

<b>SCHOOLS FUNDING FORUM AGENDA</b>
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<b>8.30 am</b>	<b>17 September 2020</b>	<b>Zoom</b>
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**Members: 18    Quorum: 11**

**MEMBERSHIP:**

**Representative Groups**

**LA Maintained School Representatives:**

**Head Teachers (6):**        Emma Allen, Special  
                                      Margy Bushell, Primary  
                                      Kirsten Cooper, Primary  
                                      Georgina Delmonte, Primary Maintained  
                                      Hayley Durrant, Primary  
                                      David Unwin-Bailey, Primary

**Governors (1):**            Dave Waters, Primary

**Academy  
Representatives:**

**Primary (2):**                David Denchfield  
                                      Kate Ridley-Moy

**Secondary (3):**            Simon London  
                                      Keith Williams  
                                      Denise Broom  
                                      Vacancy x3

**Special (1):**                Vicki Fackler

**AP Academy (1):**        Ray Lawrence

**Non-School  
Representatives:**

**Early Years PVI Sector  
(1):**                            Mark Halls  
**Post 16:**                    Vacancy

**Decision Board:** Vacancy

**Trade Unions (2):** John Delaney/John McGill, Teachers  
Peter Liddle, UNISON

For information about the meeting please contact:  
David Allen [david.allen@haverling.gov.uk](mailto:david.allen@haverling.gov.uk) 01708 433851

If you are unable to attend please contact your named substitute or ask David Allen to do so on your behalf.

## **AGENDA ITEMS**

### **1. APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS**

- (i) Apologies for absence have been received from John Delaney and from Margy Bushell (Hayley McClenaghan substituting).
- (ii) To note that Vicki Fackler has replaced Gary Pocock as the representative from special academies

### **2. ELECTION OF CHAIR AND VICE CHAIR**

To elect a Chair and Vice Chair until the first meeting of the autumn term 2020.

### **3. TO AGREE THE NOTES OF THE MEETING HELD ON 18TH JUNE 2020 (Pages 1 - 9)**

To agree the notes of the meeting held on 18th June 2020 as a correct and accurate record.

### **4. MATTERS ARISING**

### **5. EARLY YEARS FUNDING 2020-21 (Pages 10 - 12)**

Report attached.

### **6. HIGH NEEDS FORECAST 2020-21 (Pages 13 - 21)**

Report and appendices attached.

### **7. DfE SUPPORT TO SCHOOLS FOR COVID-19 COSTS 2020-21 (Pages 22 - 27)**

Report and appendix attached.

### **8. SCHOOLS FUNDING 2021-22 (Pages 28 - 43)**

Report and appendices attached.

### **9. HIGH NEEDS FUNDING 2021-22 (Pages 44 - 45)**

Report attached.

### **10. CENTRAL SCHOOLS SERVICES BUDGET (CSSB) 2021-22 (Pages 46 - 47)**

Report attached.

### **11. DE-DELEGATION OF FUNDING FROM MAINTAINED SCHOOLS 2021-22 (Pages 48 - 60)**

Report and appendices attached.

**12. FINANCIAL TRANSPARENCY OF LOCAL AUTHORITY MAINTAINED SCHOOLS**  
(Pages 61 - 67)

Report attached.

**13. SCHOOLS IN FINANCIAL DIFFICULTIES** (Pages 68 - 72)

Report and appendix attached.

**14. NEXT MEETINGS**

Future meetings have been arranged as follows:

7<sup>th</sup> November  
17<sup>th</sup> December  
16<sup>th</sup> January  
19<sup>th</sup> March  
18<sup>th</sup> June

All meetings to start at 8.30 a.m. at CEME or to be virtual meetings, depending on circumstances.

**15. ANY OTHER BUSINESS**

**MINUTES OF A MEETING OF THE  
SCHOOLS FUNDING FORUM  
Virtual meeting  
18 June 2020 (8.30 - 10.50 am)**

**Present:**

**Representative Groups**

**Head Teachers of LA  
Maintained Primary  
Schools:** Margy Bushell, Primary  
Kirsten Cooper, Primary  
Delmonte, Primary Maintained  
Keith Williams, Academy

**Academy  
Representatives:**

**Primary Governors:** Kate Ridley-Moy

**Secondary Head  
Teachers:** Keith Williams (Chair)

**Special Academies:** Victoria Fackler

**Early Years PVI Sector:** Mark Halls

**Trade Unions:** John McGill, Teachers

**LA Officers:** Trevor Cook  
Shabhaz Khan  
Caroline Penfold  
David Allen

**1 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE  
MEMBERS OR OBSERVERS**

Apologies were received from Emma Allen (special schools head teacher)  
Denise Broom (secondary governor) and Gary Pocock (special academies,  
Victoria Fackler substituting).

The resignation of Bernard Gilley, LA Maintained Governor representative  
was noted.

**2 TO AGREE THE NOTES OF THE MEETING HELD ON 16TH JANUARY 2020**

The minutes of the meeting of the Forum held on 16 January 2020 were agreed as a correct record.

**3 MATTERS ARISING**

The following matters arose from the minutes of the previous meeting:

Minute 27, Early Years Funding 2020-21. It was noted that it had been agreed that a meeting be arranged between Mark Halls and the Director of Children's Services. This had been cancelled due to the Covid-19 outbreak and would therefore be rescheduled.

**4 SCHOOL BALANCES 2019-20**

The Forum was advised that there was a worsening position for school balances which were at an all-time low of £2.3m. There were now no schools with balances greater than 15%. Two schools had deficits in excess of 10%, 15 between 5% and 10% and 6 between 0% and 5%. Of the 19 schools in deficit, 7 were in their first year and 1 school had been in deficit for 5 years.

Deficit recovery plans were required of all schools in this position and Governors were challenged on how it was planned to reduce expenditure. Schools with balances in excess of 10% were also challenged. The figures in the report did not include the impact of Covid-19. Schools had been asked to set budgets as normal in order to identify any probable losses of income against budgeted figures. The school with a five year deficit had experienced low class sizes but needed to manage its budget year in-year and estimate future pupil numbers.

The Strategic Finance Manager clarified that school balances of individual LA Maintained Schools were no longer public information as the position with Academies was not known.

The Forum noted the report.

**5 DSG OUTTRUN 2019-20**

The Funding Forum was referred to a revised item that had been circulated the previous afternoon. It was noted that DfE's Schools and Early Years Finance Regulations now required a deficit recovery plan to be produced for any level of deficit on the DSG account with updates given to the DfE as well as to Schools Forums. Previously, deficit recovery plans were required only for deficits of over 1% of DSG.

The balance of the Dedicated Schools Grant (DSG) showed an overall deficit of just over £1m, the first year that Havering had recorded a deficit. There had been an in-year overspend in high needs of £4.6m which had been partially reduced by a DSG underspend of £1.3m carried forward from 2018-19. There remained a £3.3m deficit however. Some offsets from underspends elsewhere in the DSG could also be made to reduce the final deficit to be carried forward to 2020-21. These were detailed on the agenda and included the following:

Early Years Block £472k

The balance of 2 year old and 3 & 4 year old funding of £257k

Savings from the central retention of £165k

A 50% reduction in the amount previously agreed for the new database of £50k

Schools Block £505k

Because of delays in the expected housing developments, the pupil growth fund had not been fully spent. The number of schools supported from the fund and the amounts allocated was detailed in an appendix to the agenda item.

De-delegation £9k

The trade union facility time budget had underspent by £9k.

Other de-delegation underspends would be returned to the contributing LA Maintained schools.

Central Schools Support Block £347k

School Partnership/Schools Causing Concern £146k

Central services £111k

School energy conservation projects £90k

Other DSG Funding £861k

Unallocated Early Years Block £788k

Balance of grants received £73k

These underspends reduced the final deficit to be carried forward to 2020-21 to £1.133m.

The Early Years representative felt it unreasonable that the use of such a high level of underspend within the Early Years Block was being used to offset the High Needs overspend and that the £788k of Early Years funding had not been allocated to early years. Officers felt that DSG funding streams should not be looked at in isolation and difficult decisions would have to be made about priorities. The £788k was a late allocation from the DfE that had not been factored into the funding of providers. There were also proposals later on the agenda to increase elements of early years funding. The Early Years representative felt that that the proposals would have a disproportionate impact on Early Years and that Early Years underspends should not be transferred to the High Needs block.

Commitments for 2020-21 were limited to the following:  
Reimbursement to LA Maintained schools of de-delegated funding £49k  
Retention for the new early years database £50k (reduced from £100k).

A report on the High Needs deficit and forecast for 2020-21 would be brought to the September meeting of the Forum. There were only limited changes that could be made to the High Needs block and it was therefore difficult to make savings. The continuing pressure on high needs was likely to lead to a further deficit by the end of the year. It would be necessary to review out of borough placements and two new case officers were therefore being recruited.

The Chair agreed to discuss high needs issues with secondary and primary heads and would also raise that there was vacancy for a representative from the secondary sector on the SEND board.

The Forum **AGREED** to the allocation of funding to offset the deficit in High Needs and to the commitments in financial year 2020-21 as shown in the revised report at agenda item 5. There were 6 votes in favour of the decision, 2 votes against and 0 abstentions. The Forum also noted the concerns raised re the Early Years sector.

## 6 **EARLY YEARS FUNDING 2020-21**

The Funding Forum was referred to a revised item that had been circulated the previous afternoon.

It was noted that a consultation had taken place with the early years sector to raise the hourly rate. Government funding for early years had increased by 8p per hour. As a result of the consultation the arrangements for early years funding would be as follows:

increase in the hourly rate for 2 year olds from £5.60 to £5.68

increase in the hourly rate for 3 & 4 year olds from £4.80 to £4.90

increase in the central retention from £800k to £820k

retain deprivation as the only supplementary factor

SEN Inclusions Fund to be £200k and support funded at £3.50 per hour

Since the consultation, the LA had calculated an estimate of the Early years Block that was likely to be received for 2020-21 on the basis of the January 2020 census. It was expected that there would be a rise of £1.1m in DfE grant to meet the costs of funding additional early years places.

On the basis of these figures, the basic hourly rate for 3 & 4 year olds could be increased by a further 10p to £5.00. In addition, the hourly rate for support from the SEN Inclusion Fund could increase from £3.50 to £4.90 from a fund of £300k (increased from £200k).

The 10 per hour rise would be treated as a one-off until the DfE could give some confirmation of funding that may be affected by reduced numbers of participation arising from COVID-19. The proposals would also increase the



inclusion rate. The Early Years representative reminded officers of the responses from the consultation in which providers wanted the maximum amount passed through on the hourly rate as they were facing higher salary costs due to the rise in the minimum wage. Officers stated the estimated additional funding would achieve both a further increase to the hourly rate and an increase to the SEN Inclusion Fund to support children with additional needs.

The Forum **AGREED** the proposed funding arrangements as shown at part 1 of the revised report at agenda item 6. There were 8 votes in favour with 0 against and 0 abstentions.

The Forum also **AGREED** the further increases in the hourly rate for 3 & 4 year olds and the SEND inclusion fund hourly as shown at part 2 of the revised report at agenda item 6. There were 8 votes in favour with 0 against and 0 abstentions.

## **7 SCHOOLS FUNDING 2020-21**

Anonymised data gave details of funding for primary and secondary schools in Havering. This included the new formula factor of a minimum funding level cost so that all primaries and secondaries received a minimum amount of £3,750 for primaries and £5,000 for secondaries. Three primaries and one secondary had needed top ups to reach this level. Caps to funding were shown and MFG costs. Fewer secondaries had been capped than primaries.

Overall the MFG had cost Havering £847k. It depended on schools' own data whether funding for deprivation levels went up or down. Officers advised that the capping of schools funding did not directly relate to the schools showing a deficit.

The Forum noted the report.

## **8 SUPPORT TO SCHOOLS FOR COVID-19 COSTS**

Officers advised that there was only a very limited range of costs that schools could claim from the DfE for e.g. additional cleaning costs if a case of Covid-19 was suspected. Officers had requested further funding from the DfE but this had not been forthcoming. Claim forms were due to be issued to schools in July. There was also a cap on the amount an individual school could claim and schools could raise issues direct with the DfE if they wished.

Options for allocating some additional funding for schools from the Partnership Fund were also circulated with option B in the papers being the preference of officers. This would be looked again in September following the re-opening of secondary schools.

Schools would be expected to continue paying existing contracts and any contracted Local Authority services could still make charges on schools. A school representative requested more detail on what services her school was paying Havering Catering Services for.

The Economic Development team would be contacted to explore any other sources of funding particularly in support of the re-opening of early years sector.

The Forum **AGREED** to approve the allocation of Covid-19 funding to schools as shown at option B of appendix C to the report at agenda item 8. There were 8 votes in favour with 0 against and 0 abstentions.

## 9 **CHANGES TO IDACI DEPRIVATION DATA**

The 2019 update on income deprivation affecting children had been received too late to include in the 2020/21 formula but would be used for 2021/22. The data had shown lower levels of deprivation for almost every Havering school. This equated to a £32k average loss for primary schools and £82k for secondaries. Maximum losses in Havering were £95k for primaries and £217k for secondaries.

The loss of deprivation funding through the formula would mean that more schools would be on the MFG and officers would take this up with central Government to ascertain if there would be a transition period or if the funding rates would be increased. Any responses received from the DfE would be brought to the next meeting of the Forum. The overall impact on the DSG would be an approximate £3m fall in the allocation for Havering. The impact on these figures of the Covid-19 outbreak would also be raised with the DfE by officers.

The Forum noted the report.

