

**LANCASHIRE SCHOOLS FORUM**  
**Date of meeting 20 October 2020**

**Item No 6**

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

**Appendices A, B, C and D refer**

**Executive Summary**

On 22 September 2020, the Schools Block Working Group considered a number of reports, including:

- Schools Budget Outturn, School Balances and Clawback 2019/20 – Update report
- Schools Block Funding 2021/22
- Service De-delegations 2021/22
- Financial transparency of local authority maintained schools and academy trusts: Government consultation response
- Scheme for Financing Schools in Lancashire
- Coronavirus (COVID-19) catch-up premium
- School funding: exceptional costs associated with coronavirus (COVID-19) for the period from March to July 2020
- School Financial Services Remote Working

A summary of the information presented and the Working Group's recommendations are provided in this report.

**Recommendations**

**The Forum is asked to:**

- a) Note the report from the Schools Block Working Group held on 22 September 2020;**
- b) Ratify the Working Group's recommendations.**

## Background

On 22 September 2020, the Schools Block Working Group considered a number of reports. A summary of the information presented and the Working Group's recommendations are provided below.

### 1. Schools Budget Outturn, School Balances and Clawback 2019/20 – Update report

During the summer term 2020 cycle of meetings a report about the Schools Budget outturn position for 2019/20 was presented to each of the three Forum working groups.

Further detailed analysis of the outturn position at 31 March 2020 and was presented to the working group. A copy of the full report including detailed budget monitoring tables along with a commentary on key issues is attached at Appendix A.

A summary of the position across each funding block is provided in the table below

<b>Block</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Under (-) Over (+) Spend</b>
	£m	£m	£m
Schools Block	741.989	738.020	-3.969
Early Years Block	77.858	76.022	-1.836
High Needs Block(HNB)	113.639	121.247	7.608
Central Schools Services Block (CSSB)	6.17	5.959	-0.211
	<b>939.656</b>	<b>941.249</b>	<b>1.593</b>

There was a significant overspend on the High Needs Block, which was partially offset by underspends on other funding blocks, which brought the overall year end budget to a position that was broadly in line with expectations when the 2019/20 Schools Budget was set by Schools Forum and Cabinet in January 2019.

The 2019/20 outturn report presented to the Forum in July 2020 noted that the £1.593m overspend had been met from the DSG Reserve, leaving a closing balance on the reserve of £11.151m.

For the Schools Block, it was noted that:

- The Schools Block outturn position for 2019/20 shows an underspend of £3.969m;
- In January 2019, the Forum agreed to transfer £3.7m of Schools Block funding to the High Needs Block in 2019/20 to help mitigate forecast demand in that block. The £742m budget figure reflects this transfer and was largely taken from the growth fund allocation;
- The underspend in the Schools Block is related to a number of variances including DSG income caused by adjustments in relation to schools becoming academies, underspend on growth allocations, income from rate and appeals, etc.;
- Now that Lancashire has agreed to adopt the National Funding Formula (NFF) as the local funding formula, there is limited variance on other aspects of this funding block, as budgets for Lancashire mainstream schools use the same methodology that is applied to calculate our DSG Schools Block allocation.

## **The Working Group:**

- a) **Noted the report and the additional 2019/20 outturn information provided**

## **2. Schools Block Funding 2021/22**

The DfE have published initial information about school funding on 2021/22. Key announcements included.

- Funding through the NFF is increasing by 4% overall in 2021/22.
- The NFF funding factors, which, as agreed by the Forum, are also used as the Lancashire school funding formula, will remain unchanged for 2021/22.
  
- The key factors in the NFF will increase by 3%;
- Every school will be allocated at least 2% more pupil-led funding per pupil compared to its 2020/21 NFF baseline.
- Additional funding for small and remote schools will increase in 2021/22, with primary schools attracting up to £45,000 through the sparsity factor, compared to £26,000 previously, and with the secondary level increased from £67,600 to £70,000. DfE indicate that this is a first step towards expanding the support the NFF provides for such schools from 2022/23.

For 2021/22 the announcements included the relevant future minimum pupil funding (MPF) levels for primary and secondary schools, which are

- The primary schools, the MPF level will be £4,000 per pupil in 2021/22 compared to £3,750 per pupil in 2020/21 (This increase was already known).
- For secondary schools, the MPF level will be £5,150 per pupil from 2021/22, compared to £5,000 per pupil in 2020/21;

The DfE are also making two technical changes from April 2021 and details are provided below:

### **Rolling grant funding into the schools NFF**

Funding from the teachers' pay grant and the teachers' pension employer contribution grant, including the supplementary fund, has been added to schools' NFF allocations from 2021/22. The funding has been added to the basic per pupil entitlement, to the minimum per pupil funding (MPF) levels, and to schools' baselines so that it is protected through the funding floor. This will simplify the allocation of this funding, worth almost £2b a year, recognising the fact that these grants are part of schools' core budgets and providing reassurance to schools and local authorities that this funding will continue to be provided. MPF levels will therefore receive an additional £180 and £265 per pupil respectively to cover additional teachers' pay and pension costs previously funded through the separate grants. This provides the following MPF levels in 2021/22:

- £4,180 per pupil for primary schools;
- £5,415 per pupil for secondary schools.

Due to the different financial year for academies, which starts each September, they will continue to receive separate grant payments up until the end of August 2021.

### **Income Deprivation Affecting Children Index 2019 update**

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.

IDACI is an area-based index measuring the relative deprivation of different areas, and ascribes a score as well as a rank to each Lower-layer Super Output Area (LSOA). The 2019 update provides a more up-to-date measure of the relative deprivation of different areas. For both the schools and high needs NFF, the IDACI scores are divided into seven bands, A to G, with band A representing the most deprived areas. Additional funding is directed by reference to the number of pupils in each of bands A-F, with higher per pupil amounts directed to pupils in the more deprived bands.

Colleagues will recall that significant turbulence was caused at individual school level when previous IDACI updates were introduced.

