is 30, the extra pupils will fully fund the cost of the additional class. In this instance protection will be provided in the year of admission only.
- 5.4 Growth funding will only be triggered where the increase to the PAN is over a certain threshold, for a primary school it will be 20% and for a secondary school it will be 10%. The rationale for applying a threshold is that the additional number of pupils would not constitute an increase in additional resources.
- Example: if a primary school was increasing its PAN from 30 to 45 this would trigger funding as it is an increase of 50%.
- Example: if a primary school was increasing its PAN from 28 to 30 this would not trigger funding as it is an increase of 7% and below the 20% threshold.
- 5.5 For a new school protection will be applied in the same way as 2.2 above, however all of the other factors including in the delegated formula budget (including any Minimum Funding Guarantee (MFG)) will be included in the calculation.

- 5.6 Schools can be asked to increase their PAN permanently or for a defined period i.e. one year, two years etc. In relation to where a school is requested to increase their PAN permanently, protection will be paid for a maximum period (see below), and this will only include protection for the individual year group in the year the expansion takes place.

Infant	3 years maximum support.
Junior	4 years maximum support.
Primary	7 years maximum support.
Secondary	5 years maximum support.

- 2.6 Support would cease as soon as capacity is reached or if a change is made back to the original PAN or PAN reduction.

2.7 Permanent PAN increases will be paid through the funding formula, whilst temporary funding will be paid from the growth fund.

3. Reorganisation Funding – Set-up lump sum funding

- 3.1 A one off lump sum of £55,000 will be payable to cover costs incurred prior to opening a new school and is provided to set up a new classroom. This payment is opening payable to opening a new school.

3.2 For each basic need growth class opened, a contribution of £55,000 is payable towards the setup costs of each new classroom, up to the maximum year of support as outlined in section 2.5 above. In general a class is defined as the increase in pupil numbers divided by 30 pupils.

Example: A primary School has a permanent increase in its PAN from 30 to 60. Over the period of the expansion the school will have to open 7 additional classes, therefore they will receive $7 \times £55,000 = £385,000$.

4. Amalgamations

- 4.1 In the year of amalgamation the two predecessor schools will retain their individual lump sums (As part of the funding formula) until the end of the financial year (March for a maintained school and August for an academy.)
- 4.2 In the financial year following the amalgamation the newly amalgamated school will receive 85% of the collective lump sums for the two predecessor schools. The school will receive $2 \times £110k = £220k \times 85\% = £187k$.
- 4.3 From the second financial year after the amalgamation took place the new amalgamated school will receive one lump of £110k.
- 4.4 The protected lump sum will automatically be funded from the Schools Block DSG and will not be a charge against the LAs growth fund as this is a national funding arrangement.

5. Budget

- 5.1 The growth funding budget will be set annually to support this policy.

**Agenda Item 7:
2018-2019 Pupil Variation Numbers**

1 Background.

- 1.1 The Dedicated Schools Grant Schools Block funds both budgets delegated to schools/academies via the funding formula and budgets delegated for retention by the Local Authority (LA) to support schools and academies.
- 1.2 LAs may only retain funds for the provision of central education services in circumstances which have been set by the Department for Education (DFE); these are known as **Centrally Retained Budgets** and fall into three headings;
- a) Growth Fund
 - b) De-delegated Services
 - c) Statutory Functions of the Local Authority
- 1.3 Every year the Schools' Forum is required to approve the centrally retained funding.
- 1.4 The Schools' Forum have previously decided that the following support (see below) should be given to schools/academies with PAN increases in order to allow the PAN changes to embed the changes through the school/academy funding system.
- | | |
|-----------|-------------------------|
| Infant | 3 years maximum support |
| Junior | 4 years maximum support |
| Primary | 7 years maximum support |
| Secondary | 5 years maximum support |
- 1.5 This support would cease as soon as capacity is reached or if a change is made back to the original PAN or PAN reduction.

6 Pupil Number Variations

- 6.1 Permanent PAN Increases must be funded via the Funding Formula and not through the growth fund of the centrally retained funds held by LA. This means the LA require the Schools' Forum approval to adjustment the school/academy pupil on roll number, used in the Funding Formula on all funding factors and not just on the Basic Entitlement (AWPU),
- 6.2 Estimated pupil numbers have been used to for the new PAN increases and have also been weighted to take account of the different school and academy funding years.
- a) 7/12ths have been used for maintained schools - i.e. September 18 – March 16

b) 12/12ths have been used for academies - i.e. September 18 – August 19.

6.3 For 2018-19 the LA are requesting the following variation to pupil numbers. (i.e. *additional* pupil numbers over and above the upcoming October 2017 census) .

6.4 Table 1 below shows a number of new schools places required from September 2018 relating to PAN increases agreed at previous Schools' Forum meetings.