## 10 **SCHOOL ENERGY CONTRACTS**

The Local Authority energy officer explained that the previous school procurement framework had been terminated by the Council on 31 March 2020. The Council had now joined the LEP LASER Framework from 1 April 2020 to 30 September 2024. Schools had been given the option to opt out of the framework but most had chosen to continue.

The framework was run by Kent County Council who ensured a competitive tariff and legal compliance. Officers added that they wished to bring the new service to the attention of schools as this was a significant contract.

The Forum noted the report.

11 **SCHOOLS PARTNERSHIP/SCHOOLS CAUSING CONCERN FUND IN 2019-20**

12 **SUPPORT FOR SCHOOLS IN FINANCIAL DIFFICULTY**

13 **NEXT MEETINGS**

The next meeting of the Forum had been arranged for 17 September 2020 at 8.30 am. It would be confirmed nearer the time if the meeting would be held virtually.

14 **ANY OTHER BUSINESS**

None

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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# Agenda Item 5



## Schools Funding Forum 17<sup>th</sup> September 2020 ITEM 5

**Subject Heading:**

**Early Years Funding 2020-21**

**Report Author:**

**David Allen – Strategic Finance Manager**

**Eligibility to vote:**

**All school and academy members**

### SUMMARY

This report summarises the announcements of DSG Early Years Block funding for financial year 2020-21, and the support for providers where participation has been impacted by the COVID-19 pandemic.

### RECOMMENDATIONS

That the Schools Funding Forum:

- (i) notes the funding arrangements for financial year 2020-21 following the DfE update of the DSG Early Years Block
- (ii) notes the LA's arrangements for supporting providers during the COVID-19 pandemic

### REPORT DETAIL

#### 1. Revised Early Years Block Funding for 2020-21

At the meeting of the Schools Funding Forum held on 18<sup>th</sup> June 2020 it was agreed to increase the basic hourly rate for providers to £5.00 in financial year 2020-21

and to increase the SEN Inclusion Fund in anticipation of an increase in the DSG Early Years Block allocation.

Initial announcements of annual Early Years Block funding are based on the previous January census and then updated for the census data from the following January. For example, the financial year 2020-21 allocation was initially based on January 2019 census and has been updated in July for the January 2020 census.

The increases in funding to providers was agreed on the basis of the LA's estimate and the updated allocation has now been received from the DfE as follows:

	Original	LA estimate	Actual
DfE Hourly Rate	£5.36	£5.36	£5.36
PTE provision	5,695.98	6,056.10	6,056.10
Early Years Block	£17,402,373	£18,502,597	£18,502,597
Increase		£1,100,224	£1,100,224

LA Funding			<i><b>Revised LA Estimate</b></i>
PTE to fund	5,695.98	5,888.29	5,922.98
LA Hourly Rate	£4.90	£5.00	£5.00
Cost (x 15 hrs x 38 wks)	£15,908,872	£16,781,627	£16,880,502
IDACI supplement	£468,390	£500,000	£500,000
SEN Inclusion Fund	£200,000	£300,000	£300,000
Central retention	£820,000	£820,000	£820,000
Total cost	£17,397,262	£18,401,627	£18,500,502
Increase		£1,004,365	£1,103,240
Balance (contingency)	£5,111	£95,859	£2,095

Notes:

1. The initial LA estimate of Early Years Block funding was confirmed by the actual allocation
2. In the table above, the LA's estimate of provision to be funded is based on preliminary data submitted by providers adjusted for over estimates and applying the protection for the Autumn term for 61 providers that have had a reduction in their Autumn term claim in comparison to previous years at a cost of £363,000.

## 2. COVID-19 Support for providers

The DfE has announced that, because of the risk of lower rates of participation that may be reflected in the January 2021 census, it will not be using January 2021 to adjust 2020-21 funding. This means that the LA's allocation will not change from the above figure.

In normal circumstances an LA's allocation of Early Years Block funding is also adjusted in retrospect for the next January census data. For example in 2020-21 it would be adjusted for January 2021 although the funding adjustment is not made until July in the following financial year. LAs take different approaches on the

financial year in which this adjustment is made. Havering takes the view that the adjustment should be accounted for within the same financial year in which it is received.

The figures in the table above are not based purely on providers' Autumn 2019 data but take into account known expansions or reductions over the last three years. This is to smooth out any peaks and troughs in provision.

The estimated cost of around £363,000 is subject to change following the conclusion of the Autumn term Census with more or less providers being eligible meeting the agreed thresholds. Currently 61 providers meet the criteria for support.

Other support provided is the funding of provisions that opened during holiday periods and those that took large number of children into their settings during the Summer term when other settings had closed.

This is estimated to cost £20,000 which is included in the amounts for the overall entitlement funding in the tables above.

As described above, an LA has its Early Years funding adjusted for the later January census. The amount received as an adjustment for 2019-20 funding is £700,768. This will be used to meet the costs of the support described above. The balance will be carried forward to financial year 2021-22 as the DfE has not yet advised if the 2021-22 funding will be protected or based on the reduced census data from January 2021, and to support expenditure in Early Years for the protection in place due to the COVID-19 pandemic if the demand exceeds the current year DfE funding allocation.





## Schools Funding Forum 17<sup>th</sup> September 2020      ITEM 6

**Subject Heading:**

**High Needs Funding Year End Forecast  
2020-21**

**Report Author:**

**David Allen – Strategic Finance  
Manager**

**Eligibility to vote:**

**All members**

### SUMMARY

This report provides a year end forecast of expenditure against the high needs budget for 2020-21.

### RECOMMENDATIONS

That the Schools Funding Forum notes the year forecast of expenditure for financial year 2020-21

### REPORT DETAIL

In broad terms, the forecast for year end 2020-21 can be estimated using 2019-20 levels of expenditure, an estimate for the continuing increase in the number and level of support funded through EHC plans and the known funding that is available.

**Expenditure**

£m	
4.6	overspend against 2019-20 funding
1.1	starting deficit cfwd from 19-20
1.0	forecast growth in 202-21
<u>6.7</u>	

**Income**

£m	
-3.5	increase in HN Block for 20-21 above 19-20 funding
<u>-0.5</u>	transfer from schools block
<u>-4.0</u>	
<u>2.7</u>	projected overspend

Within the above calculation there is an assumption that, aside from the £1m estimated increase, the level of expenditure in 2020-21 will remain the same as in 2019-20. This is unlikely to be case as expenditure on high needs provision can vary significantly between years. The main areas of expenditure are attached at Appendix A.

In financial year 2019-20, the overspend of £4.6m was offset by a £1.3m DSG underspend carried forward from the 2018-19 financial year and £2.2m of underspends in other areas of the Dedicated Schools Budget (DSG) in financial year 2019-20. There remains a deficit carried forward into financial year 2020-21 of £1.13m.

The DfE has introduced a requirement for LAs to submit a deficit recovery plan and will be providing a template for LAs to use to construct a recovery plan. The plan should detail the steps authorities plan to take to bring their deficits back into balance within a three-year timeframe.

The LA will keep all areas of DSG spending under review to identify potential savings to meet the forecast overspend in the high needs block.

**High Needs Forecast 2020-21**

Funding allocation before recoupment
Available funding after recoupment
Deficit cfwd from previous year
Transfer from Schools Block
Total funding for the financial year

**Summary September 2020**

£000
28,812
25,743
-1,133
500
25,110

Havering Special Schools
Expenditure on therapies etc
Out of Borough Maintained Special Schools
Revised In-Borough Primary Top-up
Out of Borough Mainstream Primary
Expenditure on alternative tuition + therapies
In year EHC Plans
Total Primary High Needs funding
Revised In-Borough Secondary Top-up
Out of Borough Mainstream Secondary
Expenditure on alternative tuition + therapies
In year EHC Plans
Total Secondary High Needs funding
Schools with high nos. of pupils with SEN
Additionally Resourced Provision

Estimated Expenditure £000	No of Pupils/Places supported			
	Pre 16		Post 16	
	Apr-Aug	Sep-Mar	Apr-Aug	Sep-Mar
8,895	289	296	67	83
137				
422	27	26		
3,889	481	426		
260	22	18		
142				
122				
4,413	503	444	-	
2,130	275	318		
220	23	24		
369				
26				
2,745	298	342	-	
370				
1,200	97	109		

In-Borough Post-16 Top-up
In-Borough Post-19 Top-up
Out of Borough Post-16
Expenditure on Post-16 Tuition & therapies
Internships
Total Post-16
Non-Maintained & Independent Special Schools Pre-16
Non-Maintained & Independent Special Schools Post-16
Early Years EHCPs
Alternative Provision
Central support teams
Total

Total funding available
Forecast overspend

606			109	83
172			4	4
677			88	76
331				
96				
1,882			201	163
2,325	44	40		
1,006			9	12
50				
2,528				
1,510				
27,483	1,134	1,122	277	258

25,110
-2,372

**Havering Pupils and Students at Non Maintained Special Schools and Independent Provision**  
**Financial Year 2020-21**

**Pre 16**

SEN Type	Name of Provision	Provision Status	Basis of Placement	Start date	Expected End Date	Full Placement Cost	Cost shared with	Sharing Agreement	Cost to HN Block	Reason for placement
SEMH+SLD	Hopewell School	Independent	38 weeks Non Residential	06/11/2017	22/07/2022	53,000			53,000	Behavioural needs
ASD	Hopewell School	Independent	38 weeks Non Residential	05/09/2016	23/07/2021	51,000			51,000	Parental preference
SEMH	Koru	Independent	38 weeks Non Residential	21/01/2020	22/07/2022	24,000			24,000	Most suitable placement for needs
SEMH	The Belsteads	Independent	52 Weeks Residential	05/09/2019	July 2022	310,989	Social Care	School fees charged separate from Social Care costs	59,376	Mental Health - placement is associated with Social Care placement
SEMH	The Anderson School		38 weeks Non Residential	04/06/2018	22/07/2020	13,199			13,199	Most suitable placement for needs
SEMH	The Belsteads	Independent	38 weeks Non Residential	10/06/2019	July 2024	59,376			59,376	Most suitable placement for needs
ASD	Treehouse School	NMSS	38 weeks Non Residential	30/01/2017	July 2028	56,880			56,880	Tribunal - Parental preference
ASD	The Belsteads	Independent	38 weeks Non Residential	13/03/2018	July 2022	59,376			59,376	Most suitable placement for needs
SEMH	The Belsteads	Independent	38 weeks Non Residential	03/01/2018	July 2021	59,376			59,376	Most suitable placement for needs
SEMH	Koru	Independent	38 weeks Non Residential	23/09/2019	July 2021	17,100			17,100	Behavioural Needs
SEMH	Hopewell School	Independent	38 weeks Non Residential	25/01/2018	July 2022	53,000			53,000	Behavioural Needs
	Cambian Whinell	Independent	52 Weeks Residential	22/06/2020	July 2024	195,454	Social Care		78,008	Mental Health - placement is associated with Social Care placement

SEN Type	Name of Provision	Provision Status	Basis of Placement	Start date	Expected End Date	Full Placement Cost	Cost shared with	Sharing Agreement	Cost to HN Block	Reason for placement
ASD	Woodcroft School Limited	Independent	38 weeks Non Residential	08/09/2014	July 2021	41,382			41,382	Parental preference
SLCN	St Elizabeths	NMSS	38 weeks Non Residential	02/09/2020	July 2023	43,102			43,102	Behavioural needs
SEMH	The Anderson School	Independent	38 weeks Non Residential	05/11/2019	22/07/2020	15,119			15,119	Most suitable placement for needs
SEMH	The Belsteads	Independent	38 weeks Non Residential	tbc	tbc	39,584			39,584	Most suitable placement for needs
MLD	Northstar New School	Independent	38 weeks Non Residential	03/06/2019	July 2021	53,308			53,308	Most suitable placement for needs
SEMH	East London Independent School	Independent	38 weeks Non Residential	14/09/2015	July 2024	68,250			68,250	Most suitable placement for needs
MLD+BESD	West Heath School	Independent	38 weeks Non Residential	07/09/2016	July 2021	52,500			52,500	Most suitable placement for needs
SEMH	Northstar New School	Independent	38 weeks Non Residential	24/06/2019	July 2024	58,244			58,244	Most suitable placement for needs
SEMH	The Belsteads	Independent	38 weeks Non Residential	13/02/2019	01/07/2020	246,964	Children's Social Care	School fees charged separate from Social Care costs	19,792	Associated with Residential placement
HI	Mary Hare School	NMSS	38 weeks Residential	03/09/2018	July 2025	57,073			57,073	Parental preference
SEMH	West Heath School	Independent	38 weeks Non Residential	30/10/2018	July 2023	72,900			72,900	Most suitable
ASD	The Anderson School	NMSS	38 weeks Non Residential	05/09/2018	22/07/2020	25,866			25,866	Most suitable placement for needs
SEMH	St Elizabeths	NMSS	38 weeks Residential	05/11/2019	July 2027	144,427			144,427	Most suitable placement for needs
SEMH	The Belsteads	Independent	38 weeks Non Residential	11/12/2017	July 2022	59,376			59,376	Most suitable placement for needs
HI	Mary Hare School	NMSS	38 weeks Residential	03/09/2018	July 2025	57,073			57,073	Most suitable placement for needs
SEMH	The Bridge	Independent	38 weeks Non Residential	03/09/2020	July 2022	13,500			13,500	Most suitable placement for needs
HI+SLCN	Hopewell School	Independent	38 weeks Non Residential	08/10/2018	22/07/2020	19,231			19,231	Most suitable placement for needs

