

## **LANCASHIRE SCHOOLS FORUM**

**Date of meeting 24 March 2020**

### **Item No 7**

#### **Title: Recommendations of the Schools Block Working Group**

#### **Executive Summary**

On 10 March 2020, the High Needs Block Working Group considered a number of reports, including:

- Schools Block Budget;
- School Resource Management Adviser (SRMA);
- Inclusion Hub Funding;
- High Needs Block Provision Task and Finish Group Report;
- Embedding System Leadership.

#### **Recommendations**

The Forum is asked to:

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

## **Background**

On 10 March 2020, the School 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. Schools Block Budget**

At the Schools Forum on 14 January 2020, decisions and recommendations about the 2020/21 Schools Budget were agreed. On 16 January 2020, the County Council's Cabinet formally approved the Schools Budget for 2020/21.

The Authority Proforma Tool (APT), setting out the agreed Schools Block proposals for 2020/21, was then submitted to the ESFA for compliance checking, by the 21 January 2020 deadline. The ESFA subsequently contacted the LA seeking various clarifications and explanations and once satisfied with the responses provided the approval

School Budgets were prepared and issued on 26 February 2020, together with forecast High Needs Block allocations and forecast PPG allocations.

### **Other Matters Relating to 2020/21 School Funding**

Since the last working group, the DfE had also confirmed other matters relating to school funding arrangements from April 2020. These have included:

#### ***Pupil Premium Grant (PPG)***

Confirmation has been received from the DfE about the new PPG rates for 2020/21, which are set out below:

- FSM
  - £1,345 per qualifying primary-aged pupil (was £1,320)
  - £955 per qualifying secondary-aged pupil (was £935)
- Looked-after and previously looked-after children
  - £2,345 per qualifying pupil (was £2,300)
  - Locally remains £600 per term
- Service premium
  - £310 per qualifying pupil (was £300)

#### ***Risk Protection Arrangement (RPA) for Maintained Schools***

Following a consultation in the autumn term, the DfE have confirmed that the RPA, which currently covers academies, will be extended to allow maintained schools to join with effect from 1 April 2020. DfE have indicated that the RPA unit value has been set at £18 per pupil until 31 March 2021 and will then be reviewed for 2021/22.

Maintained schools will be able to register via a DfE Sign In from mid-March 2020.

The LCC insurance offer for 2020/21 has already been issued to schools in January 2020. An initial assessment of the RPA offer by the LCC insurance team has identified that the current insurance cover provided by LCC includes a number of aspects not included in the RPA, for example Motor insurance.

As a reminder, the Insurance Team will repost onto the schools portal the 'Minimum Insurance Requirements for Schools', which schools need to ensure is covered regardless of the provider chosen.

### ***Clarifying ring-fenced DSG Status***

In January 2020, the DfE published their response to the consultation on changing the conditions of grant and regulations applying to the Dedicated Schools Grant (DSG), in order to clarify that the DSG is a ring-fenced specific grant separate from the general funding of local authorities. The DfE have confirmed that they will introduce their proposals and that these will come into effect for 2019/20 year end.

The county council, in consultation with the Forum, has always tried to manage Schools Budget pressures from within the Dedicated Schools Grant resources available and still maintains a positive DSG reserve, although the level of reserve has reduced considerably in recent years. These revised regulations and conditions of grant for DSG should not therefore have any immediate impact on school funding arrangements in Lancashire.

### ***Financial Transparency***

The Government consulted on changes to 'financial transparency' in the autumn term 2019, with the intention to ensure Maintained and Academy schools accountabilities are more closely aligned.

Ministers have not yet finalised their response to the consultation but are likely to go ahead with certain aspects of their proposals, whilst other elements have yet to be decided.

Further information will be provided to schools and the Forum once final decisions are taken by the government.

### **Early Information about Future Funding Arrangements.**

Through various regional and national groups, early information about possible future funding arrangements has been obtained. Information on some key issues is provided below:

***Teachers Pay and Pensions Grants*** – DfE may consult on mainstreaming these specific grants in future years;

***Future Funding Formula*** - Some elements of the school funding formula are being reviewed, including:

- Small Schools;
- IDACI Dataset;
- Low Prior Attainment;
- PFI and Business Rates;
- Minimum Pupil Funding Levels (MPF).

**Hard National Funding Formula** – DfE are intending to move to a hard NFF over a number of years and are considering various options, which will be the subject of future consultations.

Members discussed the information in the report and commented on various matters. It was noted that Lancashire may proceed locally with some aspects of the financial transparency arrangements where these were considered to be best practice, even if they were not made mandatory by the Government. Examples of this included a requirement for schools to submit 3 year budget forecasts and the possible introduction of financial health checks on all schools, potentially on a three year cycle. Members recalled that the plans for financial health checks had been included in the SIFD de-delegation proposals for 2020/21.

**The Working Group:**

- a) **Noted the information provided;**
- b) **Asked to be kept informed of future developments.**

## **2. School Resource Management Adviser (SRMA)**

This report provided an update and local and national SRMA developments.