The DfE are therefore changing the banding structure to reflect the new data. This change is intended to ensure that the amount of deprivation funding allocated through IDACI does not decrease.

The new band boundaries will be based on the proportion of LSOAs in each band. In line with Ministry of Housing, Communities & Local Government (MHCLG) recommendations, this means that the banding boundaries will be defined by rank rather than by score, which should offer greater stability going forward.

Information was provided setting out details of all the NFF factors and their values for 2021/22.

### **Central School Services Block (CSSB)**

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%.

### **Moving towards a hard national funding formula**

In light of the meeting the challenges of COVID-19, DfE are not changing local authorities' flexibility over the distribution of school funding in 2021/22. The government will shortly put forward 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.

DfE indicate that they will consult wider with local authorities, schools and others to make this transition carefully.

### **Provisional Allocations for 2021/22**

Government NFF announcements in July 2020 were accompanied by provisional data on the allocations LAs will receive for 2021/22 and notional allocations at individual school level. It must be noted that the provisional allocations are calculated using pupil numbers from the October 2019 census. Final allocations, to be issued to schools in February 2021, will be based on pupil numbers from the October 2020 school census.

Even though schools are guaranteed at least 2% more funding per pupil for their pupil-led funding in the NFF in 2021/22, allocations may still reduce at an individual school level if a school has fewer pupils than before.

### **Lancashire Position**

The July 2020 government announcements contain the actual units of funding for primary and secondary schools that will be used to calculate the 2021/22 Schools Block allocations. Comparisons with the 2020/21 DSG budget allocations are also provided.

Based on an analysis of the DfE provisional school level data, 174 Lancashire schools and academies out of 564 schools block funded establishments (circa 30%) will receive the minimum 2% increase per pupil. 390 Lancashire schools and academies will receive a higher than 2% increase, with the maximum rise estimated at over 13%.

The largest per pupil increases are forecast at small rural primary schools that are benefitting from the increased Sparsity allocations.

### **Consultation on areas of local discretion**

Consultation will be held with schools about:

#### **Level of Minimum Funding Guarantee (MFG)**

The level of Minimum Funding Guarantee (MFG) in local formulae in 2021/22 must be between +0.5% and +2.0%, with the level set at +2.0% in the NFF. The de-delegation and formula consultation, issued via the schools portal on 17 September 2020, proposes to set a +2.0% MFG locally and seeks the views of schools on this option.

An interim position showing considerable support for the 2% MFG was shared with the group.

#### **Schools Block Transfer**

Schools and the Forum will be consulted on any Schools Block Transfer to other funding blocks, if modelling identifies any available headroom once the NFF methodology has been implemented. Detailed modelling of the Schools Block has not yet taken place, so there are currently no transfer proposals to consider.

### **The Working Group:**

- a) **Noted the report and the information provided**

***Subsequent to the meeting the MFG consultation closed and the final consultation analysis and comments received via the eform are provided at Appendix B.***

***The Forum are asked to make a final recommendation on the level of MFG to be used in the Lancashire funding formula for 2021/22.***

### **3. Service De-delegations 2021/22**

The school funding framework for 2021/22 continues the 'soft' National School Funding Formula (NFF) arrangements first introduced in 2018/19. The soft NFF arrangements will allow the continuation of de-delegations in 2021/22 and a consultation has been issued to schools, on 17 September 2020, seeking views about which services should be de-delegated. 2021/22 proposals seek views about the continuation of services de-delegated in 2020/21, which are:

- Staff costs – Public Duties/Suspensions;
- Heritage Learning Service (Museum Service) - Primary Schools Only;
- Support for Schools in Financial Difficulty;
- Primary Inclusion Hubs - Primary Schools Only

A copy of the consultation document was provided for members.

An interim position of consultation responses was shared with the group, and it was noted that only circa 20 replies had been received to date and that opinions were split on some of the services. The Group recognised the significant pressures the colleagues had been under at the start of term and officers indicated that a schools portal reminder about the consultation would be issued in early October. Individual members agreed to encourage responses from their own schools and clusters.

Members also noted that the Inclusion Hubs section in the consultation was not able to provide updated outcomes data or more detailed information, as many LCC staff and school colleagues had been prioritising the response to the COVID-19 pandemic. One district had arranged to repay de-delegation funding for 2020/21 to individual schools, as it had not been possible for the planned support to be arranged.

The working group made some suggestions about promoting additional consultation responses and asked if it would be possible to provide further Inclusion Hub impact analysis to a future meeting, when time allowed.

Consultation responses were requested by 9 October 2020, and an analysis and comments will be shared with the Schools Forum on 20 October 2020. As the meeting would be conducted virtually and due to the complexity of de-delegation voting, it was proposed that an opportunity would be provided at the Forum meeting to discuss and debate the proposals, then an eform would be issued allowing relevant primary and secondary school members perhaps a day or two to formally submit their votes.

#### **The Working Group:**

- a) Noted the report and the interim consultation information provided;**
- b) Suggested that PHiL and LASSH colleagues could be contacted and asked to promote consultation responses;**
- c) Individual members agreed to encourage responses from their own schools and clusters;**
- d) Requested that further Inclusion Hub impact analysis be presented to a future meeting, when time allowed;**

- e) Supported the proposed eform voting arrangements for the de-delegations, following an opportunity for discussions at the Forum meeting on 20 October 2020.