SEN Type	Name of Provision	Provision Status	Basis of Placement	Start date	Expected End Date	Full Placement Cost	Cost shared with	Sharing Agreement	Cost to HN Block	Reason for placement
SEMH	Woodcroft School Limited	Independent	38 weeks Non Residential	17/09/2018	July 2025	57,275			57,275	Most suitable placement for needs
	Northstar New School	Independent	38 weeks Non Residential	06/01/2020	July 2021	55,000			55,000	Most suitable placement for needs
SLCN	East London Independent School	Independent	38 weeks Non Residential	13/03/2018	July 2028	93,000			93,000	Parental preference
ASD	The Anderson School	NMSS	38 weeks Non Residential	01/05/2018	22/07/2020	13,859			13,859	Most suitable placement for needs
ASD	West Heath School	Independent	38 weeks Non Residential	02/11/2020	July 2024	36,250			36,250	Only suitable placement
SEMH	Woodcroft School Limited	Independent	38 weeks Non Residential	29/04/2019	July 2024	59,237			59,237	Most suitable placement for needs
SEMH	Hope View School	Independent	38 weeks Non Residential	13/09/2018	July 2025	36,000			36,000	Most suitable placement for needs
SEMH	Hopewell School	Independent	38 weeks Non Residential	02/12/2016	July 2023	58,000			58,000	Only suitable placement
SEMH+SLCN	Lighthouse	Independent	38 weeks Non Residential	27/11/2017	22/07/2020	19,167			19,167	Associated with Residential placement
SEMH	The Belsteads	Independent	38 weeks Non Residential	20/04/2020	July 2024	59,376			59,376	most suitable to needs
SEMH+SLCN	Woodcroft School Limited	Independent	38 weeks Non Residential	17/09/2018	July 2024	57,725			57,725	Most suitable placement for needs
	Hopewell School	Independent	38 weeks Non Residential	21/11/2019	July 2025	32,885			32,885	Moved in - already at placement
SEMH	Woodcroft School Limited	Independent	38 weeks Non Residential	03/09/2018	22/07/2020	18,573			18,573	Most suitable placement for needs
SEMH	Northstar New School	Independent	38 weeks Non Residential	03/09/2020	July 2022	41,333			41,333	Most suitable placement for needs
ASD	The Anderson School	NMSS	38 weeks Non Residential	04/09/2017	22/07/2020	19,363			19,363	Parental preference

SEN Type	Name of Provision	Provision Status	Basis of Placement	Start date	Expected End Date	Full Placement Cost	Cost shared with	Sharing Agreement	Cost to HN Block	Reason for placement
Other	Turnstone School	Independent	52 Weeks Residential	28/10/2015	July 2023	248,014	Health & Social Care	25% Health term time only; Remainder apportioned equally between Ed & SC	50,659	Mental Health Associated with Social Care placement
SEMH	Woodcroft School Limited	Independent	38 weeks Non Residential	26/09/2016	July 2023	59,237			59,237	Most suitable placement for needs
SEMH	The Bridge	Independent	38 weeks Non Residential	04/09/2019	22/07/2020	13,200			13,200	Most suitable placement for needs
ASD	The Anderson School	NMSS	38 weeks Non Residential	18/10/2017	23/07/2020	18,441			18,441	Most suitable placement for needs
ASD	Hopewell School	Independent	38 weeks Non Residential	tbc	July 2024	26,923			26,923	Parental preference
ASD	White Trees	Independent	38 weeks Non Residential	02/03/2020	July 2024	75,000			75,000	Mental Health needs

Total Core 16

**2,324,921**



SEN Type	Name of Provision	Provision Status	Basis of Placement	Start date	Expected End Date	Full Placement Cost	Cost shared with	Sharing Agreement	Cost to HN Block	Reason for placement
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**Post 16**

SLCn	Treehouse School	NMSS	38 weeks Non Residential	07/09/2016	July 2022	107,483			107,483	Most suitable placement for Needs
MLD+NI+SL CN	Hamilton Lodge School for Deaf Children	NMSS	38 weeks Residential	03/09/2020	July 2023	56,859			56,859	Parental Request & most suitable placement for needs
ASD+SLCN	Cambian Lufton College	SPI	52 week Residential	04/11/2018	July 2022	263,359	Adult Social Care	49% Education 51% ASC	144,069	Associated with ASC placement
SLD	Treloar College	SPI	52 week Residential	04/09/2017	tbc	228,136	Adult Social Care	65% Education, 35% ASC	148,363	Associated with ASC placement
ASD	Prior's Court	Independent	52 week Residential	09/09/2015	July 2028	243,720	Children's Social Care	54% Education, 36% Social Care	132,938	Associated with CSC placement
SLD+ASD	St Elizabeths	NMSS	38 weeks Residential	01/09/2017	July 2022	174,075	Adult Social Care	24% Education 76% ASC	41,601	Associated with ASC placement
SLCN+ASD	St John' School and College Brighton	NMSS	38 weeks Residential	01/07/2018	31/07/2022	64,965			64,965	Parental preference
ASD	The Holmewood	Independent	38 weeks Non Residential	September 2020	July 2023	47,705			47,705	Most suitable placement for needs
	Rhodes Wood Hospital	Independent	Hospital	02/01/2020		31,200			31,200	Mental Health needs
ASD+MLD	St Elizabeths	SPI	52 weeks Residential	25/06/2018	2027	213,469	Adult Social Care	31% Education 69% ASC	66,269	Associated with ASC placement
SEMH	Muntham House School	NMSS	38 weeks Residential	13/09/2017	July 2022	93,976			93,976	Mental Health needs
Other	Turnstone School	Independent	52 weeks Residential	28/10/2015	July 2023	248,014	Health & Social Care	25% Health Term time only; Remainder apportioned equally between Education and Social Care	70,923	Mental Health Associated with Social Care placement

**Total pre 16**

**1,006,351**

**Total placement costs**

**3,331,272**

# Agenda Item 7



## Schools Funding Forum 17<sup>th</sup> September 2020 ITEM 7

**Subject Heading:**

**DfE financial support for schools relating to COVID-19**

**Report Author:**

**David Allen – Strategic Finance Manager**

**Eligibility to vote:**

**All school and academy members**

### SUMMARY

This item summarises the funding arrangements announced by the DfE in support of schools relating to the COVID-19 pandemic.

### RECOMMENDATIONS

That the Schools Funding Forum notes the additional funding provided by the DfE.

### REPORT DETAIL

#### 1. Exceptional Costs

In May, the DfE advised that schools could claim for a limited range of additional costs incurred in dealing with the COVID-19 pandemic. These were:

- **increased premises related costs** associated with keeping schools open during the Easter and/or summer half term holidays, for vulnerable children and the children of critical workers, over and above the costs that schools would have faced in other circumstances

- **support for free school meals for eligible children who are not attending school**, where those costs are not covered by the national voucher scheme - this covers:
  - costs to schools arising before the introduction of the national voucher scheme
  - costs where schools are providing free meals to children for whom the national voucher scheme is inappropriate (for example, because there are no participating supermarkets locally or schools are providing meals directly) - schools can only claim through this fund for free school meals provided over Easter and summer half term holidays where it was required because local supermarkets were not yet part of the national scheme
- **additional cleaning** – required due to confirmed or suspected coronavirus (COVID-19) cases, in line with COVID-19: cleaning of non-healthcare settings, over and above the cost of existing cleaning arrangements

The LA has received notification of additional funding to be allocated to 15 LA maintained schools which have had their claims agreed under the above headings as follows:

	Total Payment
School A	£15,458
School B	£7,550
School C	£5,858
School D	£21,349
School E	£5,150
School F	£7,343
School G	£12,337
School H	£5,323
School I	£2,146
School J	£11,776
School K	£900
School L	£3,728
School M	£8,395
School N	£8,215
School O	£3,111

The claim form also had an “other” heading and any costs entered there are still under consideration by the DfE.

## 2. Coronavirus catch up premium and the national tutoring programme

In July the DfE announced £1 billion of additional funding to be allocated through a catch up premium. This includes a one-off universal £650 million catch-up premium for the 2020 to 2021 academic year to ensure that schools have the support they need to help all pupils make up for lost teaching time.

Alongside the universal catch-up premium, is a £350 million National Tutoring Programme to provide additional, targeted support for those children and young people who need the most help.

The £650 million catch-up premium funding will be available for all state-funded mainstream and special schools, and alternative provision.

Schools' allocations will be calculated on a per pupil basis, providing each mainstream school with a total of £80 for each pupil in reception through to year 11.

Special, AP and hospital schools will be provided with £240 for each place for the 2020 to 2021 academic year.

This means a typical primary school of 200 pupils will receive £16,000 while a typical secondary school of 1,000 pupils will receive £80,000.

Payments are to be provided in 3 tranches. An initial part payment in autumn 2020, based on the latest available data on pupils in mainstream schools and high needs place numbers in special, AP, hospital schools and special schools not maintained by a local authority.

A second grant payment will then be made in early 2021, based on updated pupil and place data. For mainstream schools, the 4 to 15 pupil headcount from the October 2020 census will be used. Place numbers will be used for special schools and AP.

The second grant payment will also take account of the initial part payment made in autumn 2020 so that schools will receive a total of £46.67 per pupil or £140 per place across the first 2 payment rounds.

A further £33.33 per pupil or £100 per place will be paid during the summer term 2021.

Though funding has been calculated on a per pupil or per place basis, schools should use the sum available to them as a single total from which to prioritise support for pupils according to their need.

As the catch-up premium has been designed to mitigate the effects of the unique disruption caused by coronavirus (COVID-19), the grant will only be available for the 2020 to 2021 academic year. It will not be added to schools' baselines in calculating future years' funding allocations.

### **Use of funds**

Schools should use this funding for specific activities to support their pupils to catch up for lost teaching over the previous months, in line with the guidance on curriculum expectations for the next academic year.

Schools have the flexibility to spend their funding in the best way for their cohort and circumstances.

### **Accountability and monitoring**

As with all government funding, school leaders must be able to account for how this money is being used to achieve our central goal of schools getting back on track and teaching a normal curriculum as quickly as possible.

Given their role in ensuring schools spend funding appropriately and in holding schools to account for educational performance, governors and trustees should scrutinise schools' approaches to catch-up from September, including their plans for and use of catch-up funding. This should include consideration of whether schools are spending this funding in line with their catch-up priorities, and ensuring appropriate transparency for parents.

The guidance on full opening sets out that Ofsted will conduct a programme of non-graded visits to some schools during the autumn. During these visits, inspectors will discuss how the school is bringing pupils back into full-time education – this may include plans schools have to spend their catch-up funding.

Ofsted plans to resume routine inspections in January 2021, with the exact timing being kept under review. When routine inspections restart, Ofsted will make judgements about the quality of education being provided, and that will include how leaders are using their funding (including catch-up funding) to ensure the curriculum has a positive impact on all pupils.

### **3. Local Authority Support**

At the last meeting of the Schools Funding Forum some additional financial support was agreed for primary schools. The LA is considering a refund to schools for elements of traded services purchased that have not been provided during the period of school closure and has issued a reduced charge for free school meals to those schools that have their meals service provided by Havering Catering services. The letter explaining the charge to schools is attached.

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Dear Head Teacher

### **School Catering Service charges during COVID-19**

I am writing to clarify the arrangements for charging schools for the School Catering Service during the period of reduced uptake of free school meals.

From the week commencing 23<sup>rd</sup> March 2020 schools were open only for the children of key workers and for vulnerable children. Meals were provided in school for the children attending and for staff. For other benefit-eligible pupils not attending school (not non benefit-eligible infant age pupils) lunch packs were provided.

Schools have been invoiced for all of the above for April, May and June except for meals provided to non benefit-eligible vulnerable children/children of key workers, which were funded by HES Catering Services.

Shortly before Easter, the government introduced national free school meals vouchers provided through a company called Edenred. The vouchers are ordered by schools on behalf of parents who use the vouchers at a range of supermarkets to purchase food for their children to the value of £15 per week.

The cost of the vouchers are met by the government, not schools.

The government will allow a limited range of costs to be reclaimed including the following:

**support for free school meals (FSM) for eligible children who are not attending school**, where those costs are not covered by the FSM national voucher scheme - this covers:

- o costs to schools arising before the introduction of the national voucher scheme
- o costs where schools are providing free meals to children for whom the national voucher scheme is inappropriate (for example, because there are no participating supermarkets locally or schools are providing meals directly)

As more pupils have attended their schools, particularly from 1<sup>st</sup> June in primary schools, the same arrangements described above apply. Added to this is the return to school of Reception and Year 1 pupils who are eligible for infant free meals.

The government has issued guidance on a Procurement Policy Note which requires schools to continue to meet the costs of existing contracts where contractors are at risk of not being able to continue to provide the service either during or after the epidemic.

The LA is including the School Catering Services as a service at risk due to the scale of the income lost from parental charging for meals and the charging of schools for free school meals. This is in spite of lower supply (food) costs being purchased by the Service and the lower staff costs for those who have been furloughed which is to be included in the Council's claim for consideration by the Government.

Schools will therefore be invoiced based on the following:

The number of free school meals provided in the corresponding months last year (April, May, June and July) adjusted for increases/decreases in eligible pupils from each October census and for infant and primary schools increases/decreases in the numbers used for the Universal Infant Free School Meals grant. The charge for these periods will be at £1.40 for primary (rather than £2.30) and £1.60 for secondary (rather than £2.60). This reduced charge is based on food costs only.

Deducted from these charges will be any provision that has already been invoiced to schools for lunch packs.