### ***Lancashire SMRA Deployment***

Information provided to the last Working Group set out that the DfE/ESFA are taking an increasing interest in the financial position of maintained schools and Local Authorities and made available a School Resource Management Adviser (SRMA) to work with maintained schools in Lancashire.

Since the last meeting, final reports have been issued to the 3 schools visited by the SMRA and a LA report has been provided. A copy of the LA level report was provided for members but with any references to individual school names removed.

Key recommendations at LA level included:

- Continue to promote national deals for school;
- Increased monitoring for schools in deficit;
- Review of schools specific funding and transportation costs;
- Implementation of recovery plans;
- Review of procurement limits.

The LA will be reflecting on the recommendations of the report to inform future SIFD support and procedures, and some initial thoughts were shared with the working group, including information on some actions already taken.

### ***School Resource Management Adviser Pilot Evaluation***

The ESFA published their School Resource Management Adviser Pilot evaluation report in January 2020. The report looked at the pilot programme of SRMA deployments at 72 academy trusts in the 2017 to 2018 academic year. A link to the full report was provided for the working group.

Key findings in the report included:

- trusts have valued working with an expert peer, with 94% rating their experience of working with an SRMA as good or very good;
- SRMAs were able to identify over £35m of opportunities for the reallocation of funds for trusts to pursue;
- Trusts are expecting to reallocate almost £15m of resources into priority areas, to either improve the overall financial health of the organisation or spend on areas that will have the greatest impact on educational outcomes.

The DfE have judged the pilot scheme a success and are intending the further roll out of SRMAs, with the option to recruit up to 220 SRMAs and to deliver up to 1,300 deployments through to August 2020.

### The Working Group:

- Noted the report.**

### 3. Inclusion Hub Funding

Following a consultation with schools in the autumn term 2019, the Forum voted to de-delegate funding for primary inclusion hubs in 2020/21. The de-delegation was set at a rate of £11.00 per pupil for maintained primary schools and generates circa £1m for inclusion hub activities in Lancashire.

Previous reports to the Forum set out arrangements for inclusion hub allocations in 2019/20, when funding had been allocated on a 'pump priming' basis of £80k per district. Members had commented that going forward a more targeted allocation methodology should be introduced to fund the hubs, to reflect the different sizes and characteristics of districts. Taking on board the comments made, a revised methodology for allocating the inclusion hub funding to districts has been agreed by the Director of Education and Skills.

The 2020/21 methodology will use pupil numbers and a deprivation factor to calculate the allocations. The table below provides information on the allocations per district from April 2020.

District	NOR (90%) £	Deprivation (10%) £	Total £
01	97,667	10,756	108,423
02	69,031	6,712	75,743
04	44,096	3,285	47,381
06	121,663	15,598	137,261
07	78,699	6,541	85,240
08	79,399	8,357	87,756
09	90,301	7,413	97,714
11	105,558	11,928	117,486
12	74,786	11,974	86,760
13	81,158	11,243	92,401
14	57,641	6,194	63,835
	<b>899,999</b>	<b>100,001</b>	<b>1,000,000</b>

It was noted that further updates are due to be presented to the Forum in due course about the operation of the hubs, and the Forum will need to make formal decisions in October 2020 about de-delegation options for 2021/22.

Members considered the report and supported the revised funding allocations methodology. In discussions, members from different districts reported differing experiences in connection with inclusion hubs. Whilst it was acknowledged that impact for this project on measurable outcomes some of the measurable outcomes may take 2 or 3 years to be realised, the group asked if it were possible to get an update around any immediate impact and good practice in inclusions hubs to date.

The group also asked about any proposals for the secondary sector.

In response to a specific question, it was confirmed that hub funding could be used to pay for a short term alternative provision placement, if this was judged to be the best use of resources in a district.

**The Working Group:**

- a) **Noted the report;**
- b) **Asked that information be requested in relation to the primary inclusion hub impact and any secondary sector developments.**

**4. High Needs Block Provision Task and Finish Group Report**

A brief verbal update was provided for the working group, which indicated that work on the Task and Finish Group work themes was continuing, with many tasks now embedded in ongoing county council processes. It was anticipated that updated project plan documentation should be available at the next meeting.

**The Working Group:**

- a) **Noted the information provided.**
- b) **Welcomed the work that was continuing around the HNB T&F group themes as part of the ongoing work of the county council.**

**5. Embedding System Leadership**

This report provided information about 'Defining a new relationship with schools - Embedding System Leadership'.

Colleagues were aware that the county council has been reviewing its relationship with schools. As part of this process, the Director of Education and Skills and the Acting Head of Service (Education Improvement) had been presenting a number of events throughout the county over recent months about 'Defining a new relationship with schools - Embedding System Leadership'.

Appendices to the report provide a copy of the presentation used at these events and FAQ information that has subsequently been circulated via the portal.

Members discussed the information provided and it was noted that a newsletter was due to be issued shortly and a new website had been created, which would provide information and updates on developments.

**The Working Group:**

- a) **Noted the information provided.**
- b) **Asked that a link to the new website be circulated to members.**