*Subsequent to the meeting, contact was made with PHiL and LASSH colleagues who kindly promoted the de-delegation consultation amongst their memberships, and a reminder was also posted on the Schools Portal. The response rate from schools is now above that in previous years.*

*A copy of the final de-delegation consultation analysis is provided at Appendix C, together with comments that have been received, including:*

- *A copy of the (anonymised) comments received via the consultation eform;*
- *A letter to Forum members about the Staff Costs de-delegation from the Branch Secretary, Lancashire National Education Union about continuing Trade Union Facilities Time at 2020/21 levels;*
- *Views received from the ASCL Regional Officer for the North West in connection with the staff costs de-delegation arrangements in Lancashire, which suggests that a distinct Facilities Time de-delegation should be considered.*

*Appendix D to this report provides an update on Inclusion Hubs developments and on the future proposals.*

*As agreed by the Working group, an eform will be issued after the meeting enabling relevant members to vote on the 2021/22 de-delegations proposals, following an opportunity for discussions at the Forum meeting on 20 October 2020. Only maintained primary school representatives and maintained secondary school representatives may vote on the de-delegation proposals relating to their phases.*

#### **4. Financial transparency of local authority maintained schools and academy trusts: Government consultation response**

In July 2020, the DfE published their response to the consultation on financial transparency of local authority maintained schools and academy trusts.

The DfE had proposed a number of initiatives aimed at greater alignment of maintained school and academy accountabilities and financial transparency and members. However, the Government's response was delayed by the snap general election in December 2019 and then by COVID-19.

A government response to the consultation has now been published and indicates that most of the proposals contained in the original consultation document will be introduced in various stages over next couple of years, some with minor alterations to those first suggested. It was confirmed that proposal 5, about imposing minimum requirements of a three-year audit cycle on schools will not be implemented in light of issues raised by a number of consultation respondents. .

Further details on each of the proposals and the Lancashire implications were provided in the report, including a summary of timings and next steps.

In summary:

- **Proposal 1:** DfE will publish names of LAs on gov.uk if they fail to comply with deadlines for returns to the Department. It was noted that some returns were reliant on submissions from school partners;
- **Proposal 2a:** DfE 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. In Lancashire there is currently one school with delegation suspended plus 7 operating under a Financial Notice of Concern (NOC), representing about 1.4% of maintained schools.
- **Proposal 2b:** DfE will add a new section to the DSG assurance statement that captures the amounts that LAs have recovered from investigating fraud.
- **Proposal 3:** DfE 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. The scheme consultation has been issued in Lancashire, but schools are already asked to submit 3 year budget forecasts.
- **Proposal 4a:** DfE 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, DfE will insert additional columns into the CFO Assurance Statement, so that the number of RPTs and value for each can be disclosed. This will impact on 2021-22 SFVS returns.
- **Proposal 6a:** DfE will make a directed revision to LAs' schemes for financing schools, requiring schools to submit a recovery plan to their maintaining authority when their deficit rises above 5%. Arrangements are already more robust in Lancashire requiring all schools in deficit to submit a recovery plan, but amendments are proposed to the SIFD categorisations using the 5% trigger.
- **Proposal 6b:** DfE will collect information on the number of recovery plans in each LA through the DSG annual assurance return from the CFO. Lancashire is historically below national/regional comparators on the number of schools in deficit, but will keep this under review
- **Proposal 6c:** DfE will formalise the approach to working with LAs and include a request for high level action plans from some LAs. This will be achieved by:
  - Sharing published data on the school balances in each LA.
  - Using this data and evidence-based requests from LAs to ensure support is focused where it is needed.
  - Requesting high level action plans from LAs in which the number or proportion of school revenue deficits over 5% is above a certain level.
- **Proposal 7:** DfE will require all LA maintained schools to publish annually on their websites the number of individuals (if any) earning over £100K in £10K bandings. This requirement is effective from 1 January 2020 and has been highlighted in the governors core agenda and /fair exchange.
- **Proposal 8.** DfE will require LA maintained schools to publish a link to the schools financial benchmarking website, where the Consistent Financial Reporting (CFR) statement of income, expenditure and balances is already published. This is a change from the original proposals and has been highlighted in the governors core agenda and /fair exchange.

As previously discussed with the Forum, the School Finance service intend to operate a local 'Financial Health Check Services' for schools and will begin by creating a pilot service that can be trialled at a small number of schools. Further information will be provided in due course.



**The Working Group:**

- a) Noted the report;
- b) Noted that information had been provided to schools where implementation of the DfE requirements was imminent;
- c) Noted that further information would be provided to schools and the Forum on other requirements and local proposals.

**5. Scheme for Financing Schools in Lancashire**

In August 2020, the DfE issued a 12th update to Statutory Guidance on schemes. An extract of the scheme updates introduced by the latest guidance was provided in the report.

The Authority has reviewed the Lancashire scheme and introduced the relevant amendments. A revised draft Lancashire Scheme can be viewed [here](#), with amendments to the existing scheme shown as tracked changes.

Two of the three sections that have changed are revisions that are 'directed' by the Secretary of State, following earlier consultations. These relate to:

- *Section 4.3: Submission of financial forecasts;*
- *Section 6.5: Planning for deficit budgets.*

The third section included in the revised guidance relates to *Section 12: Insurance*. These amendments had already been made in Lancashire to the local scheme update that was approved by the Schools Forum and published in July 2020. Hence, no further changes to the Insurance section of the Lancashire scheme are proposed.

As required by regulations, the county council issued a consultation with maintained schools on the proposed scheme amendments. A letter was distributed on the Schools Portal in early September 2020, seeking views by 9 October 2020.

Any responses received will be reported to the Forum on 20 October, when maintained school members will be asked to formally approve the revised scheme.

No consultation responses have been received to date.

**The Working Group:**

- a) Noted the report.

***Subsequent to the meeting the Scheme consultation closed but no responses were received.***

***Maintained School Members of the Forum are asked to formally approve the revised Scheme for Financing Schools in Lancashire.***

## **6. Coronavirus (COVID-19) catch-up premium**

In July 2020, the Government have announced a £1b Covid catch-up package for the 2020/21 academic year. This funding is additional to other funding increases from Government related to National Funding Formula (NFF) uplifts.

### **Catch-Up Premium**

Allocations from a £650 million catch-up premium, one part of the overall £1b Covid catch-up package, will be based on the number of pupils and paid once a term over the 2020/21 academic year.

Schools' allocations will be calculated on a per pupil basis, providing each mainstream school with a total of £80 for each pupil in years reception through to 11, with the funding being paid in 3 tranches.