An example of the calculation is as follows:

	April	May	June
Actual FSM charges in 2019	£5,000	£5,500	£6,000
October 2018 FSM eligibility (+ UIFSM for Inf & Pri)	50 (+ 200 = 250)		
October 2019 FSM eligibility (+ UIFSM for Inf & Pri)	60 (+ 210 = 270)		
Estimated charge for 2020	£5,400	£5,940	£6,480
Deduction for charges already made	£1,500	£1,000	£500
Balance of estimate to be charged for 2020	£3,900	£4,940	£5,980
Converted to reduced charge	£2,482	£3,144	£3,805

Schools are reminded that their annual funding allocations include funding for the provision of free school meals including, for infant and primary schools, a grant for universal infant free school meals. In spite of the School Catering Service charging for these months, the reduced rate per meal should generate a saving for schools.

It is expected that invoices for the months of April, May, June and July will be sent to schools in late August.

Yours sincerely



David Allen  
Strategic Finance Manager

# Agenda Item 8



## Schools Funding Forum 17<sup>th</sup> September 2020 ITEM 8

**Subject Heading:**

**Schools Funding 2021-22**

**Report Author:**

**David Allen – Strategic Finance  
Manager**

**Eligibility to vote:**

**All school and academy members**

### SUMMARY

This report summarises the announcements of indicative DSG Schools Block funding for financial year 2021-22 and considers the likely allocations to schools based on estimated data.

### RECOMMENDATIONS

That the Schools Funding Forum

- (i) notes the announcements on schools funding for 2021-21 and the likely impact of the funding arrangements on Havering schools; and
- (ii) agrees to apply the national funding formula rates to schools data in calculating schools funding

### REPORT DETAIL



## **1. Government Announcement on School Funding**

A written statement from the The Minister of State for School Standards to the House of Commons is attached at Appendix A providing an overview of the funding changes for 2021-22.

This item considers how these changes will impact on schools and other agenda items consider changes to Havering's High Needs and Central Schools Support DSG Blocks.

## **2. Operational Guidance**

Every year the ESFA publishes Operational Guidance to local authorities to use with their Schools Forums to determine the funding arrangements for the year. The full Operational Guidance for 2021-22 can be found on the DfE website at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/902183/Schools\\_operational\\_guide\\_2021\\_to\\_2022\\_1.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/902183/Schools_operational_guide_2021_to_2022_1.pdf)

An extract of the document showing the key changes is attached at Appendix B.

## **3. Background**

Financial year 2018-19 was the first year of the implementation of a “soft” National Funding Formula and for that year and the two subsequent years Havering has used the NFF rates in calculating funding for its schools. For each of those years decisions have been made by the Schools Funding Forum on the minimum funding guarantee (mfg) and the gains caps to be applied. For 2020-21, the mfg was set at +0.5% and a cap of 4% per pupil was applied to limit the gains of schools that would otherwise have received more. This was after using £800,000 of the Schools Block to support the Pupil Growth/Falling Rolls Fund and a £500,000 transfer from the Schools Block to the High Needs Block. In the previous year (2019-20) the mfg was +0.5% and the gains cap 2%.

For 2021-22 it is again recommended that Havering adopts the NFF funding rates and the Forum will again be asked to consider proposals on the percentage to apply per pupil for the minimum funding guarantee and gains cap. Consideration will also need to be given to any top up that is required to Havering's allocation of funding for pupil growth and falling rolls and to any transfer of funding to support high needs expenditure.

## **4. DSG Schools Block 2021-22**

Indicative funding for 2021-22 through the DSG Schools Block has been announced by the DfE as shown in the table below against the baseline data from 2020-21.

	Pupil Numbers	Schools Block allocation excluding pupil growth and premises factors £	Allocation through premises factors £	Pay and pension grants £	Total allocation (excluding pupil growth) £	Allocation per pupil £
2021-22	36,867	190,470,336	2,241,145	0	192,711,481	5,227
2020-21	36,579	175,791,230	2,303,789	8,714,463	186,812,481	5,107
increase	288	14,679,106	-65,644	-8,717,463	5,899,000	120
					3.16%	2.35%

The Schools Block funding for 2021-22 shown above will be updated in December using pupil numbers from the October 2020 census and will also include Havering's allocation of funding for pupil growth/falling rolls. Until then the LA models various options based on estimated pupil numbers and data.

The table above shows the comparison of indicative 2021-21 funding against the baseline figure for 2020-21. This is not the final allocation that the LA received in 2020-21 which is shown in the table below together with an estimate of Schools Block funding for 2021-22.

	Actual primary unit of funding (PUF) £	Actual secondary unit of funding (SUF) £	Primary pupil numbers	Secondary pupil numbers	Pupil Funding £	Pay and pension grant £	Rates (NNDR) £	Total Funding £
2021-22	4,559	6,097	22,772	14,695	193,419,618	0	2,241,145	195,660,763
2020-21	4,252	5,654	22,309	14,558	177,171,580	8,717,443	2,306,789	188,195,812
Diff	307	443	463	137	16,248,038	-8,717,443	-65,644	7,464,951

As already stated, the final Schools Block allocation for 2021-22 will be provided by the DfE in December based on the October 2020 census.

## 5. Teachers' Pay Grant (TPG) and Teachers' Pension Employer Contribution Grant (TPECG)

Rather than being paid as separate grants, from financial year 2021-22 these grants are rolled into the formula on a per pupil basis.

The amounts rolled in are the same as those used for the grants as below and applied to primary and secondary pupils, from reception to year 11, taken from the October 2019 school census (the same source as for the April - August 2020 grants).

Funding rates per pupil	Primary TPG	Primary TPECG	Total
Outer London	£51.75	£146.21	£197.96

	<b>Secondary TPG</b>	<b>Secondary TPEG</b>	<b>Total</b>
Outer London	£76.17	£215.23	£291.40

It should be noted that schools with nursery teachers will previously have received an allocation based on teacher numbers so are disadvantaged by the new methodology which relates only to pupil numbers from Yr R to Yr 11.

## 6. IDACI

At the June meeting of the Schools Funding Forum there was an item that showed the impact on schools funding of using revised 2019 data compared with 2015 data on the basis of no change to the bandings or to the IDACI funding rates. This matter was raised with the ESFA.

Given the significant impact on schools of using the 2019 data, the ESFA have made two changes to the calculation of funding through the funding formula.

- (i) The basis on which pupils are assigned to the seven IDACI bands is now on rank rather than score. For example, Band A now consists of pupils in the most deprived 2.5% of lower super output areas (LSOAs), instead of consisting of pupils in LSOAs with an IDACI score greater than 0.5.
- (ii) The NFF funding rates have been increased for each band

<b>NFF IDACI Factor</b>	<b>Ranks</b>	<b>Band</b>	<b>Funding rate</b>	
			<b>Primary</b>	<b>Secondary</b>
Pupils in the most deprived 2.5% of LSOAs	1 to 821	A	£620	£865
Pupils in the next 5% most deprived LSOAs	822 to 2,463	B	£475	£680
Pupils in the next 5% most deprived LSOAs	2,464 to 4,105	C	£445	£630
Pupils in the next 5% most deprived LSOAs	4,106 to 5,747	D	£410	£580
Pupils in the next 10% most deprived LSOAs	5,748 to 9,032	E	£260	£415
Pupils in the next 10% most deprived LSOAs	9,033 to 12,316	F	£215	£310

The formula used in the current financial year is shown below.

<b>NFF IDACI bands</b>	<b>Funding rate</b>		
<b>IDACI score</b>	<b>Band</b>	<b>Primary</b>	<b>Secondary</b>
Between 0.5 and 1	A	£600	£840
Between 0.4 and 0.5	B	£435	£625
Between 0.35 and 0.4	C	£405	£580
Between 0.3 and 0.35	D	£375	£535
Between 0.25 and 0.3	E	£250	£405
Between 0.2 and 0.25	F	£210	£300

The effect of this change on the funding of Havering schools is shown at Appendix C.

## **7. NFF Funding rates**

A comparison of the all of the NFF funding rates to be used in the 2021-22 formula to those used in 2020-21 is attached at Appendix D.

## **8. Minimum Funding Guarantee and Gains Cap**

The range for the minimum funding guarantee (mfg) percentage that local authorities can apply is between 0.5% and 2%. Local Authorities can also apply a cap on the % gains per pupil that schools will receive to ensure that the total amount allocated to schools does not exceed the Schools Block funding that has been allocated. In calculating funding to schools in 2020-21 an mfg of 1.5% was applied and a gains cap of 4%.

## **9. Estimated funding to schools in 2021-22**

The LA's finance officers have estimated the total cost of funding schools based on estimated pupil numbers with all other data adjusted in proportion to pupil number changes. To this data has been applied all of the NFF funding rates, the minimum funding levels, a 2% mfg (the maximum permitted) and no gains cap. The preliminary cost to the schools block is calculated as £194,402,494 to be funded from the estimated Schools Block of £195,660,763, a difference of £1,258,269. An updated calculation will be provided at the November meeting.

## **10. Pupil Growth and Falling Rolls Fund**

In 2019-20 the DfE introduced a formula through which to allocate growth funding to LAs. This is based on multiplying the difference between the October data in one year to the previous year and multiplying that difference by £1,370 per primary pupil and £2,050 per secondary pupil. These arrangements based on lagged data do not support LAs with a growing number of pupils. Havering's allocation has decreased year on year.

2018-19	£3.3m
2019-20	£2.5m
2020-21	£1.6m

For 2020-21 the LA had calculated that the cost of funding pupil growth and falling rolls would be £2.4m and the Schools Funding Forum agreed to allocate £800k of the Schools Block to meet the shortfall in funding.

Havering's arrangements are to fund new expansions, increases in PANs as they move through the year groups of schools and commitments to fund bulge classes in which pupil numbers are significantly below the number required to fund the additional teaching costs etc. For 2020-21 the AWPU from 2019-20 was used to allocate funding.

e.g. for a primary school expansion

28 pupils x AWPU £2,972.35 x 7/12 (Sept – March) = £48,548

This budget must also fund schools with falling rolls. To comply with the DfE requirements Havering's arrangements fund good and outstanding schools only and when the capacity is likely to be filled in 3 years. The formula funds schools with a NOR below 85% of its PAN in the first two year groups.

Havering also has local arrangements that support primary schools that have significantly and consistently low numbers in some year groups.

Preliminary estimates are that the cost of funding pupil growth and falling rolls in 2021-22 will be £1.8m. These costs have been calculated using the 2021-22 AWPV values without the rolled in TPG and TPEG.

The estimate of additional funding to be received from the DfE is £1.6m

Further work will be carried out on these estimates ready for recommendations to use some of the anticipated schools block funding to meet the shortfall in pupil growth funding.

# **School Funding Update: Written statement**

## **Department for Education**

Made on: 20 July 2020

Made by: Nick Gibb (The Minister of State for School Standards)

## **School Funding Update**

Today I am confirming provisional funding allocations for 2021-22 through the schools, high needs and central school services national funding formulae (NFF). The allocations distribute the second year of the multi-billion school funding settlement that the Secretary of State for Education announced to Parliament on 3 September 2019. Core school funding is increasing by £2.6bn in 2020-21, and will increase by £4.8bn and £7.1bn in 2021-22 and 2022-23 respectively, compared to 2019-20. In addition, we continue to fund the recent increase in pension costs for teachers, worth £1.5bn a year.

These allocations, which are part of the annual funding cycle, will provide schools and local authorities with certainty of future funding. In addition to this core funding, schools can apply for exceptional funding to cover specific unavoidable costs incurred by schools due to coronavirus (COVID-19) between March and July that cannot be met from existing resources. Schools will also benefit from the £1bn 'catch-up' package for the 2020/21 academic year to directly tackle the impact of the disruption that COVID-19 has caused. This includes a 'Catch-Up Premium' worth £650m to support schools to make up for lost teaching time for all pupils, and a new £350m tutoring fund for disadvantaged pupils. Guidance on the allocation and use of that funding will be published today.

The funding factors used in the 2021-22 NFF remain the same, but we have made two technical changes, which are detailed in the NFF policy document also published today:

- Funding from the teachers' pay grant and the teachers' pension employer contribution grant, including the supplementary fund, has been added to the formulae from 2021-22. This will simplify the allocation of this funding – worth almost £2bn a year – recognising that these grants are part of schools' core budgets and providing reassurance to schools and local authorities that the funding will continue to be provided.

- The 2019 update to the Income Deprivation Affecting Children Index has been incorporated so that deprivation funding allocated through the formulae is based on the latest data.

School funding through the NFF is increasing by 4% overall in 2021-22. The NFF will distribute this funding based on schools' and pupils' needs and characteristics. The main features in 2021-22 are:

- The funding floor will ensure that every school is allocated at least 2% more pupil-led funding per pupil compared to its 2020-21 NFF allocation.
- The key factors in the NFF will increase by 3%, providing a significant increase to those schools already attracting their NFF allocations.
- The minimum per pupil funding levels will ensure that every primary school receives at least £4,000 per pupil, and every secondary school at least £5,150 per pupil, delivering on the Government's pledge to level up the lowest funded schools.
- Funding to cover additional teachers' pay and pensions costs, previously funded through separate grants, has additionally been reflected in all schools' allocations. This means that a further £180 and £265 respectively will be added to the minimum per pupil amounts above.
- Additional funding for small and remote schools will increase in 2021-22, with primary schools attracting up to £45,000, compared to £26,000 previously, as a first step towards expanding the support the NFF provides for such schools from 2022-23.

High needs funding will increase by a further £730m, or 10%, in 2021-22 – that follows the substantial increase this year and brings the total high needs budget to over £8bn. The high needs NFF will ensure that every local authority receives a further increase of at least 8% per head of population, compared to this year, with some authorities receiving up to 12%. This vital extra resource will help local authorities to manage their cost pressures in this area. The Government is continuing to pursue a cross-departmental review of the special educational needs and disability (SEND) system to see what further improvements are necessary to ensure that it supports children and young people with SEND as effectively as possible.

