

LANCASHIRE SCHOOLS FORUM

Date of meeting 14 January 2020

Item No 7

Title: Recommendations of the Schools Block Working Group

Appendix A refers

Executive Summary

On 10 December 2020, the Schools Block Working Group considered a number of reports, including:

- School Block Funding 2020/21 and local modelling;
- Consultation on the Schools Block Funding Formula 2020/21 and Possible Transfer to the High Needs and Early Years Block;
- School Resource Management Advisers;
- Split Site Policy Update;
- High Needs Block Provision Task and Finish Group Report;
- Historic Commitments Combined Budget Funding 2020/21;
- School Teaching and Support Staff Supply Reimbursement Scheme;
- Healthy Pupil Capital Fund Update;
- Teachers Pensions Grant Supplementary Claims.

Recommendations

The Forum is asked to:

- a) Note the report from the Schools Block Working Group held on 10 December 2020;
- b) Ratify the Group's recommendations.

Background

On 10 December 2020, the Schools Block Working Group considered a number of reports. A summary of the key issues and recommendations arising from the Working Group's considerations of the items are provided in this report.

1. School Block Funding 2020/21 and local modelling

Information was provided about Government school funding announcements, which indicated that £2.6b of additional funding will be available in 2020/21.

The announcement confirmed future minimum pupil funding (MPF) levels for primary and secondary schools:

- For secondary schools, the MPF level will be £5,000 per pupil from 2020/21 (compared to £4,800 per pupil in 2019/20);
- The primary school MPF level will rise to £3,750 per pupil in 2020/21 and to £4,000 per pupil in 2021/22 (compared to £3,500 per pupil in 2019/20).

Members were reminded that the MPF levels are not the same as the Age Weighted Pupil Unit (AWPU) or the basic pupil element in your school funding. AWPU is the rate set to allocate the basic entitlement of funding for pre-16 pupils in mainstream schools that is provided for all pupils. This is then supplemented by other formula factors based on the characteristics of your pupils and the school, including your lump sum allocation. The MPF funding ensures that schools receive a minimum level of funding calculated by dividing all your pupil led factors plus the lump sum allocation by the number of pupils on roll. This calculation excludes other factors for example rates.)

In October 2019, further details were released, including indicative school level data. All the allocations must be treated with caution as they are based on October 2018 pupil data. The actual DSG allocations in Lancashire, to be published in December 2019, could be lower than those in the provisional notification from the DfE, dependant on pupil data from the October 2019 school census.

Local Modelling of DfE School Level Data

The LA has undertaken some modelling on the indicative school level data that has been published by the DfE.

Due to the 2020/21 NFF having no capping, then by ignoring premises, lump sum, sparsity and based on MFG per pupil funding, our modelling indications are that 15 schools showing an increase in per pupil funding in excess of 10%, a further 144 between 5% and 10%, 224 between 1.85% and 5%, with 181 protected at 1.84%.

Funding Uncertainties

The school funding timetable provides that the County Council will receive final 2020/21 DSG allocations in mid December 2019. However, there is a concern that the General Election could impact on timescales and possibly on funding levels.

In discussions with DfE officials indicated that if a Conservative government is re-elected there is a possibility that DSG allocations can be issued reasonably quickly and the date we receive information may only slip by a day or two. Any other election result is likely to build even greater delay into the process.

DfE colleagues have indicated that they will treat the issuing of DSG allocations as a priority with the new government, but could not offer any real insight into the length of any delay in issuing allocations. They were clear that the Regulations which govern the date that individual school budgets need to be issued at the end of February could not be changed, so the DfE submission deadline for LAs to provide an approved schools block budget to DfE remains 21 January 2020.

Members discussed the information and noted that, if necessary, interim budgets may need to be issued to schools, based on the best estimate from information available. These budgets may need to be reissued when definitive information became available.

The Working Group:

- a) **Noted the report and the uncertainties surrounding the 2020/21 School budget setting process.**

2. Consultation on the Schools Block Funding Formula 2020/21 and Possible Transfer to the High Needs and Early Years Block

At the Schools Forum meeting in October 2019, members supported the issuing of a consultation to seek views on areas of local discretion available in the 2020/21 school funding arrangements.

The consultation was issued on 18 November 2019 and a copy of the consultation document was provided with the report.