Headteachers can decide how best to use their schools' premium allocation to tackle the impact of lost teaching time on their pupils, but are encouraged to spend it on evidence-driven approaches including small group or one-to-one tuition, support over the summer, or additional support for great teaching.

### **National Tutoring Programme**

Although all children have had their education disrupted by the coronavirus (COVID-19) outbreak, the Government believe that it is likely that disadvantaged and vulnerable groups will have been hardest hit. That is why, alongside the universal catch-up premium, DfE have launched a £350 million National Tutoring Programme to provide additional, targeted support for those children and young people who need the most help.

The programme will comprise of at least 3 parts in the 2020 to 2021 academic year, including:

- a 5 to 16 programme that will make high-quality tuition available to 5 to 16-year olds in state-funded primary and secondary schools from the second half of autumn term 2020;
- a 16 to 19 fund for school sixth forms, colleges and all other 16 to 19 providers to provide small group tutoring activity for disadvantaged 16 to 19 students whose studies have been disrupted as a result of coronavirus (COVID-19);
- a reception year early language programme that will make training and resources available at no-cost to schools where additional targeted support for oral language would be particularly beneficial.

### **The Working Group:**

- a) **Noted the report.**

## **7. School funding: exceptional costs associated with coronavirus (COVID-19) for the period from March to July 2020**

Information has previously been shared with the Forum in connection with DfE guidance around 'School funding: exceptional costs associated with coronavirus (COVID-19) for the period from March to July 2020'. A claim form was also made available by the DfE, allowing schools to submit claims for eligible additional COVID-19 expenditure.

The Guidance indicated that there were 3 agreed cost categories against which schools could make a claim. The option was available for schools to submit a claim for other costs that

must be justified. There were also claim limits and conditions associated with the claims processes.

The DfE have processed the first batch of school claims relating to the exceptional COVID-19 costs. These payments cover claims made under the three standard categories and that did not exceed the claims limit.

DfE are giving further consideration to claims for other costs.

For maintained schools, the LA has processed journals/pro-payments and payments will be issued in September. ESFA will pay academy claims directly.

122 maintained schools received a payment in this round, totalling circa £600k.

The DfE have indicated that a second window will be made available but claims will only be allowable relating to costs for summer term 2020.

**The Working Group:**

- a) Noted the report.**

**8. School Finance - School Visits**

During the COVID pandemic School Finance have continued to deliver a traded service to schools, but now access school systems remotely and meet with school colleagues virtually.

Even though schools are fully open from September 2020, the service is continuing to operate virtually and a continuation of this approach has been recommended by the county council's Corporate Emergency Response Team. However, a small number of schools had requested the resumption of face-to-face visits and the views of the working group were sought.

Members supported the continuation of the remote service during the pandemic as the most sensible approach, especially given the tighter restrictions that were not being implemented due to rising COVID-19 cases.

**The Working Group:**

- a) Supported the continuation of the virtual service offering from Schools Finance as the default position.**

## **LANCASHIRE SCHOOLS FORUM**

**Name of Sub Group: All Working Group**

**Date of Meeting: September and October 2020**

**Item No: 4**

**Title of Item: Schools Budget Outturn, School Balances and Clawback 2019/20**

**– Update report**

**Appendix A refers**

### **Executive Summary**

This report provides further information on the 2019/20 Schools Budget outturn position.

### **Recommendations**

**The Forum is asked to:**

- a) Note the report;**
- b) Note the further analysis of the Schools Budget outturn position for 2019/20 and express any views.**

## **Background**

During the summer term 2020 cycle of meetings a report about the Schools Budget outturn position for 2019/20 was presented to each of the three Forum working groups and the Schools Forum. This information indicated that:

- The Schools Budget outturn position at 31 March 2020 was an overspend of some £1.593m;
- The final outturn position against schools delegated budgets at 31 March 2020 was an underspend of £1.752m.

The information provided in summer 2020 indicated that the 2019/20 outturn reports would ordinarily include further details of the key budget variances in each funding block that contributed to the final outturn position. However, due to COVID-19 implications this information was not available at the time.

Further detailed analysis of the outturn position at 31 March 2020 has now been produced for consideration by the Forum/working groups.

## **Overall Outturn Position by Funding Block**

The Schools Budget outturn position at 31 March 2020 was an overspend of some £1.593m. The table below provides a breakdown of this position by each funding block.

<b>Block</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Under (-) Over (+) Spend</b>
	£m	£m	£m
Schools Block	741.989	738.020	-3.969
Early Years Block	77.858	76.022	-1.836
High Needs Block(HNB)	113.639	121.247	7.608
Central Schools Services Block (CSSB)	6.17	5.959	-0.211
	<b>939.656</b>	<b>941.249</b>	<b>1.593</b>

As can be seen, there was a significant overspend on the High Needs Block, which was partially offset by underspends on other funding blocks, which brought the overall year end budget to a position that was broadly in line with expectations when the 2019/20 Schools Budget was set by Schools Forum and Cabinet in January 2019.

Members will recall that at that time the Forum recommended that a proposal to devalue the Weighted Pupil Number (WPN) rate from the academic year 2019/20 was not taken forward, and it was agreed that the shortfall in funding should be met by the use of Dedicated Schools Grant (DSG) reserves. This decision accounts for circa £1.3m of the year end overspend.

The 2019/20 outturn report presented to the Forum in July 2020 noted that the £1.593m overspend had been met from the DSG Reserve, leaving a closing balance on the reserve of £11.151m. The earlier report also provided information on the 31 March 2020 position for other specific reserves.

A commentary on key issues associated with each funding block is provided below and more detailed budget monitoring tables are provided at Appendix A.