In addition, the Department will start negotiations with some of those local authorities with the highest Dedicated Schools Grant (DSG) deficits about supporting them to reduce their deficits over time.

Central schools services funding in 2021-22 will increase by 4% for the ongoing responsibilities that local authorities continue to have for all schools. In line with the process introduced for 2020-21 to withdraw funding over time based on the commitments local authorities entered

into before 2013-14, funding for historic commitments will decrease by 20% for those local authorities in receipt of this funding.

The provisional NFF allocations published today will be updated, based on the latest pupil data, to produce final allocations in December that local authorities will receive through the DSG.

Local authorities will continue to use that funding to determine final allocations for all local mainstream schools. In light of the need to focus efforts on meeting the challenges of COVID-19, we are not changing local authorities' role in the distribution of school funding in 2021-22. The Government will, later this year, put forward its proposals to move to a 'hard' NFF in future, which will determine schools' budgets directly rather than through local formulae set independently by each local authority. This will level up the school funding system so that all schools across the country are funded on a comparable basis. We will consult widely with local authorities, schools and others to make this transition carefully.





Education & Skills  
Funding Agency

# **Schools revenue funding 2021 to 2022**

**Operational guide  
July 2020**

# Introduction

1. This guide helps local authorities, and their schools forums, to plan the local implementation of the funding system for the 2021 to 2022 financial year.
2. As the country moves through the coronavirus (COVID-19) pandemic, the Department for Education (DfE) acknowledges the essential role that local authorities are playing to support education. To ensure that funding can be delivered as smoothly as possible to schools, the department has made limited changes to funding arrangements in 2021 to 2022.
3. On 20 July, the department published provisional NFF allocations at local authority level for the schools, high needs and central school services funding blocks for 2021 to 2022, as well as notional school-level allocations. The schools block allocations show each local authority's final primary and secondary units of funding (PUFs and SUFs).
4. The department will use the NFF to calculate the blocks within the dedicated schools grant (DSG), which will be allocated to local authorities later in the year.
5. The early years block forms part of the DSG but is determined by the separate national formula. Allocations for the early years block will be published as part of the DSG allocations for 2021 to 2022.

## Expiry or review date

This guidance is current for the 2021 to 2022 funding year. An updated guide for the 2021 to 2022 funding year will be published in Autumn 2020.

## Who is this publication for?

This guidance is for:

- ☐ local authorities
- ☐ schools forums

## Changes in 2021 to 2022

The department has updated the NFF in 2021 to 2022 with new factor values, and made some technical changes. These are detailed in the NFF technical notes and policy document published in July 2020. Where these affect local formula arrangements, they are also covered in this guidance.

6. Key changes to the schools NFF in 2021 to 2022 are:

- 6.1. The incorporation of the 2019 update to the Income Deprivation Affecting Children Index (IDACI), ensuring that the deprivation funding through the NFF continues to target schools most likely to need additional funding.
- 6.2. Funding previously received through the Teachers' Pay Grant (TPG) and Teachers' Pension Employer Contribution Grants (TPECG), including the supplementary fund, to mainstream schools for pupils from reception to year 11 will be allocated through the schools NFF by adding to schools' baselines; by increasing the basic per pupil funding; and by increasing the minimum per pupil funding (MPPLs). This will streamline the way in which the funding through the grants is delivered, as well as recognise the fact that these grants are part of schools' core funding.

6.3. Improving support under the NFF for small and remote schools, by increasing the maximum sparsity value from £26,000 to £45,000 for primary schools, and from £67,600 to £70,000 for secondary schools.

7. The DfE will publish the high needs funding arrangements for 2021 to 2022 in September 2020. The department has confirmed the following aspects of the high needs NFF:

7.1. The funding floor is set at 8% so each local authority will see an increase of at least 8% per head of their 2 to 18 population (as estimated by the ONS).

7.2. The gains cap is set at 12%, allowing local authorities to see gains up to this percentage increase under the formula, again calculated on the basis of per head of population.

8. The following requirements have been removed from appendix 3 as they no longer need schools forum approval, following the consultation on changing the dedicated schools grant:

8.1. Any deficit from the previous funding period that is being brought forward and is to be funded from the new financial year's schools budget (this should be specifically agreed at the time the budget is set, using the latest estimated outturn position).

8.2. Any brought forward deficit on de-delegated services which is to be met by the overall schools budget.

9. In 2021 to 2022, as in previous years, each local authority will continue to set a local schools funding formula, in consultation with local schools. The government will, later this year, put forward plans to move to a 'hard' NFF in the future, which will determine school funding allocations directly, rather than local funding formulae. The department will work closely with local authorities and other stakeholders in making this transition, and further information on that process will follow in due course.

10. Key features of local authority formulae arrangements in 2021 to 2022 are:

10.1. The technical changes to the NFF to roll in the TPG and TPECG will be reflected in local funding formulae, as far as possible. This is reflected in sections below on the basic per pupil entitlement, MPPLs, and the minimum funding guarantee (MFG).

10.2. The incorporation of the 2019 IDACI data will also be used in local funding formulae, which is reflected in the deprivation section below.

10.3. The MPPLs will remain mandatory, at the new NFF values, including additional funding the department has rolled in from the TPG and TPECG.

10.4. Local authorities have the freedom to set the MFG in local formulae between +0.5% and +2% per pupil, and should add total funding from the TPG and TPECG to schools' baselines, as has been done in the NFF.

11. Local authorities continue to be able to transfer up to 0.5% of their schools block to other blocks of the DSG, with schools forum approval. In 2021 to 2022, the total schools block available for such transfers must exclude the additional funding local authorities have been allocated for the TPG and TPECG, thereby guaranteeing that all of this funding remains with schools. A disapplication is required for transfers above 0.5%, or any amount without schools forum approval; this applies to any transfers even if the minister agreed the same amount in previous years.

12. The department recognises that there may well be some local authorities which, despite their best efforts and the increased funding for the high needs block, will still not be able to pay off their historic deficit from the DSG over the next few years. In these cases, the department expects to work together with the local authority to agree a plan of action to enable the local authority to pay off its deficit over time. The department will need confirmation from the local authority that it would

be impracticable to pay off a historic deficit from the DSG it would expect to receive in future years. The department will discuss the evidence requirement with selected local authorities and provide a template to assist all local authorities report their DSG balance.

13. The department expects to approach selected local authorities to begin discussions with them during 2020. These discussions are likely to be detailed, and in order to make this process manageable it will be necessary to limit discussions during 2020-21 to a fairly small number of authorities. The department expects to expand the discussions to other authorities during 2021-22 and subsequent years.

14. Following the cancellation of assessments in summer 2020 due to COVID-19, local authorities will use 2019 assessment data as a proxy in funding formulae for the 2020 reception and year 6 cohort, which will be reflected in the data they receive from the department in the APT.

## **Reviewing and consulting on the pre-16 formula**

15. The department appreciates that there will be limitations in the way local authorities are currently able to work due to the COVID-19 situation.

16. However, local authorities must do their best, within the circumstances, to engage in open and transparent consultation with all maintained schools and academies in their area, as well as with their schools forums, about any proposed changes to the local funding formula, including the principles adopted and any movement of funds between blocks.

17. The DfE does not intend that changes to incorporate 2019 IDACI data or to roll in TPG and TPECG funding, which mirror technical changes in the NFF, should require consultation with schools on their own, and the department plans to reflect this in the school funding regulations.

18. Any consultation should include a demonstration of the effect of modelling such changes on individual maintained schools and academies.

19. We will issue an early modelling version of the authority proforma tool (APT) to help decision making in the autumn.

20. Local authorities should communicate proposed formula changes to all bodies affected by the changes.

21. The local authority is responsible for making the final decisions on the formula; however, each local authority's process should have ensured that there was sufficient time to gain political approval before the APT deadline in January 2021.

22. Political approval means approval in line with the local authority's local scheme of delegation, so this may be decisions made by the council cabinet, cabinet member or full council; the schools forum does not decide on the formula.

23. Local authorities should, as much as is possible, ensure that they allow sufficient time for wider consultation with schools, agreement by their schools forum, and political approval if they wish to transfer funding out of the schools block, or submit a disapplication request.

24. Further information is included in the movement between blocks section of this guidance.

25. Schools forums can meet remotely, until 31 March 2021, while they are unable to meet physically in a room during the outbreak of COVID-19. This includes, but is not limited to, telephone conferencing, video conferencing, live webcast and live interactive streaming.

**Impact on schools of IDACI change**

Financial Change	Primary	Secondary	No of schools
Increase	5	0	5
Decrease	29	12	41
No change	27	6	33
Total	61	18	79

School Name	IDACI change £	20-21 mfg/cap	Revised mfg/cap	funding change (post MFG)
Primary A	-2,334	-7,942	-5,609	0
Primary B	28,941	-23,237	-52,178	0
Primary A	3,048	0	0	3,048
Primary A	1,824	-18,172	-19,996	0
Primary A	-21,250	-5,051	0	-16,198
Primary A	-32,466	-20,381	0	-12,085
Primary A	-3,422	0	0	-3,422
Primary A	-2,133	-22,080	-19,946	0
Primary A	-8,440	0	0	-8,440
Primary A	2,409	0	0	2,409
Primary A	-16,762	0	0	-16,762
Primary A	-18,813	-23,794	-4,981	0
Primary A	-20,751	0	0	-20,751
Primary A	2,804	-23,105	-25,909	0
Primary A	720	-27,482	-28,202	0
Primary A	-11,331	-30,948	-19,616	0
Primary A	-8,013	-25,620	-17,607	0
Primary A	-22,040	-43,704	-21,664	0
Primary A	-2,290	0	0	-2,290
Primary A	22,894	0	0	22,894
Primary A	-3,366	0	0	-3,366
Primary A	-15,533	0	0	-15,533
Primary A	-3,627	0	0	-3,627
Primary A	211	0	0	211
Primary A	-1,576	-6,232	-4,656	0
Primary A	1,516	-15,787	-17,302	0
Primary A	-13,124	0	0	-13,124
Primary A	-6,644	-33,606	-26,962	0
Primary A	-11,553	-9,991	1,562	-1,562
Primary A	-44,621	-36,656	7,965	-7,965
Primary A	-1,603	-18,290	-16,687	0
Primary A	-293	0	0	-293
Primary A	-46,546	-95,408	-48,862	0
Primary A	-27,546	-58,729	-31,183	0
Primary A	-8,435	0	0	-8,435
Primary A	-3,005	-63,813	-60,808	0
Primary A	-18,700	0	0	-18,700
Primary A	-10,156	0	0	-10,156
Primary A	-4,943	0	3,255	-1,718
Primary A	-1,792	0	0	0
Primary A	-19,853	0	0	-19,853
Primary A	-9,426	-1,111	0	-8,315
Primary A	-1,387	0	0	0
Primary A	-558	-62,376	-61,818	0
Primary A	-16,258	-12,774	0	-3,484

Primary A	-39,779	-23,069	0	-16,710
Primary A	-6,231	-3,805	0	-2,426
Primary A	-1,944	0	0	-1,944
Primary A	1,205	-4,874	-6,079	0
Primary A	-10,962	4,858	0	0
Primary A	-4,970	-110,138	-105,168	0
Primary A	-6,567	0	0	-6,567
Primary A	-834	-39,961	-39,127	0
Primary A	-2,750	0	0	-2,750
Primary A	-12,582	0	0	-12,582
Primary A	-3,338	0	0	-3,338
Primary A	3,016	0	-2,728	288
Primary A	22	0	0	0
Primary A	27	1,914	1,914	0
Primary A	-17,861	-37,387	-19,526	0
Primary A	-2,880	0	0	-2,880
	-482,651	-898,752	-641,920	-216,426

Secondary A	-887	0	0	-887
Secondary A	12,414	245,326	232,912	0
Secondary A	-21,460	0	0	-21,460
Secondary A	-12,280	0	0	-12,280
Secondary A	5,230	-25,579	-30,809	0
Secondary A	-40,026	-27,874	0	-12,152
Secondary A	-52,849	-26,355	0	-26,494
Secondary A	-9,543	-34,932	-25,389	0
Secondary A	-11,787	0	0	-11,787
Secondary A	-41,334	54,280	54,280	0
Secondary A	-16,795	0	0	-16,795
Secondary A	-51,188	0	0	-51,188
Secondary A	-16,894	0	0	-16,894
Secondary A	-59,491	0	0	-59,491
Secondary A	-52,580	-51,512	0	-1,068
Secondary A	-6,486	0	0	-6,486
Secondary A	-9,517	0	0	-9,517
Secondary A	-59,427	540,832	540,832	0
	-444,901	674,186	771,826	-246,501
	-927,552	-224,566	129,906	-462,927

## ITEM 8 Appendix D

## NFF rates 2021/22

ACA 1.08274

Factor	Primary			
	2021/22			
	NFF	LBH	2020/21	% change
Basic per pupil	3,123.00	3,381.40	3,093.39	9.31
excl Pay / Pnsn grants	2,943.12	3,186.63	3,093.39	3.01
Primary FSM	460.00	498.06	487.23	2.22
Primary Ever 6	575.00	622.58	606.33	2.68
IDACI A	620.00	671.30	649.64	3.33
IDACI B	475.00	514.30	470.99	9.20
IDACI C	445.00	481.82	438.51	9.88
IDACI D	410.00	443.92	406.03	9.33
IDACI E	260.00	281.51	270.69	4.00
IDACI F	215.00	232.79	227.38	2.38
LPA	1,095.00	1,185.60	1,153.12	2.82
EAL	550.00	595.51	579.27	2.80
Mobility	900.00	974.47	947.40	2.86
Lump sum	117,800.00	127,546.77	123,865.46	2.97
MFL	4,180.00	4,180.00	3,750.00	11.47
excl Pay / Pnsn grants	4,000.00	4,000.00	3,750.00	6.67

Secondary				
	2021/22			
	NFF	LBH	2020/21	% change
KS3	4,404.00	4,768.39	4,350.45	9.61
KS4	4,963.00	5,373.64	4,938.38	8.81
KS3	4,139.22	4,481.70	4,350.45	3.02
KS4	4,698.22	5,086.95	4,938.38	3.01
	460.00	498.06	487.23	2.22
	840.00	909.50	882.43	3.07
	865.00	936.57	909.50	2.98
	680.00	736.26	676.71	8.80
	630.00	682.13	627.99	8.62
	580.00	627.99	579.27	8.41
	415.00	449.34	438.51	2.47
	310.00	335.65	324.82	3.33
	1,660.00	1,797.35	1,743.21	3.11
	1,485.00	1,607.87	1,559.15	3.12
	1,290.00	1,396.73	1,353.43	3.20
	117,800.00	127,546.77	123,865.46	2.97
KS3	5,215.00	5,215.00	5,000.00	4.30
KS4	5,715.00	5,715.00	5,000.00	14.30
Weighted	5,415.00	5,415.00	5,000.00	8.30
KS3	4,950.00	4,950.00	5,000.00	-1.00
KS4	5,450.00	5,450.00	5,000.00	9.00
Weighted	5,150.00	5,150.00	5,000.00	3.00

# Agenda Item 9



## Schools Funding Forum 17<sup>th</sup> September 2020 ITEM 9

**Subject Heading:**

**High Needs Funding 2021-22**

**Report Author:**

**David Allen – Strategic Finance Manager**

**Eligibility to vote:**

**All school and academy members**

### SUMMARY

This report summarises the announcements of indicative DSG High Needs Block funding for financial year 2021-22.