Key questions posed in the consultation related to:

- The level of the Minimum Funding Guarantee (MFG) and capping in the local formula;
- A possible transfer of headroom only, from the Schools Block to be used in the High Needs Block and the Early Years Block;
- A possible alteration to the Notional SEN calculation.

The consultation closed on 6 December 2019 and responses were shared with the Working Group. A copy of the analysis and comments are provided at Appendix A.

Members noted the comments and that the majority of responses favoured the proposals set out in the consultation document for all 3 key issues.

In line with school responses, members supported the introduction of the 3 proposals from April 2020 and noted that the Schools Block transfer proposal was at this stage in principle only, as final details of any headroom availability and the pressures and priorities on other funding blocks could only be finalised when 2020/21 DSG allocations were confirmed by the DfE.

The Working Group:

- a) **Noted the report and the school consultation responses and comments;**
- b) **Recommended that the Forum support the 3 proposals set out in the consultation:**

- That the MFG and capping levels in the 2020/21 Lancashire Schools Block formula should mirror those in the NFF and be set at an MFG of +1.84% with no cap on gains;
 - That any headroom available in the Schools Block, once the NFF methodology has been implemented, should be transferred to support pressures in the High Needs Block and the Early Years Block in 2020/21;
 - that notional SEN is changed to remove the Basic Pupil elements from the calculation.
- c) Noted that the Schools Block transfer proposal was at this stage in principle only, as final details of any headroom availability and the pressures and priorities on other funding blocks could only be finalised when 2020/21 DSG allocations were confirmed by the DfE.

3. School Resource Management Advisers

The DfE/ESFA are taking an increasing interest in the financial position of maintained schools and Local Authorities, and are promoting a wide range of tools to support schools to maximise the use of resources and funding.

On 1 November 2019, the ESFA wrote to the LA to confirm that they had now reviewed the 2018 to 2019 financial year Consistent Financial Reporting (CFR) data for local authority schools in Lancashire. The position for Lancashire is summarised below:

Number of schools	Number of schools in surplus	% of schools in surplus of >5% income.	Number of schools in deficit	% of schools in deficit of >5% income.
593	554	73%	39	3%

The ESFA correspondence highlighted that a wide range of tools to support schools to maximise the use of resources and funding are available.

As part of this process, the ESFA have made available a School Resource Management Adviser (SRMA) to work with maintained schools in Lancashire. School Resource Management Advisers are independent sector specialists, who have experience in the management of resources in the education sector. All SRMAs are accredited by the Institute of School Business Leadership.

Lancashire received an allocation of 11 days SMRA time to offer assistance maintained schools in the county, and the cost of these consultancy days is being met by the ESFA.

Objectives for the SRMA visit is to work collaboratively the LA and the school, providing peer-to-peer support to develop strategies to eliminate or prevent a deficit and consider different ways schools could make the best use of their resources.

Lancashire has been allocated Sheryl Cardwell, Business Consultant from Shard Business Services as our SRMA. Following discussions a small number of Lancashire schools were identified to receive a SRMA visit, at dates towards the end of November and early December.

SMRAs have been already been working with academies and many other LAs in the region have recently been offered consultancy time for SMRA visits to maintained schools. Other LAs in the NW are around the same stage of the process as Lancashire, so no extra intelligence on the process has been provided on arrangements in the maintained sector.

Members discussed the SMRA process, and commented on some national feedback about the usefulness of early visits. Feedback from a school that had received a SMRA visit was that the process had been a positive one, although it was noted that no final reports had been prepared from Lancashire visits, so it was too early to comment on the overall value of the process.

Members asked to be kept informed about the process and requested sight of the final reports, subject to any confidentiality issues.

The Working Group:

- a) **Noted the report;**
- b) **Asked to be kept informed about the SRMA process and requested sight of the final reports, subject to any confidentiality issues**

4. Split Site Policy Update

Since the last meeting two issues have arisen in connection with the split sites policy.

Split Site Appeal

On receipt of the split site confirmation letters, one primary school has submitted an appeal to the notified decision.

The school's case is that they qualify under criteria 1, rather than criteria 2, as the distance between their separate sites is over 300m apart.