Table 1 – On-going Identified School PAN Increase

School	Year of Support	Academy	Maxium Pupil Increase Per Class	Number of Pupils by Year Group									
				R	1	2	3	4	5	6	Total Pupils	Total Pupils	
Napier Primary Academy	6 of 7	Y	30	30	30	30	30	30	30	-	-	180	180.0
Wainscot Primary School	6 of 7	N	30	30	30	30	30	30	30	-	-	180	105.0
Delce Junior Academy (YR R)	2 of 3	Y	30	30	30	-	-	-	-	-	-	90	90.0
Brompton Westbrook Primary Academy	5 of 7	Y	15	15	15	15	15	-	-	-	-	75	75.0
Saxon Way Primary Academy	5 of 7	Y	30	30	30	30	30	-	-	-	-	150	150.0
Cedar Primary School	4 of 7	Y	15	15	15	15	-	-	-	-	-	60	60.0
Cuxton Junior Academy	4 of 4	Y	10	-	-	10	10	10	10	-	-	40	40.0
New Horizons Primary Academy	4 of 7	Y	30	90	90	90	90	60	60	-	-	570	570.0
Hundred of Hoo Academy - Primary Phase	4 of 7	Y	30	30	30	30	-	-	-	-	-	120	120.0
Bligh Federation	2 of 7	Y	30	30	-	-	-	-	-	-	-	60	60.0
Cliffe Woods	2 of 4	Y	15	15	10	15	-	-	-	-	-	55	55.0
Woodlands Academy	4 of 7	Y	30	30	30	30	-	-	-	-	-	120	120.0
				345	345	300	290	220	130	70		1,700	1,625.0

Please note:

New classes are shown in red and highlighted and total 365.

Existing PAN Pupil commitments are not highlighted and total 1,625.

6.5 Table 2 below shows the new specified schools places required from September 2018. These places have been confirmed as being required at these schools by the place planning team.

Table 2 – Newly specified school places.

School	Year of Support	Academy	Maxium Pupil Increase Per Class	Number of Pupils by Year Group		
				R	Total Pupils	Total Pupils
Halling	1 of 7	N	20	20	20	11.7
Riverside	1 of 7	Y	30	30	30	30.0
St Mary's Island	1 of 7	N	60	60	60	35.0
				110	110	76.7

2.7 Table 3 below shows the new schools places required from September 2018 but where the place planning team are still negating with schools. These places will remain unspecified until confirmed by the place planning team and Medway will hold the pupil funding to pay the school.

Table 3 - Newly unspecified school places.

School	Year of Support	Academy	Maxium Pupil Increase Per Class			
				Year 7	Total Pupils	Total Pupils
A school or schools in the Chatham area	1 of 5	Y	60	60	60	60.0
A school or schools in the Rochester area	1 of 5	Y	30	30	30	30.0
A school or schools in the Rainham area	1 of 5	Y	30	30	30	30.0
				120	120	120.0

3 The Schools Forum

3.1 The Schools' Forum is asked to provisionally approve the following pupil variation numbers:

- a) 365 on-going identified estimated places – table 1 above.
- b) 76.7 newly identified estimated places – table 2 above.
- c) 120 newly unspecified estimated places – table 3 above.
- d) The increase of existing pupil numbers up to a maximum of 1,625 places for the school year groups outlined in table 1 above.
- e) New class growth funding of £880,000 for on-going commitments – table 1 and Halling above.
- f) New class pupil funding of £165,000 for 7 new schools payments for table 3 above
- g) New class growth funding of £385,000 for 7 new schools payments for table 2 and 3 above?
- h) No new class growth funding payments for table 2 and 3above.

Report Author:

Maria Beaney

Finance Business Partner Education & Schools

**Agenda Item 9 :
The Forward Plan**

10 January 2018	High Needs Strategy	Wendy Vincent
	Will Adams Fair Access Report	TBC
	2018- 19 Initial Dedicated Schools Grant Allocation	Maria Beaney
	Final 2018-19 Centrally Retained & De-delegated Budgets	Maria Beaney
	2018-19 Final Schools and Academy Funding Formula	Maria Beaney
	Round 2 Schools Block: 2017-18 Centrally Retained Forecast	Maria Beaney
	School Improvement Update	Azhar Mobin
	Traded Services	Ocelot
04 July 2018	DSG 2017/18 Outturn and Reserves Report	Maria Beaney
	Schools 2017/18 Outturn and Reserves Report	Maria Beaney
	Traded Union 2017-18 Outturn Report	Nikki Smith
	Governance Report	TBC
11 September 2018	KS2 School Improvement Update	Azhar Mobin
	2018-19 DSG Budget Allocation Update	Maria Beaney
	2018-19 Round1 Monitoring SB Centrally Retained Services	Maria Beaney
	2019-20 Budget Setting Timetable	Maria Beaney
	Pupil Number Variations	
	Provisional 2019-20 Centrally Retained & De-delegated Budgets	