### RECOMMENDATIONS

That the Schools Funding Forum notes the additional High Needs Block funding for financial year 2021-22

### REPORT DETAIL

#### 1. Background

In 2018-19 the DfE implemented a National Funding Formula for the allocation to local authorities of high needs funding through the DSG although the funding has not kept pace with the increasing number of children with Education Health and Care Plans or the increased complexity of need.

2021-21 is the second year of the Government's three year settlement which allocates an £2.2 billion to the DSG. £790 million of that increase has been allocated to the High Needs Block. The impact on Havering is shown below.



## 2. DSG High Needs Block 2021-22

Indicative funding for 2021-22 through the DSG High Needs Block has been announced by the DfE as shown in the table below with comparable data from 2020-21.

	NFF allocation excl basic entitlement and import/export adj £	Pupils on roll at special schools and special academies	Allocation for pupils on roll inc rolled in TPG & TPECG £	Import/ export adjustment @ £6,000 per pupil £	Free school allocation £	Hospital Education £	Rolled in TPG and TPECG for Hospital Ed and AP £	Total HN Block £
2021-22	30,953,682	404.16	2,048,505	-1,320,000	18,000	92,066	46,483	31,838,736
2020-21	28,331,672	404.16	1,758,347	-1,320,000	42,000	85,249	0	28,897,268
Diff	2,622,010	0	290,158	0	-24,000	6,817	46,483	2,941,468

### Notes

1. Included in the above allocation for 2021-22 is £336,614 rolled in Teachers Pay and Teachers' Pension Employer Contribution Grant.
2. Including rolled in grant, this is an increase of 10.5%. Without the grant the increase is 9.3%.
3. The figures for both 2021-22 and 2020-21 are before DfE recoupment for their direct funding of academies and non maintained special schools.

Consideration will need to be given to how the rolled in Teachers Pay and Pension Grant should be reflected in the LA's rates of funding for high needs provision.

The year end position in financial year 2020-21 will determine the extent to which the additional £2.9m of funding in 2021-22 (or £2.6m without the rolled in grant) will meet the costs of ongoing high needs provision in Havering.

# Agenda Item 10



**Havering**  
LONDON BOROUGH

## **Schools Funding Forum 17<sup>th</sup> September 2020 ITEM 10**

**Subject Heading:**

**Central Schools Services Block (CSSB)  
2021-22**

**Report Author:**

**David Allen – Strategic Finance  
Manager**

**Eligibility to vote:**

**All school and academy members**

### **SUMMARY**

This report summarises the announcement of indicative DSG Central Schools Services Block (CSSB) funding for financial year 2021-22 and seeks approval for the retention of funding to maintain central statutory services.

### **RECOMMENDATIONS**

That the Schools Funding Forum:

- (i) notes the allocation of CSSB for 2021-22
- (ii) considers the request to retain funding for central statutory services

### **REPORT DETAIL**

#### **1. Background**

As part of the introduction of a Schools and High Needs National Funding Formula in 2018-19 the DfE also introduced a fourth funding block, the CSSB, which

brought together funding for services previously funded through the Schools Block and through an Education Services Grant. The allocation for 2021-22 is shown below.

The ESFA Operational Guidance requires Schools Forum approval for the central retention of this funding as section 3 below.

## 2. CSSB allocation 2021-22

Indicative funding for 2021-22 through the DSG Central Service Block has been announced by the DfE as shown in the table below with comparable data from 2020-21.

	Ongoing responsibilities			Historical commitments	Total CSSB
	Pupil nos.	Per pupil £	£	£	£
2021-22	36,867	36.14	1,332,480	183,994	1,516,473
2020-21	36,867	35.20	1,297,701	229,992	1,527,693
Difference	0	0.94	34,779	-45,998	-11,219

## 3. Services to be funded

The services that LAs can fund from the CSSB are set out in the extract from the Operational Guidance at Appendix A attached. For Havering, these services are as follows:

Ongoing responsibilities	2021-22 £
Copyright licences	182,152
Admissions	511,590
Schools Forum	44,548
LA responsibilities to all schools	594,190
Total	1,332,480

Historical commitments	2021-22 £
Schools Partnerships/Schools Causing Concern	183,994

Total	1,516,474
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The copyright licence costs tend to increase each year but LAs are not notified of the increase until later in the year. It is suggested that should the licence cost be different from the £182,152 above, the allocation for LA responsibilities to all schools is adjusted to balance to the CSSB.

Schools Funding Forum approval is requested for this use of the CSSB.

# Agenda Item 11



## Schools Funding Forum 17<sup>th</sup> September 2020 ITEM 11

**Subject Heading:**

**De-delegation of funding for central services**

**Report Author:**

**David Allen – Strategic Finance Manager**

**Eligibility to vote:**

**LA maintained school representatives**

### SUMMARY

This item is to seek the approval of the Schools Funding Forum for the de-delegation of funding to maintain the provision of a range of central services permitted by the Schools Funding Regulations.

### RECOMMENDATIONS

For LA maintained school representatives to consider:

1. The de-delegation of funding for the following services:

- (i) Contingency to support schools in financial difficulty
- (ii) Attendance & Behaviour
- (iii) EAL
- (iv) Free school meals eligibility
- (v) Insurance
- (vi) Maternity insurance
- (vii) Trade Union Facility Time

2. The de-delegation of funding in support of LA central services for maintained schools.

## REPORT DETAIL

Funding for de-delegated services must be allocated to schools through the formula but can be passed back, or 'de-delegated', for maintained mainstream primary and secondary schools with schools forum approval. De-delegation is not an option for academies, special schools, nursery schools and PRUs.

Where de-delegation has been agreed for maintained primary and secondary schools the local authority will offer the service on a buy-back basis to those schools and academies in their area which are not covered by the de-delegation.

Any decisions made to de-delegate in 2020 to 2021 related to that year only, so new decisions will be required for any service to be de-delegated in 2021 to 2022.

Schools forum members for primary maintained schools and secondary maintained schools must decide separately for each phase whether the service should be provided centrally and the decision will apply to all maintained mainstream schools in that phase. Funding for these services will then be removed from the formula before school budgets are issued.

The services which may be de-delegated are:

- contingencies (including schools in financial difficulties and deficits of closing schools)
- behaviour support services
- support to underperforming ethnic groups and bilingual learners (EAL)
- free school meals eligibility
- insurance
- museum and library services
- licences/subscriptions
- staff costs supply cover (for example, long-term sickness, maternity, trade union and public duties)

For each service de-delegated, local authorities will need to make a clear statement of how the funding is being taken out of the formula (for example, primary insurance £20 per pupil, behaviour support services £30 per FSM pupil). There should be a clear statement of how contingencies and other resources will be allocated.

Where there has been agreement that a school is entitled to receive an allocation from a de-delegated contingency fund, that agreement should be honoured if the school converts to an academy at any point in the year. Where a school converts to an academy in the period 2<sup>nd</sup> April to 1<sup>st</sup> September 2021, local authorities will have an opportunity to present an evidence based case to the EFA to request a recoupment adjustment for the period 2<sup>nd</sup> September 2021 to 31<sup>st</sup> March 2022.

Any unspent de-delegated funding remaining at the year-end should be reported to schools forum. Funding may be carried forward to the following funding period as

with any other centrally retained budget, and local authorities can choose to use it be used specifically for de-delegated services.

### **Services for which de-delegation is requested**

#### **1. Contingency for Schools in Financial Difficulty**

Each year a small budget is held centrally which has been used to support schools who are in financial difficulty, sometimes through past decision making, unforeseen expenditure that cannot be contained within the school's budget or more commonly because of a reduction in pupil numbers. Several schools have been supported through this fund through criteria agreed by the Schools Funding Forum.

Funding requested through de-delegation is at the same rate as in 2020-21.

	Primary
Formula factor	AWPU
Amount	£11.00
Total	£191,114

#### **2. Attendance & Behaviour**

An explanation of the service offered through de-delegation is attached at Appendix A.

Funding required through de-delegation from maintained primary schools is recommended as below.

Formula factor	AWPU	FSM Ever 6	IDACI E	IDACI D	IDACI C	IDACI B	IDACI A	Low attainment	
Amount	£5.00	£2.00	£14.08	£22.08	£12.05	£7.71	£10.07	£5.00	
Total	£84,805	£6,566	£29,415	£26,998	£6,373	£4,301	£1,265	£24,909	£177,361

It is estimated that 85% of schools would benefit financially from de-delegation compared to the cost of buying a similar level of service.

	De-delegation
Lowest	£1,145
Median	£3,877
Highest	£10,516

#### **3. EAL Service**

An explanation of the service offered through de-delegation is attached at Appendix B.

Funding required through de-delegation from maintained primary schools

Formula factor	EAL 3
Amount	£38.00
Total	£95,000

Based on 2019-20 data, 68% of schools would benefit financially from de-delegation compared to the cost of buying a similar level of service.

	De-delegation
Lowest	£336
Median	£2,120
Highest	£4,907

#### 4. Free School Meals Eligibility

This service checks the eligibility of children for free school meals and pupil premium grant by accessing a central government hub. Without this service schools would need to make their own arrangements to determine eligibility.

Funding required through de-delegation

	Primary
Formula factor	FSM
Amount	£9.50
Total	£21,743

#### 5. Insurance

Insurance for maintained schools is part of the Borough's main insurance contract funded from de-delegation.

Formula factor	AWPU	Maximum
Amount	£18.00	
Total	£312,000	

2020-21	£20.50	But was reduced at year end
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## 6. Maternity Insurance

The LA administers an insurance scheme that meets the costs of teachers who are on maternity leave. The benefit of de-delegating the budget is that schools do not have to pay premiums or make claims.

If the funding is not de-delegated, schools would need to make individual choices to buy into the scheme which, if some schools decided not to, may make it unviable to run. It is not offered to academies.

Funding required through de-delegation

	Primary
Formula factor	AWPU
Amount	£26.80
Total	£465,000

## 7. Trade Union Facility Time

A working group of the Schools Funding Forum has previously considered issues raised in a DFE advice and guidance document and made comparisons of costs with other LAs. Decisions were made to reduce the amount of facility time and therefore the costs to schools and academies.

The pooled arrangements continue to benefit schools through the provision of support from locally based and accredited trade union officials.

The cost per pupil to schools has been £2.50 for three years having been reduced gradually each year from an original £5.70 in 2014-15.

The total funding received from de-delegation and from academies will generate a budget that will determine the total facility time that is allocated to trade unions based on the proportion of their membership.

Funding required through de-delegation

	Primary
Formula factor	AWPU
Amount	£2.50
Total	£43,435



## **8. Central Education Services**

The Schools Funding Forum has previously received reports on the withdrawal of the Education Services Grant (ESG) which was previously allocated to local authorities by the Government for the provision of statutory services in relation to schools. Academies had also been allocated ESG which has also ceased.

The reports advised that from an original allocation of £2.3m, £589k had been transferred to the DSG leaving no funding source to meet the remaining costs. After reducing its operational costs by £590k this left a shortfall of £1.2m.

In reducing the funding to local authorities, the DFE introduced a provision within the School Funding Regulations for local authorities to agree a contribution from LA maintained schools towards the cost of statutory services and specific tasks that are carried out for them that are not for academies. This principle reflects the charge that most Multi Academy Trusts place on their partner academies for central services.

This was agreed last year at £17.90 per pupil which produced a total contribution of £300k.

Having established the principle for the last three years a contribution from LA maintained schools is again requested for 2021-22 at the same amount per pupil. Based on an average of £3,600 per pupil this equates to a central services charge of 0.5%. This would produce a total contribution of £310k based on the latest pupil numbers.

A list of LA responsibilities for maintained schools only is attached at Appendix C.