### **Schools Block**

- The Schools Block outturn position for 2019/20 shows an underspend of £3.969m;
- In January 2019, the Forum agreed to transfer £3.7m of Schools Block funding to the High Needs Block in 2019/20 to help mitigate forecast demand in that block. The £742m budget figure reflects this transfer and was largely taken from the growth fund allocation;
- The underspend in the Schools Block is related to a number of variances including DSG income caused by adjustments in relation to schools becoming academies, underspend on growth allocations, income from rate appeals, etc.;
- Now that Lancashire has agreed to adopt the National Funding Formula (NFF) as the local funding formula, there is limited variance on other aspects of this funding block, as budgets for Lancashire mainstream schools use the same methodology that is applied to calculate our DSG Schools Block allocation.

### **Early Years Block**

- The Early Years Block outturn position for 2019/20 shows an underspend of £1.836m;
- The Early Years DSG figures used to set the budget in January 2019 were estimates and are adjusted for actual early years pupil numbers;
- Budget monitoring for the early years block shown in the appendix provides data on variances for individual budget lines as at 31 March 2020, with the largest variance relating to an increase in DSG early years income of circa £1.208m and an overall underspend on expenditure of £0.628m;
- Included in the DSG early years block is the update from the DfE from the previous financial year, based on the January 2019 pupil count. This adjustment accounts for £0.723m of the above underspend.

### **High Needs Block**

- The High Needs Block outturn position for 2019/20 shows an overspend of £7.608m
- The overspend in this block is despite transfers of circa £4.181m from other funding blocks, and reflects the significant cost and demand led pressures faced by the High Needs Block in 2019/20;
- Budget monitoring for the High Needs block shown in the appendix provides data on variances for individual budget lines as at 31 March 2020; with many overspent due to increased demand;
- The most significant overspend relates to the Out County - Specialist provision budget line, where expenditure is over £5m above budget. Members will be aware that work is ongoing to enhance the SEND provision and capacity that

is available in the Lancashire maintained sector, including the development of ARMS provision at mainstream primary and secondary schools and the establishment of additional special school places in the county;

- Members will also be aware that the government recognised the funding pressures facing the High Needs Block, and made additional funding available from 2020/21. The impact of this additional funding on the High Needs Budget will continue to be monitored and further reports provided to the Forum.

### **Central Schools Services Block (CSSB)**

- The CSSB outturn position for 2019/20 shows an underspend of £0.211m
- In January 2019, the Forum agreed to transfer circa £0.3m of CSSB funding to the High Needs Block in 2019/20 to help mitigate forecast demand in that block, and in finalising the budget this transfer figure was over £400k;
- Budget monitoring for the CSSB shown in the appendix provides data on variances for individual budget lines as at 31 March 2020, with the largest variance relating to an underspend on the PFI sixth form contribution in 2019/20 of over £200k.

## Appendix A

## 2019/20 Schools Funding Block Monitoring as at 31.03.20

	BUDGET		YEAR TO DATE		
	Approved Budget		Budget profile as at 31.03.20	Actual as at 31.03.20	Variance
Expenditure	£		£	£	£
<u>Total Approved Budget</u>					
Primary		402,476,775			
Secondary		336,998,827			
All Through		1,050,693			
Growth Fund		1,462,000			
<b>Total Cost of Allocations</b>		<b>741,988,295</b>			
<b>less</b> <u>Academy Schools</u>					
Primary		-13,448,731			
Secondary		-111,073,999			
All Through		-1,050,693			
<b>Less Academy</b>		<b>-125,573,423</b>			
<b>Total Budget</b>		<b>616,414,872</b>			
<u>Maintained</u>					
Primary		389,028,044	389,028,044	385,669,406	-3,358,638
Secondary		225,924,828	225,924,828	214,596,086	-11,328,742
All Through		0			
Growth Fund		1,462,000	1,462,000	1,462,000	0
<b>Total Expenditure</b>		<b>616,414,872</b>	<b>616,414,872</b>	<b>601,727,492</b>	<b>-14,687,380</b>
<b>Income</b>					
<u>DSG</u>					
Schools Block Unit of Funding		726,200,357	726,200,357	726,200,357	0
Premises & Mobility Factors		15,293,305	15,293,305	15,293,305	0
Growth Funding		4,254,633	4,254,633	4,254,633	0
DfE Schools Block deduction for direc		-125,573,423	-125,573,423	-136,292,971	-10,719,548
		<b>620,174,871</b>	<b>620,174,871</b>	<b>609,455,323</b>	<b>-10,719,548</b>
<b>Total Income</b>		<b>620,174,871</b>	<b>620,174,871</b>	<b>609,455,323</b>	<b>-10,719,548</b>
<b>2019/20 Underspend</b>		<b>-3,759,999</b>	<b>-3,759,999</b>	<b>-7,727,831</b>	<b>-3,967,832</b>

Approved Budget	
2019/20 Underspend	3,759,999
Transfer to HNB	-3,759,999
Residual	0