This appeal has been considered and the LA is minded to reject the appeal, as the evidence provided by the school that indicates a plus 300m shortest safe walking route is based on the separate nursery building entrance, which is specifically exempt from the split site calculation. The LA has assessed that the split site distance between one site entrance and the entrance on the second site closest to the reception building is just under 300m, hence the school remains eligible for split site criteria 2 funding.

Additional Split Site Application

After split site confirmation letters were issued, an additional application was received from a primary school claiming eligibility to the split site criteria. The application has been assessed and it was judged that the school qualified under category 3.

This judgement agreed with the school's own assessment of their eligibility and a letter has now been sent to the school confirming a criteria 3 allocation of £9,167 from April 2020.

The Working Group:

- a) **Noted the report;**
- b) **Supported the application of the split site policy in the cases received.**

5. High Needs Block Provision Task and Finish Group Report

The Working Group had received regular verbal updates about the work of the County Council's High Needs Block Task and Finish Group.

The Group's initial work had been agreed by the County Council's Cabinet and senior management but did not take account the additional £700m was being made available nationally in 2020/21 for High Needs Block.

Due to continued uncertainty caused by the general election, a decision was taken to create a number of specific projects to investigate key themes from the T&F group report. A copy of the original Task and Finish Group report was provided for members.

Following some streamlining, it has been agreed that 7 projects will be initiated to look at the key recommendations from the report and to develop proposals. The financial context would also be considered in the light of the increased HNB allocations.

Each project has a designated project leader and a finance lead.

The 7 projects are:

Project No	Project Title
1	Increasing the number of children placed locally
2	Closer partnership with Independent Non-Maintained Providers
3	Review of the Internal SEND Teaching Service
4	Support for Vulnerable Pupils
5	Partner Contribution to High Needs Placements
6	Further Education Provision
7	Review of Alternative Provision/Inclusion Projects

A verbal update was provided, giving more detailed around the initial considerations for each of the projects. Confirmation was provided that the initial report should only be considered a starting point and that proposals would be refined through the project plans before any final decision were taken about future HNB provision.

Members considered the information provided and noted that, where appropriate, these projects would link to the SEND Partnership Board Improvement Plan. The Group discussed the various projects and acknowledged the aim to ensure there was full transparency of costs going forward.

The WG supported the inclusion of a school sponsor for each project, although it was agreed that where school representatives already existed in the partnership board process, they would be best placed to continue as the sponsor for a related project plan. In the WG, the following representatives volunteered to act as school sponsors:

- Cathryn Antwis - Any group as needed;
- Gerard Collins - Project 7, Review of Alternative Provision/Inclusion Projects;
- Helen Dicker - Project 7, Review of Alternative Provision/Inclusion Projects or any group as needed;
- Eleanor Hick - Project 1, Increasing the number of children placed locally;

- Liz Laverty - Project 7, Review of Alternative Provision/Inclusion Projects, or Project 4, Support for Vulnerable Pupils or any group as needed.

It was confirmed that regular updates on the progress of the project would be provided for the working group.

The Working Group:

- a) Noted the report and the supplementary information provided at the meeting;**
- b) Asked that volunteers to act as school project sponsors be considered alongside any nominations from High Needs Block working group and existing partnership Board representatives.**

6. Historic Commitments Combined Budget Funding 2020/21

The DfE funding announcements for 2020/21 indicate that there will be cash flat allocation in the formulaic 'Ongoing responsibilities' element of the budget, of the Central School Services Block, but the funding level for 'historic commitments' element will reduce by 20%.

As part of the 2019/20 budget setting process, the Forum considered Dedicated Schools Grant (DSG) contributions to 'combined budgets' and agreed the following allocations, totalling £350k:

- Emotional Health and Wellbeing Service - £200k;
- MASH - £150k.

These allocations represent a significant reduction in the level of 'combined budget' contributions agreed by the Forum, with recent allocations shown below:

- 2017/18 - £1,243k;
- 2018/19 - £450k.

The decisions to reduce the level of funding for 2019/20 were taken partly in response to the DfE guidance about the need to reduce expenditure on historic commitments over time and partly due to the pressures facing the high needs block budget, with savings from these decisions helping to mitigate HNB overspends.

For 2020/21, the initial allocations suggest that Lancashire may receive a significant HNB funding from April 2020, which is forecast to cover the increased HNB expenditure in 2020/21. In such circumstances, the LA is proposing that the 2019/20 allocations for the Emotional Health and Wellbeing Service and MASH continue for 2020/21.