**Havering Attendance, Behaviour and Traveller Support Service**

*We aim to support schools to manage the most challenging pupils with the human resources that they currently have, hence ensuring good value for money and crucially increase the confidence of our staff.*

**Introduction**

The Attendance, Behaviour and Traveller Support Team provides for a central bank of knowledge and support to be available to primary and secondary schools across Havering. Our team works to support a range of school staff, including members of SMT, SENCOs, teachers and support staff. We also work closely with parents/carers, undertaking home visits where appropriate, with the aim of reducing barriers to good attendance/school engagement and reminding parents of their legal responsibilities where necessary.

A key part of our role and one which we believe sets us apart from other approaches, is our joint work with other key professionals in Health and Social Care. This year the team has continued to forge our partnership with the Early Help Service. This work has enabled us to continue to advocate for a more holistic and education focussed approach. Our focus is to support pupils at risk of school disengagement and to intervene in schools where thresholds for early help/social care intervention are not being met.

The focus of our work over the past year has been:

- Supporting schools to improve attendance, particularly persistent absence
- Support and challenge of parents/carers where there are attendance and/or behavioural concerns, developing targeted interventions for pupils at wave 2, 3 and 4 thresholds.
- Linking with other key inclusion and wider council services to improve attendance and behaviour, including SEN, the AP Commissioner, Early Help and CAMHS services, as well as supporting pastoral support networks
- Further roll out of the Restorative Approaches training
- Support for schools in policy writing (such as Flexi School Guidance)
- Supporting staff with Staff Discussion Groups and working with key primary school leaders in particular through the Head programme.
- Inclusion consultations, working with CAD and providing a child centred approach to supporting children with a variety of SEMH needs.

The Attendance and Behaviour Team would like to request that Schools Funding Forum give a mandate for them to continue support for schools to help bring about further positive change, and to build on existing work to support a much needed multi agency approach with our most vulnerable pupils.

**Our Core Offer to LA Maintained Schools. THIS OFFER IS AVAILABLE TO ACADEMIES VIA HES.****Behaviour Support**

Support for an average of four individual children per primary school per academic year (this may vary depending on the current need in the school and will be assessed by ABTSS team also in consideration with school demographics/need.) at risk of disengagement/exclusion depending on the waves threshold. This is a useful benchmark around general levels of support and some cases

may be supervised more intensely than others- this will be dynamically assessed on a case by case basis. Support is designed to meet the need of each individual child in each individual school and can be delivered in a variety of ways. This could include twilight training sessions, online consultations, intensive 5 P planning and teaching as well as in class support.

In the last academic year, the service actively supported 243 students who are struggling in the classroom, disengaged from learning or undertaking a school transition move through the IYFAP process. The support offered works on a step up and down mechanism where our students at most risk of disengagement receive between 2-5 sessions per week of in school support overseen by a senior officer in the team.

School professionals can also be supported through our comprehensive professional development training programme (listed below). Schools are entitled to choose a one-day training per year as part of the core offer, we have also greatly appreciated in this academic year schools sharing trainings across sites as some trainings such as Team Teach have been in very high demand.

We recognise that school and life transitions are trigger points for stress; we offer a transition service via our Transition Coordinator. We support pupils, through group work and 1-1 support if we anticipate that attendance at secondary school will be potentially overwhelming. This year much of programme was online, we are supporting with more than fifty-five Y7 transitions. Our online Transition Week generated over twelve hundred hits on the FIS page!

#### **Attendance Support:**

It is important to note that school attendance is coming under increasing scrutiny, with the persistent absence (PA) rate now defined as below 90% as opposed to 85%. We offer EVERY school an experienced named officer/s who will work flexibly with schools and visit regularly to monitor attendance, advise and work with schools and families to improve attendance.

The package of support provided to schools in the de-delegated arrangements includes bi-weekly or monthly visits to your school by a named officer to oversee patterns of non- attendance. This includes early intervention when patterns of poor attendance arise and multi-agency working to support the family and improve outcomes. Providing in-school training for school staff on attendance matters on SIMS plus templates, monitored late gate, presentations at new intake meetings, staff meetings and school assemblies. In addition:

- Advice and guidance when a parent wants to educate their child at home.
- Provision of advice and guidance on child protection issues.
- Regular support from a linked Attendance and Behaviour Support Officer (including absence cover when linked officer is unavailable due to ill health, etc.)
- Advice and guidance on promoting early intervention for pupils with poor attendance.
- Guidance on strategies for managing pupil absence.
- Detailed casework with pupils with low attendance that will reach the threshold for legal intervention, if required.
- Outreach work with pupils and families, including home visits and attendance at multi-agency meetings and case conferences for pupils causing serious concern.
- Meetings at school with staff and parents.
- Cross border liaison in relation to out-borough pupils.
- Pre- Ofsted 'health check'

**The above support is in addition to the statutory service provided to EVERY Havering school as follows:**

- *Guidance for children on child protection plans and children missing from education*
- *Issuing and full administration of Fixed Penalty Notices including holiday fines*
- *Presentation of cases in court that meet the legal threshold for prosecution*

Primary schools have particularly appreciated our updated attendance leaflets for parents and the new fridge magnets and parents 'THINK TWICE' medical advice booklet.

### **Dedicated telephone service**

To cover any kind of query related to attendance, behaviour, traveller support or exclusion we offer a dedicated Mon-Fri 9am-5pm duty telephone system for EVERY school in Havering, where a member of our team will be here to answer any questions and provide you with a quick and timely follow-up. Our telephone service is also located in the MASH team so that we are able to share and support your safeguarding and welfare concerns.

### **Dedicated Traveller Education Support**

We have a wealth of experience of dealing with traveller families. With the dedicated support of our specialist Traveller Education Support Officer and our knowledge of the traveller community, we aim to improve the attendance, educational outcomes and school engagement of all pupils from a traveller background. We maintain close and regular contact with parents. We visit families living on privately owned sites, fairgrounds and circuses as well as those in private and council accommodation, by building trust and confidence. This has led to an increase in school attendance, and a wider participation in the life and activities in Havering schools.

Our commitment:

- Support positive relationship building between Traveller families and schools
- Liaise with other agencies within the Borough to improve the quality of services available to traveller families.
- Provide intensive support packages and initial integration support for pupils who demonstrate great need.
- Share information with other agencies, schools, out of borough authorities by developing systems and protocols where necessary, and develop and maintain effective joint working relationships.
- School presentations, parent meetings and trainings according to need.

### **Training/CPD offer to all schools and Academies on a BUYBACK offer.**

The core-training offer is flexible in terms of venue, full-day/half day and twilight options. **LA maintained schools** are entitled to **one whole day** training inclusive, selected from the list below. We offer a wide training menu to schools depending on the needs of the school in consultation and partnership with the Head teacher. We will deliver training packages that will improve the implementation of policy into practice and enhance the confidence of school staff. Our packages are approved and recommended by the DfE, NICE and OFSTED. **Much of the future training offer will be online or compliant with staffing 'bubbles'.**

Trainings available to you are:

- Positive Classroom Behaviour Management for teachers, including NQT's and support staff support via CPD programme to assist teaching staff in developing understanding of the motivations behind children's challenging behaviour. Key stage 1-4
- NQT Behaviour Classroom Management Key Stage 1-2
- Positive Lunchtimes! – a specific half day training for SMSAs in-line with the new OFSTED framework Key stage 1-2
- Accredited 1 and 2 day Team Teach Training: de-escalation and positive handling Key stage 1-4 (with staff groups of more than 24 staff at any one time there may be a minimal extra cost for extra tutors for this course only in line with accreditation specifications)
- Restorative Approaches –a whole school approach to behaviour management. We are able to offer whole school or part school training across key stages 1-4. (Please note this training requires more than one training day commitment and some parts of the training require additional purchase).

- Problem solving and circle time. Programmes/workshops to promote better social skills and related to the PSHE curriculum using the 'Dina Dinosaur' programme, building capacity and developing a school culture. Key stage 1-2
- Engaging Traveller Families Workshop Key stage 1-4
- Teacher and staff reflective problem solving sessions Key stage 1-4
- Training for Governors and schools on the attendance legal framework Key stage 1-4

***Our training packages are well researched and received, providing enormous value when compared to the price charged by private providers for similar training programme for example if a whole school one day Team Teach Positive Handling Training was booked through Team Teach Ltd would cost in excess of £2,600!. On average, we train over 1700 staff each year.***

### **Why continue with us?**

As well as always taking a professional and flexible approach. We pride ourselves on our customer service and we value excellent communication with all our customers.

Our service is backed by educational and therapeutic specialists who work with you to achieve and maintain student well-being and direct access into a multi-disciplinary service of excellence.

For quality assurance all of our staff members are suitably qualified and highly skilled within their job role. All staff attends regular training and our case work is closely supervised by senior staff members. We also keep schools informed and staff trained on new and emerging initiatives to help promote and maintain good attendance and behaviour in school; we provide guidance that is both purposeful and practical.

Schools Funding Forum 17<sup>th</sup> September 2020

### **English as an Additional Language - Proposal to maintain a central EAL team**

To retain a central EAL Team to maintain the high levels of support and response to Havering's maintained primary schools, it is proposed that £38 per EAL pupil be de-delegated in the financial year 2021-22. This would provide funding of £95,000 towards the costs of the team which would otherwise be put at risk should an insufficient number of schools decide not to buy into the service. The level of funding requested for the period 2021-22 is equivalent to the request for the period 2020-21, despite the increase in numbers of pupils with EAL.

Through the national funding formula, primary schools receive £595.51 per EAL3 pupil so would retain more than 93% of their funding to provide support to their EAL pupils.

### **Rationale for maintaining a central team with EAL expertise in Havering**

- Havering's demographic is continuing to change. Over the last 3 years, the EAL population in Havering primary schools has risen from 20.0% to 23.8% with increasing numbers of children entering mid-phase with little or no English.
- The need for a service can be evidenced by how well it is used by schools. From April to March 2019-2020, 39 LA-maintained primaries accessed the service for consultancy support and/or CPD. In addition, the team has maintained repeat buy-in from academies with 20 (13 primary and 7 secondary) buying into the service through the year.
- Unlike other service areas which generate a more consistent level of need, EAL needs fluctuate across schools making it more difficult for the EAL team to project a guaranteed income to fund salaries. Without collective buy-in from schools, EAL support could cease to exist within Havering and schools would have to source support from elsewhere.
- The central team plays a crucial role in managing school-to-school support networks and ensuring the sharing of best practice, both within and beyond Havering.
- The team also carries out important back office work, liaising with a range of LA services to ensure effective transitions, to facilitate SEND diagnoses and to safeguard children with EAL.
- Liaison with a number of commercial providers ensures that the EAL team is able to negotiate resources at a reduced rate for schools.

### **The offer for LA-maintained primaries:**

- Termly consultancy visits (more available on request, depending on the needs of individual schools – may be virtual or face-to-face)
- Full-day EAL reviews, on request
- Twice-termly networks for EAL co-ordinators and EAL TAs (may be virtual or face-to-face)
- An annual cross-borough EAL network event with Barking & Dagenham and Redbridge
- Unlimited access to centrally-held EAL CPD (may be virtual or face-to-face)
- Telephone, email support and resources

### **Impact of the EAL team:**

The targeted work of the EAL team with EAL co-ordinators, class teachers and TAs helps schools tailor their provision to ensure EAL learners make rapid progress. As a result, pupils that start with limited English across all phases make accelerated progress in order to reach ARE or close the gap towards this. Many EAL learners are likely to have been disproportionately affected by the Covid-19 crisis due to lack of access to models of spoken English during lockdown; central EAL funding will ensure ongoing support continues into the next financial year to help close these gaps.

## **Responsibilities held for maintained schools only**

### **Statutory and regulatory duties**

- Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 2, 58)
- Budgeting and accounting functions relating to maintained schools (Sch 2, 74)
- Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2, 59)
- Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 60)
- Internal audit and other tasks related to the local authority's chief finance officer's responsibilities under Section 151 of LGA 1972 for maintained schools (Sch 2, 61)
- Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 62)
- Investigations of employees or potential employees, with or without remuneration to work at or for schools under the direct management of the headteacher or governing body (Sch 2, 63)
- Functions related to local government pensions and administration of teachers' pensions in relation to staff working at maintained schools under the direct management of the headteacher or governing body (Sch 2, 64)
- Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 77)
- HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition or organisation of staff (Sch 2, 65); determination of conditions of service for non-teaching staff (Sch 2, 66); appointment or dismissal of employee functions (Sch 2, 66)
- Consultation costs relating to staffing (Sch 2, 68)
- Compliance with duties under Health and Safety at Work Act (Sch 2, 69)
- Provision of information to or at the request of the Crown relating to schools (Sch 2, ☐ School companies (Sch 2, 71)
- Functions under the Equality Act 2010 (Sch 2, 72)
- Establish and maintaining computer systems, including data storage (Sch 2, 73)
- Appointment of governors and payment of governor expenses (Sch 2, 74)

### **Education welfare**

- Inspection of attendance registers (Sch 2, 80)

### **Asset management**

- General landlord duties for all maintained schools (Sch 2, 78a & b (section 542(2)) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have:

- appropriate facilities for pupils and staff (including medical and accommodation)
- the ability to sustain appropriate loads
- reasonable weather resistance
- safe escape routes
- appropriate acoustic levels
- lighting, heating and ventilation which meets the required standards
- adequate water supplies and drainage
- playing fields of the appropriate standards
- General health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc. Act 1974)
- Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012)

### **Central support services**

- Clothing grants (Sch 2, 54)
- Provision of tuition in music, or on other music-related activities (Sch 2, 55)
- Visual, creative and performing arts (Sch 2, 56)
- Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 57)

### **Premature retirement and redundancy**

- Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 2, 79)

### **Monitoring national curriculum assessment**

- Monitoring of National Curriculum assessments (Sch 2, 76)

### **Therapies**

- This is now covered in the high needs section of the regulations and does not require schools forum approval

### **Additional note on central services**

Services set out above will also include administrative costs and overheads relating to these services (regulation 1(4)) for:

- expenditure related to functions imposed by or under chapter 4 of part 2 of the 1998 Act (financing of maintained schools), the administration of grants to the local authority (including preparation of applications) and, where it's the local authority's duty to do so, ensuring payments are made in respect of taxation, national insurance and superannuation contributions
- expenditure on recruitment, training, continuing professional development, performance management and personnel management of staff who are funded by expenditure not met from schools' budget shares and who are paid for services
- expenditure in relation to the investigation and resolution of complaints
- expenditure on legal services





## Schools Funding Forum 17<sup>th</sup> September 2020 ITEM 12

**Subject Heading:**

**Financial transparency of local authority maintained schools and academy trusts**

**Report Author:**

**David Allen – Strategic Finance Manager**

**Eligibility to vote:**

**All school and academy members**

### **SUMMARY**

At the meeting of the Schools Funding Forum held on 25<sup>th</sup> September 2019 an item was discussed on a DfE consultation to strengthen the financial transparency of local authority maintained schools by adapting existing academy measures. The item provides a summary of the decisions taken following the consultation.