2019/20 Early Years Funding Block Monitoring as at 31 March 2020

	BUDGET			YEAR TO DATE		
	Approved Budget	Budget Movement	Current Budget	Budget profile as at 31.03.20	Actual as at 31.03.20	Variance
Expenditure	£	£	£	£	£	£
<u>Mainstream Schools 2 YO</u>						
Nursery Schools	1,310,385		1,310,385	1,310,385	1,349,524	39,139
Nursery Schools Growth	0		0			
Primary Schools	516,580		516,580	516,580	482,405	-34,175
Primary Schools Growth	0		0			
Primary Schools S27	12,675		12,675	12,675	86,140	73,465
	<b>1,839,640</b>	<b>0</b>	<b>1,839,640</b>	<b>1,839,640</b>	<b>1,918,069</b>	<b>78,429</b>
<u>Mainstream Schools 3 4 YO</u>						
Nursery Schools	8,938,179		8,938,179	8,938,179	8,601,653	-336,526
Nursery Schools Growth	0		0			
Primary Schools	8,912,719		8,912,719	9,215,366	8,580,083	-635,282
Primary Schools Growth	302,647		302,647			
Primary Schools S27	282,667		282,667	282,667	813,863	531,196
	<b>18,436,212</b>	<b>0</b>	<b>18,436,212</b>	<b>18,436,212</b>	<b>17,995,600</b>	<b>-440,612</b>
<u>PVI</u>						
PVI 2 YO	8,291,308		8,291,308	8,292,350	8,785,684	493,333
PVI 2 YO Growth	1,042		1,042			
PVI 3_4 YO	46,831,203		46,831,203	48,071,203	48,046,964	-24,239
PVI 3_4 YO Growth	1,240,000		1,240,000			
	<b>56,363,554</b>	<b>0</b>	<b>56,363,554</b>	<b>56,363,554</b>	<b>56,832,648</b>	<b>469,094</b>
Early Years DAF	267,525		267,525	267,525	55,350	-212,175
Early Years PPG	651,095		651,095	651,095	278,313	-372,782
	<b>918,620</b>	<b>0</b>	<b>918,620</b>	<b>918,620</b>	<b>333,663</b>	<b>-584,957</b>
<u>Commissioned Services</u>						
PFI - Special, Nursery	54,656	-54,656	0	0	0	0
SEND Inclusion Projects	300,000		300,000	300,000	150,000	-150,000
	<b>354,656</b>	<b>-54,656</b>	<b>300,000</b>	<b>300,000</b>	<b>150,000</b>	<b>-150,000</b>
<u>Other</u>			0			
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Expenditure</b>	<b>77,912,681</b>	<b>-54,656</b>	<b>77,858,025</b>	<b>77,858,025</b>	<b>77,229,980</b>	<b>-628,045</b>
<b>Income</b>						
<u>DSG</u>						
Provisional Early Years Block Funding as at 19.12.2018	77,858,027		77,858,027	77,858,027	79,066,383	1,208,356
	<b>77,858,027</b>	<b>0</b>	<b>77,858,027</b>	<b>77,858,027</b>	<b>79,066,383</b>	<b>1,208,356</b>
<b>Total Income</b>	<b>77,858,027</b>	<b>0</b>	<b>77,858,027</b>	<b>77,858,027</b>	<b>79,066,383</b>	<b>1,208,356</b>
<b>2019/20 Underspend</b>	<b>54,655</b>	<b>-54,656</b>	<b>-1</b>	<b>-1</b>	<b>-1,836,403</b>	<b>-1,836,402</b>

Approved Budget	
2019/20 Underspend	-54,655
Use of DSG reserves	
Residual	-54,655

2019/20 High Needs Funding Block Monitoring as at 31 March 2020						
	BUDGET			ACTUAL		
	Approved Budget	Budget Movement	Current Budget	Budget profile as at 31.03.20	Actual as at 31.03.20	Variance
Expenditure	£	£	£	£	£	£
<u>Mainstream Schools</u>						
Core Uplift Funding	1,566,568	0	1,566,568	1,566,568	1,849,976	283,408
Additional Support Uplift Funding	59,077	0	59,077	59,077	69,286	10,209
Top-up Funding	6,390,096	0	6,390,096	6,390,096	7,910,831	1,520,735
SERF Place Funding	183,000	0	183,000	183,000	239,333	56,333
Other Additional Funding				0	281,898	281,898
	<b>8,198,741</b>	<b>0</b>	<b>8,198,741</b>	<b>8,198,741</b>	<b>10,351,325</b>	<b>2,152,584</b>
<u>Special Schools</u>						
Place Funding	25,845,833	0	25,845,833	25,845,833	25,845,833	0
Additional Place Funding	1,161,667	0	1,161,667	1,161,667	2,249,167	1,087,500
Top-up Funding	15,625,879	0	15,625,879	15,625,879	16,994,141	1,368,262
School Specific Funding	12,261,780	0	12,261,780	12,261,780	12,593,049	331,269
Post 16 Additional Place Funding	113,333	0	113,333	113,333	113,333	0
Other Additional Funding	0	0	0	0	604,920	604,920
	<b>55,008,493</b>	<b>0</b>	<b>55,008,493</b>	<b>55,008,493</b>	<b>58,400,443</b>	<b>3,391,950</b>
<u>Alternative Provision</u>						
Place Funding	7,575,000	0	7,575,000	7,575,000	7,575,000	0
Additional Place Funding	104,167	0	104,167	104,167	478,333	374,167
Top-up Funding	3,609,079	0	3,609,079	3,609,079	4,425,822	816,744
	<b>11,288,245</b>	<b>0</b>	<b>11,288,245</b>	<b>11,288,245</b>	<b>12,479,156</b>	<b>1,190,910</b>
<u>Further Education - Post 16</u>						
Additional Place Funding	123,000	0	123,000	123,000	108,250	-14,750
Top-up Funding	2,045,746	0	2,045,746	2,045,746	2,678,608	632,862
Independent Specialist Providers	3,901,889	0	3,901,889	3,901,889	4,827,907	926,018
	<b>6,070,635</b>	<b>0</b>	<b>6,070,635</b>	<b>6,070,635</b>	<b>7,614,764</b>	<b>1,544,129</b>
<u>Commissioned Services</u>						
PFI - Special, Nursery	1,180,922	0	1,180,922	1,180,922	1,118,693	-62,229
Commissioned Alternative Provision services	2,000,000	-1,000,000	1,000,000	1,000,000	1,232,982	232,982
Hospital Provision	714,000	9,000	723,000	723,000	723,078	78
Independent Hospital Provision	0	0	0	0	74,118	74,118
Education in Residential Homes	0	0	0	0	405,904	405,904
Out County - Specialist provision places	15,097,000	-1,097,000	14,000,000	14,000,000	19,119,310	5,119,310
Out County - Mainstream / academies places	1,374,000	36,000	1,410,000	1,410,000	2,041,922	631,922
Inclusion Service Specialised Equipment	447,000	0	447,000	447,000	722,660	275,660
Inclusion Service Inclusion Projects	747,000	-597,000	150,000	150,000	30,061	-119,939
Inclusion Service Teachers & Support	4,264,000	-800,000	3,464,000	3,464,000	3,423,128	-40,872
Multi Agency Development	75,000	0	75,000	75,000	75,000	0
Support for Vulnerable Pupils - SI	908,000	-9,000	899,000	899,000	895,388	-3,612
Overheads	1,668,000	0	1,668,000	1,668,000	1,668,000	0
Primary Inclusion Hubs	0	1,000,000	1,000,000	1,000,000	880,000	-120,000
HNB Savings	0	2,458,000	2,458,000	2,458,000	0	-2,458,000
	<b>28,474,922</b>	<b>0</b>	<b>28,474,922</b>	<b>28,474,922</b>	<b>32,410,245</b>	<b>3,935,323</b>
<u>Other</u>						
High Needs Growth	4,598,238	0	4,598,238	4,598,238	0	-4,598,238
	<b>4,598,238</b>	<b>0</b>	<b>4,598,238</b>	<b>4,598,238</b>	<b>0</b>	<b>-4,598,238</b>
	<b>113,639,274</b>	<b>0</b>	<b>113,639,274</b>	<b>113,639,274</b>	<b>121,255,933</b>	<b>7,616,659</b>
<u>DSG</u>						
Provisional High Needs Block Funding as at 17.12.2018	117,735,028		117,735,028	117,735,028	109,006,634	-8,728,394
DfE High Needs Place Adjustments			0		460,106	460,106
DfE High Needs deduction for direct funding of places	-8,277,227		-8,277,227	-8,277,227		8,277,227
	<b>109,457,801</b>	<b>0</b>	<b>109,457,801</b>	<b>109,457,801</b>	<b>109,466,740</b>	<b>8,939</b>
	<b>109,457,801</b>	<b>0</b>	<b>109,457,801</b>	<b>109,457,801</b>	<b>109,466,740</b>	<b>8,939</b>
	<b>4,181,473</b>	<b>0</b>	<b>4,181,473</b>	<b>4,181,473</b>	<b>11,789,193</b>	<b>7,607,720</b>
<b>Approved Budget</b>						
<b>Net Shortfall</b>				<b>4,181,473</b>		
<b>Transfer from Schools Block Funding</b>				<b>-4,181,361</b>		
<b>Use of DSG reserves</b>				<b>-112</b>		