Details around the services' use of DSG funding over the last 12 months were provided for the working group. It was noted that these services received significant positive feedback in discussions with Forum last year and are valued by schools.

It was noted that there is a clear message from DfE that these combined budgets are expected to reduce to zero over time and it is likely that there will be further pressure to reduce DSG contributions in FY 2021/22. Proposals about the use of this funding in subsequent years will be shared with the Forum in due course.

The Working Group:

- a) Noted the report;**

- b) Recommend to the Forum that the 2019/20 DSG allocation levels continue from April 2020 for MASH and the Emotional Health and Wellbeing Service.**

7. School Teaching and Support Staff Supply Reimbursement Scheme

2019/20 Scheme Arrangements

The scheme arrangements agreed with the Forum for 2019/20 looked to increase premiums and reimbursement rates to take account of the relevant teaching and support staff pay increases and the revised salary pay spine for support staff.

Following finalisation of the supply scheme arrangements with the Forum in January 2019 individual offers were issued to schools and academies for consideration. 430 schools took up some level of cover from April 2019, which was 9 fewer schools signed up for the scheme in 2019/20 than were involved in 2018/19.

2020/21 Scheme Proposals

Following a period of transition across recent years to move to a pupil/place led charging structure for the teaching element of the scheme, no significant changes are proposed for 2020/21.

It was suggested that both premiums and reimbursement rates are increased in line with forecast pay increases, which are currently estimated at 3% for teaching staff and 2% for support staff.

No other changes are proposed to the Scheme SLA, although it was confirmed that the option for bank account schools to pay on a monthly basis will remain available to assist these schools with their cash flow.

Alternative Options for Consideration

An alternative option to the proposed changes to premiums and reimbursement rates would be to leave them as they currently exist.

Service Offer to Schools

Once scheme arrangements and charging/reimbursement rates are finalised by the Forum in January 2020, a formal individualised 2020/21 scheme offer will be issued to all schools and academies.

The Working Group:

- a) Noted the report;**
- b) Supported the option to increase both premiums and reimbursement rates in line with forecast pay increases, which are currently estimated at 3% for teaching staff and 2% for support staff.**

8. Healthy Pupil Capital Fund Update

The Healthy Pupil Capital Fund is intended to improve children's and young people's physical and mental health by improving and increasing availability to facilities for physical activity, healthy eating, mental health and wellbeing and medical conditions. Funding is provided from the Soft Drinks Industry Levy for 2018-19 only.

Examples of projects which could be funded through the Healthy Pupil Capital Fund are:

- Refurbishment or building of changing rooms, sports halls and gyms, teaching and catering kitchens, dining spaces, and spaces for mental health support;
- Creation or renovation of garden spaces for growing produce, playgrounds and active play spaces, sports pitches, hard courts and athletics tracks;
- Modification of facilities to improve accessibility for pupils with disabilities;
- Provision of equipment, such as goalposts, outdoor table tennis tables, defibrillators, water fountains , and gardening planters and equipment.

Funding Allocation

Local authorities (LA) are responsible bodies and receive funding for community, foundation and voluntary controlled schools.

Voluntary aided (VA) schools are notionally assigned to their local authority and as such the local authority will coordinate the administration of their group funding allocation through the Locally Coordinated Voluntary Aided Programme (LCVAP).

Lancashire has received a total funding allocation of £1,786,981 split as follows:

- LA allocation £1,026,463
- VA allocation £ 760,518.

Responsible bodies are required to report on how they have spent their Healthy Pupil Capital Fund in the same way they report on, and alongside, their School Condition Allocation. It should be noted however that the allocation is not ring fenced or time-bound.

The LA allocation of £1,026,463 will be used to support current Basic Need expansions and condition projects to enable those funding streams to go further across the programme and benefit more pupils as a whole.

Due to the relatively small sum involved, when set in the context of over circa 300 schools, the County Council discussed proposals with the Forum to retain the funding so that it could be used to provide appropriate facilities on basic need expansion projects. This was seen as a more effective approach for the use of the limited resources and reduce the bureaucracy that would otherwise be required with individual project monitoring and reporting with 300 small allocations.