### **RECOMMENDATIONS**

That the Schools Funding Forum notes the decisions taken by the DfE on financial transparency and the next steps for schools and the local authority.

### **REPORT DETAIL**

#### **1. Background**

Since the start of the academies programme there has been significant focus on the financial transparency of the academy sector and the Department has introduced a number of measures that have improved the financial transparency and accountability

of trusts. Transparency measures such as the requirement for them to publish independently audited accounts each year, with particular scrutiny on any related party transactions, provide public assurance of their financial health and probity.

The DfE thinks that there is a strong case, where appropriate, for the current academy transparency measures to be adapted and implemented across the maintained school sector, in order to strengthen the arrangements for maintained schools.

A consultation on financial transparency of local authority maintained schools and academy trusts ran from 17 July to 30 September 2019 and was discussed at the meeting of the Schools Funding Forum on 25<sup>th</sup> September 2019.

The consultation outlined the current financial transparency arrangements for maintained schools and academy trusts and put forward a number of proposed changes. As the current transparency measures used in academies are generally stronger than those in the maintained school sector, the consultation focused on using or adapting existing academy measures to help change and improve maintained schools' financial transparency and financial health.

Owing to Covid-19, the publication of this response and the implementation of some of the proposals was delayed so as not to conflict with other important work going on in the sector.

The full DfE response to the consultation can be found in the following link:  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/902003/Financial\\_transparency\\_consultation\\_response\\_July\\_2020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/902003/Financial_transparency_consultation_response_July_2020.pdf)

## **2. Summary of the proposals, decisions and timing of implementation**

### **Proposal 1**

We propose to publish the names of LAs on GOV.UK who fail to comply in any financial year with 3 or more deadlines from the following collections:  
School Financial Value Standard (SFVS) 2. Dedicated Schools Grant CFO assurance statement 3. Consistent Financial Reporting 4. Section 251 Budget 5. Section 251 Outturn

#### **Decision**

We will publish names of LAs on gov.uk if they fail to comply with deadlines for returns to the Department.

#### **Timing of implementation**

Missed deadlines will be counted from the start of 2020-21. Names will be published if 3 deadlines are missed during 2020-21 (taking account of any postponement or relaxation of deadlines due to Covid-19), and likewise in subsequent years.

### **Proposal 2a**

We propose to collect the number of schools with suspended budgets and notices of financial concern through the existing DSG assurance statement signed by the LA CFO at the end of the financial year.

#### **Decision**

We will collect the number of schools with suspended budgets and notices of financial concern through the existing DSG assurance statement signed by the LA Chief Financial Officer (CFO) at the end of the financial year.

**Timing of implementation**

This will apply for the DSG assurance statement return for the financial year 2020-21, which is due in September 2021.

**Proposal 2b**

We propose to add a new section to the DSG assurance statement that captures the amounts that LAs have recovered from investigating fraud.

**Decision**

We will add a new section to the DSG assurance statement that captures the amounts that LAs have recovered from investigating fraud.

**Timing of implementation**

This will apply for the DSG assurance statement return for the financial year 2020-21, which is due in September 2021.

**Proposal 3**

We are proposing a directed revision of the schemes for financing schools to make it a requirement for maintained schools to provide LAs with three-year budget forecasts.

**Decision**

We will make a directed revision to LAs' schemes for financing schools to make it a requirement for maintained schools to provide LAs with three-year budget forecasts.

**Timing of implementation**

Consistent with the current deadline for schools to submit their budget plans to LAs, schools will be required to submit their forecasts between 1 May and 30 June of each year. The requirement will first apply in 2021-22.

**Proposal 4a**

We propose to make schools append a list of Related Party Transactions (RPTs) to their response to the new question in the Schools Financial Value Standard (SFVS) about their arrangements for managing RPTs. In addition, we would insert additional columns into the CFO Assurance Statement, to request the number of RPTs and value for each to be disclosed.

**Decision**

We will make schools append a list of Related Party Transactions (RPTs) to their response to the question in the Schools Financial Value Standard (SFVS) about their arrangements for managing RPTs. In addition, we will insert additional columns into the CFO Assurance Statement, so that the number of RPTs and value for each can be disclosed.

**Timing of implementation**

The list of RPTs will be first attached to the SFVS for 2021-22, which is due to be submitted to local authorities by the end of March 2022. LAs will first report on this to the Department in the CFO statement for 2021-22, due in September 2022.

**Proposal 4b**

We propose to amend the scheme for financing schools to require schools to report all RPTs, or RPTs above a certain threshold, directly to the LA.

**Decision**

We will not be taking forward this proposal since the responses indicate that, compared to proposal 4a, it would increase administrative burdens without any clear added value.

The key difference between options 4a and 4b is that in option 4b, schools would need to inform LAs as soon as an RPT has been agreed, whereas under proposal 4a, they would report all the RPTs together on an annual basis – as part of an existing annual return.

#### **Proposal 4c**

We propose to amend schemes to require schools to seek permission from the authority to enter RPTs above a threshold.

#### **Decision**

We will not implement proposal 4c since it did not garner as much support among the respondents as proposal 4a, and since it would impose additional administrative burdens. However, if, with time, concerns are raised around the operation of RPTs in the maintained sector, we could return to this proposal in the future as a possible addition to 4a.

#### **Proposal 5**

We propose to make a directed revision to the scheme guidance to require that every maintained school be subject to internal audit at least every 3 years.

#### **Decision**

We accept that this proposal would constitute a significant New Burden for LAs and would also imply additional costs for schools. Furthermore, the responses suggest that the proposal could, in its current form, offer low value for money. That is because enforcing regular audits for all schools could cause LAs to undertake fewer audits of high-risk schools. This would be counterproductive, as the best use of audit resource is to concentrate on the most vulnerable schools. We will therefore not implement this proposal.

#### **Proposal 6a**

We propose to make a directed revision to the scheme for financing schools requiring schools to submit a recovery plan to their maintaining authority when their deficit rises above 5%.

#### **Decision**

We will implement this proposal, as having recovery plans in place for schools with large deficits is fundamental to proper financial management.

The 5% threshold should not be seen as in any way giving “permission” for schools to have deficits up to that level, and we fully support LAs who require all schools with any level of deficit to submit recovery plans. The 5% threshold will operate as an absolute minimum requirement for when a recovery plan is needed. In most cases we would expect LAs to request recovery plans from schools where deficits are much lower. As long as they meet the 5% minimum requirement, LAs will have the discretion to set their own levels at which a recovery plan is required.

We will work with LAs to ensure implementation of this proposal is done in an efficient and effective way. This will include the requirements set for the recovery plans, as well as clarity around what exactly the 5% refers to.

#### **Timing of implementation**

The 5% trigger will apply when deficits are measured as at 31 March 2021.

#### **Proposal 6b**

We propose to collect information on the number of recovery plans in each LA through the DSG annual assurance return from the CFO

### **Decision**

We will implement this proposal as it will help us increase visibility of best practice across the whole schools sector, highlight any inconsistencies in LAs' approach and target additional support from the Department. Furthermore, a significant majority of respondents are in favour, and the administrative burden is expected to be negligible.

LAs will not be penalised in any way for having requested recovery plans. We encourage LAs to have robust procedures in play for dealing with deficits, and for requesting recovery plans for deficit levels below 5%. We would be much more concerned about LAs that had schools in deficit but did not request recovery plans from schools.

We will work with LAs on the implementation of this proposal, to ensure that the way it is implemented does not discourage LAs from requesting recovery plans from schools.

### **Timing of implementation**

This will apply for the DSG assurance statement return for the financial year 2021-22, which is due in September 2022.

### **Proposal 6C**

We propose to formalise the approach to working with LAs and include a request for high level action plans from some LAs:

- Data-sharing and monitoring: share published data on the school balances in each LA - highlighting the number and proportion with a revenue deficit of over 5% - and the available support from the Department. Share published data with LAs on their schools' financial, educational performance and pupil/school characteristics.

Timing: after publication of the next Consistent Financial Reporting (CFR) data

- Targeted monitoring and support: use of the above data and evidence-based requests from LAs for school resource management advice and challenge from the Department. We will ensure support is focused where it is most needed.

Timing: at any time during the year

- Action plan and increased monitoring: Request high level action plans from LAs in which the number or proportion of school revenue deficits over 5% is above a certain level. We would review the thresholds each year, but an example might be LAs that had more than 10 schools or more than 10% of their schools with revenue deficits of over 5% in the previous year. We would consider contextual information - such as the school balances in the LA in previous years - when deciding the LA action plans required.

Timing: at any time during 2021 after the publication of the CFR data

### **Decision**

We will adopt this proposal as it will be important for strengthening arrangements to help schools in financial difficulty.

We recognise that the proposal will impose an additional burden for the LAs that will be required to submit action plans to the Department. However, all LAs should have sound financial management practices in place, including robust plans for recovering from financial difficulties. As such, the additional cost of this proposal

stems from LAs having to submit a plan to the Department, not from formulating the plan in the first place. Furthermore, the Department would only envisage requiring action plans from a small minority of LAs which have several schools with significant financial deficits.

We will continue to consult with LAs to ensure that this proposal is implemented in a helpful and effective way. We will collaborate with colleagues in the sector by providing guidance on the information that we require. In cases where action plans do not already exist, we will provide templates and support to reduce the overall administrative burden of the request. We will seek to allow LAs to merge and consolidate returns where it is appropriate and feasible to do so.

#### **Timing of implementation**

The timing for each aspect of the proposal is set out above.

### **Proposal 7**

We propose that all LA maintained schools should be required to publish annually on their websites the number of individuals earning over £100K in £10K bandings.

#### **Decision**

We will adopt this proposal as it will improve financial transparency, as a significant majority of respondents were in favour of the proposal, and as the administrative costs are small. The proposal would only affect a minority of maintained schools with staff on salaries above £100,000, and for those it would increase transparency and scrutiny.

While schools do submit salary information to LAs, publishing salary information on websites would improve financial transparency further. We believe this would add value compared to the current system of reporting to LAs, and the majority of respondents agreed.

We considered the suggestion that schools should provide contextual information alongside the salary. On balance, we thought that making further additional information compulsory would complicate the proposal and add an additional burden without any clear value added. Of course, schools will be welcome to provide contextual information if they wish to do so, but we will not mandate it. Regarding the privacy concerns raised by those quoting the GDPR legislation, this proposal essentially requires maintained schools to provide a similar degree of transparency as has been required of academies for many years. While it is correct that academies publish salary information at MAT level, many academies are in single academy trusts (SATs) where salaries will be published at individual school-level.

#### **Timing of implementation**

Originally it was intended that this information requirement would come into force at the start of the school year in September 2020 as is customary for requirements on schools. However, due to delays caused by Covid-19 and in order to provide schools with a term's notice to comply with the incoming regulations, the requirement will be included in amending regulations to come into force on 1 January 2021.

### **Proposal 8**

We propose that all LA maintained schools should be required to publish annually on their websites their latest Consistent Financial Reporting statement of income, expenditure and balances.

#### **Decision**

Consistent with the majority of respondents, we believe that the publication of financial information on schools' own websites would improve financial transparency, as many parents and other stakeholders are not aware that the

benchmarking website exists. However, we also recognise the points raised around the difficulty some stakeholders would have in accessing and interpreting the CFR statements without any additional information to explain and contextualise the data. We will therefore implement an amended proposal 8, as suggested by a number of respondents, whereby schools will be required to publish a link from their own websites to the benchmarking website, where the CFR is already published. The benchmarking website already has explanatory information surrounding the accounts, and it also makes comparisons across schools easier. A link to the benchmarking website will therefore both minimise the burdens for schools, and also make the information more accessible and useful to parents and other stakeholders looking at it.

Equivalent data for academies is published on the same website. While academy accounts are at trust level, trusts have to make annual returns of the income and expenditure for each academy in a form very close to the CFR.

Adding a link to the benchmarking website will not raise any concerns around data protection. The information is already in the public domain. Furthermore, the reported figures in the CFR relate to financial years which span 2 academic years. This makes the figures less likely to reveal actual staff salaries.

#### **Timing of implementation**

Originally it was intended that this information requirement would come into force at the start of the school year in September 2020 as is customary for requirements on schools. However, due to delays caused by Covid-19 and in order to provide schools with a term's notice to comply with the incoming regulations, the requirement will be included in amending regulations to come into force on 1 January 2021.

### **3. Next steps**

The LA will amend its scheme for financing schools as appropriate and advise schools of any changes they will need to make in the management of their finances and any new publication requirements.

# Agenda Item 13

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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