2019/20 CSSB Monitoring as at 31 March 2020

	BUDGET			YEAR TO DATE		
	Approved Budget	Budget Movement	Current Budget	Budget profile as at 31.03.20	Actual as at 31.03.20	Variance
Expenditure	£	£	£	£	£	£
CSSB						
ESG Retained Duties (transferred to DSG)	2,591,000		2,591,000	2,591,000	2,591,000	0
Overheads	244,000		244,000	244,000	244,000	0
Copyright Licence	936,514		936,514	936,514	936,014	-500
Pupil Access (Admissions)	937,000		937,000	937,000	937,000	0
School Forum	188,000		188,000	188,000	188,000	0
CSSB Historic						
Early Intervention	350,000		350,000	350,000	343,851	-6,149
PFI - Sixth Form	683,722		683,722	683,722	469,895	-213,827
Prudential Borrowing	240,000		240,000	240,000	249,660	9,660
<b>Total Expenditure</b>	<b>6,170,236</b>	<b>0</b>	<b>6,170,236</b>	<b>6,170,236</b>	<b>5,959,420</b>	<b>-210,816</b>

Income							
DSG							
CSSB Funding	4,896,597		4,896,597	4,896,597	4,896,597	0	
CSSB Funding for historic commitments	1,695,000		1,695,000	1,695,000	1,695,000	0	
	<b>6,591,597</b>	<b>0</b>	<b>6,591,597</b>	<b>6,591,597</b>	<b>6,591,597</b>	<b>0</b>	
<b>Total Income</b>	<b>6,591,597</b>	<b>0</b>	<b>6,591,597</b>	<b>6,591,597</b>	<b>6,591,597</b>	<b>0</b>	

<b>Net Surplus</b>	<b>-421,360</b>	<b>0</b>	<b>-421,360</b>	<b>-421,360</b>	<b>-632,177</b>	<b>-210,816</b>
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Approved Budget	
Net Surplus	421,360
Transfer to HNB	-421,360
Residual	0

## Consultation on the MFG 2021/22

<b>Question 5: Do you agree that the Minimum Funding Guarantee (MFG) level should be set at +2.0% in the Lancashire formula in 2021/22?</b>				
	<b>Total Responses</b>	<b>Yes</b>	<b>No</b>	<b>Not sure</b>
<b>Primary</b>	156	108	7	41
		<b>69%</b>	<b>5%</b>	<b>26%</b>
<b>Secondary</b>	12	9	0	3
		<b>75%</b>	<b>0%</b>	<b>25%</b>

## School eform Comments

I understand that The MFG level set at 2% is in effective limiting the increase for schools that may have in fact had a MFG increase of over 2% - in a sense a maximum funding increase. If this is the case the answer is no.

I agree to the MFG however feel that it should remain be 1.5% (as in previous years) rather than the propose 2%

## Consultation on the Service De-delegations 2021/22

## Analysis of Responses

Question 1: What is your preferred de-delegation option for the Staff Costs - Public Duties/Suspensions in 2021/22?						
	Total Responses	Continue at the 2020/21 levels	Continue but reduce Trade Union Facilities Time contribution	Continue but no Trade Union Facilities Time contribution	Completely discontinue	Not sure
<b>Primary</b>	156	105	28	2	6	15
		<b>67%</b>	<b>18%</b>	<b>1%</b>	<b>4%</b>	<b>10%</b>
<b>Secondary</b>	12	4	7	0	0	1
		<b>33%</b>	<b>59%</b>	<b>0%</b>	<b>0%</b>	<b>8%</b>
<b>Total Pri &amp; Sec</b>	168	109	35	2	6	16
		<b>65%</b>	<b>21%</b>	<b>1%</b>	<b>4%</b>	<b>10%</b>