The funding will be used across five projects including the provision of new kitchen and dining facilities, multi-use games area, activity studio, hard play areas and line markings. Information was provided for the group about the level of allocations to the 5 schools to utilise the LA allocation.

Members considered the report and the allocations made. Some concern was expressed about the use of this funding and the schools chosen to benefit from the allocations, as these did not seem to members to be schools in the most deprived areas. Whilst members understood the rationale for the combining this money with other capital allocations, some members still felt that a better use of the funding would have been achieved by delegating the funding to schools.

The Group requested that the Director responsible for the Healthy Pupil Capital Fund be invited to the Schools Forum and asked for further information about the allocation process and the link to the fund criteria in making allocations.

The Working Group:

- a) **Noted the report;**
- b) **Requested that the Director responsible for the Healthy Pupil Capital Fund be invited to the Schools Forum**

9. Academies advertising on the LCC Vacancy site

At the last Schools Forum meeting information was provided that the academies could advertise on the LCC vacancy site, subject to an administrative charge.

Some academies have subsequently tried to place adverts and been told that they are not eligible to use the site.

We have again taken this up internally and have obtained a definitive decision that academies can use the LCC vacancy site.

BTLS are currently making the necessary arrangements to implement this decision, which may have a tiered charging structure dependant on academies' decisions about whether they buy into the Schools Portal, as the administration involved for schools not on the portal is greater.

Members hoped that this provided a final outcome to this issue and that the service would be available quickly.

The Working Group:

- a) **Noted the report**

10. Teachers Pensions Grant Supplementary Claims

It was reported that a number of schools had found difficulty logging on to the DfE site in order to submit a Supplementary Pensions Claim Form.

Following advice from schools that had managed the process, Daniel Ballard had produced a number of screen shots to assist other schools access their account and adding the Teachers Pensions facility.

Information would be shared with all schools on the portal shortly.

The Working Group:

- a) **Noted the report**

Consultation on the Schools Block Funding Formula 2020/21 & Possible Transfer to the High Needs Block & Early Years Block

Analysis

Question 1: Do you agree that the MFG and capping levels in the 2020/21 Lancashire Schools Block formula should mirror those in the NFF and be set at an MFG of +1.84% with no cap on gains?

	Total Responses	Yes	No	Not sure
Schools all types and phase	97	80	3	14
		82%	3%	14%

Question 2: Do you agree that any headroom available in the Schools Block once the NFF methodology has been implemented should be transferred to support pressures in the High Needs Block and the Early Years Block in 2020/21?

	Total Responses	Yes	No	Not sure
Schools all types and phase	97	80	9	8
		82%	9%	8%

Question 3. Do you support the proposal that notional SEN is changed to remove the Basic Pupil elements from the calculation?

	Total Responses	Yes	No	Not sure
Schools all types and phase	97	52	8	37
		54%	8%	38%

Comments

- We need more money for SEN in mainstream!!!!!!
- Notional SEN changes appear to simplify the calculation
- Consideration in the funding of small schools needs to be considered. With rises in wages and pension contributions, many small schools are having to restructure staffing to ensure they do not go into deficit. This is an area that I feel the forum need to keep in mind as funding formulas are agreed.
- The greatest concern with any area of school funding is lack of clarity or lack of certainty. Actuals can vary considerably from Forecasts, a greater degree of understanding and certainty would vastly improve the school's budgeting process.
- Any headroom from question 2 should be for Early Years block and special schools only NOT PRU's
- By lifting the cap on gains and providing the school with it's Government recommended budget, this would mean avoidance of job cuts and deficit budget in a school which has high deprivation and is struggling to reach standards. We have been financial 'losers' for a number of years and feel that our school situation warrants a fair budget share as deemed by the Government and not the local council.
- I don't know enough about how this would affect the pupils involved.
- There are pupils who have needs, but due to the lack of funding those needs are not being met, which has meant the basic needs have become high needs due to them being unmet needs. Prevention is always better than cure. High needs are important but all needs should be considered.
- As a very small school of predominantly PMLD pupils we would be in difficulty if the current WPN reduced significantly
- Why have high needs block and early years block been put together in question 2? Surely these are 2 different priorities. There also appears to have been allocated a very short response time for governors for this consultation, why is that?
- Schools should receive all available funding to be utilised in school