Question 2: Do you support the de-delegation of the Heritage Learning Service (Museums Service) in 2021/22? (Primary schools only)				
	Total Responses	Yes	No	Not sure
<b>Primary</b>	156	112	27	17
		<b>72%</b>	<b>17%</b>	<b>11%</b>

Question 3. Do you support the de-delegation of Support for Schools in Financial Difficulty in 2021/22?				
	Total Responses	Yes	No	Not sure
<b>Primary</b>	156	123	22	11
		<b>79%</b>	<b>14%</b>	<b>7%</b>
<b>Secondary</b>	12	9	2	1
		<b>75%</b>	<b>17%</b>	<b>8%</b>

Question 4. Do you support the de-delegation of funding for Primary Inclusion Hubs in 2021/22?				
	Total Responses	Yes	No	Not sure
<b>Primary</b>	156	98	39	19
		<b>63%</b>	<b>25%</b>	<b>12%</b>

## School eform Comments

### General

Given current crisis and schools facing enormous supply costs maximum monies need to be in individual's schools' budgets!!!!

Would the explanations about the answers to these questions be anywhere, so that I could decide Yes or No, rather than Not Sure?

### Staff Costs

I think that at this time with so much that is unpredictable, keeping a sense of stability in what is known and familiar to schools will be a valuable buffer to many settings who will face much uncertainty in terms of costs etc in light of the current pandemic. It is also logical that if the staff compliment of facilities time, considering an increase in academisation and merging of unions, has reduced, then the de-delegated sums should reflect this.

I am not totally sure about de-delegation. I am a new HT this September. However, I feel that if the support / contributions for trade unions was removed this would be hugely detrimental. The profession - teachers and head teachers - face such enormous challenges and many are choosing to leave. This would only worsen the situation. Often the union is the only place they can turn for objective advice.

As a headteacher I absolutely need a guarantee that NAHT union representation is available at all times. I would not feel secure as a Head without this.

Trade union facilities time is essential in supporting headteachers with HR issues. It reduces the enormous burden on headteachers, so supporting their well-being. The support is essential in times of financial difficulties and trying to juggle all the guidance and risk assessments for Covid-19.

### Schools in Financial Difficulty

These are complex decisions which will always benefit some and adversely affect others. I would support further scrutiny and challenge for schools in financial difficulty to prevent the drain on resource for other schools.

### Inclusion Hubs

School's should be able to opt into the inclusion hub model. Within xxx district this service is not fair and is exclusive to meet the needs of children in only certain schools. Strategic overview of this at xxxx school is weak and representation from all schools is limited. Authentic referrals made by our school are knocked back regularly as the provision does not have capacity. Currently a child at severe risk of permanent exclusion was refused support as didn't meet their threshold. The service is not inclusive and the criteria for support is at best vague. The leadership does not respond to concerns, doesn't answer emails and the whole structure is flawed. A considerable amount of money is being used by this service. We are given no feedback of impact, no overview of how the support has been shared and I now revert back to my in house support and have to pay for xxxx PRU which in my opinion offers a dramatically superior support for children within primary schools. Inclusion hubs should be an 'opt in' service instead.

I do not agree with money going to inclusion hubs. I do not use this as I pay staff directly to support inclusion in school. It is not a service I would use and feel it should be the school's choice to buy in or not. I think a lot of money is used with ill effect. I pay for an educational psychologist to be in my school working directly with my staff costing thousands of pounds each year. I do not wish to pay £11 per pupil for a service that I will not use as it is inferior to what I have in-house!

The money spent on the inclusion hub is significant and we have been unable to access it. We would prefer to use xxx PRU.

Our inclusion hub has been invaluable to many schools in our cluster.

I am against the de-delegation of inclusion hubs as there is a discrepancy between the service being offered across the districts. In xxxx district the hub is primarily for early intervention whereas in xxxx district they have xxx PRU staff and places available across all primary age ranges. Regrettably, we have not been able to buy in services from xxx PRU this Year after the se-delegation of funds to the inclusion hub last year. More funding for xxx PRU

Inclusion Hubs need time to embed until and if there is an alternative support mechanism in place for behaviour issues in school - this funding provides schools who have very challenging pupils with an option for immediate support whilst pursuing the longer process of EHCP or alternative provision and to avoid an increase in exclusions

Although I have completed the above we are heading for very difficult times - I just hope National Government , local Govs and Academies all spend money wisely on what is absolutely the most important resources - staffing, resources, health professionals. Hubs are great but do not replace the professionals necessary for schools to deliver a first class education for all.

## **Letter to Forum members from NEU in connection with Facilities Time**

### **The Need for Continuing Trade Union Facilities Time**

It is important that LA officers present the facts to the Schools' Forum and for the Forum only to decide. LA officers must refrain from offering their opinions or referencing the decisions made by LCC leaders for other reasons.

The aim of the Trade Union Act 2016 was, and should still be, to improve the UK industrial relations framework to better support an effective and collaborative approach to industrial relations, balancing the interests of Trade Unions with interests of the wider public sector. The facility time (FT) regulations currently adopted in Lancashire help to fulfil these. Any worsening of these of the terms would reduce the level of fulfilment, with inevitable negative consequences.

While more funding can, and should, be sought, there have already been financial contributions from four academies (non-maintained schools) and expressions of interest from other previously maintained and non-maintained schools, to contribute to the 'pool'. This demonstrates the positive value that schools place on the pooling of FT, understanding that it is far more cost effective, it contributes to good industrial relations within workplaces and to a good working relationship between the employer and employee. Reasons for pooling facility time initially included cost efficiency and to reduce disruption in the school by having potentially three workplace-based representatives from each professional association regularly taking time out of the classroom for training (typically 3 to 5 days' training every year for every school rep). The demand for this reps' training, with its legal entitlement to be released from school to attend, as well as internal meetings to resolve workplace issues, health and safety matters, etc., would significantly increase if central officer capacity was reduced. All this at a time when Lancashire Schools' HR has increased its capacity due to an increase in workload.

The matter of under-spend has been raised. All under-spend in any year of the notional budget allocated, e.g. due to too few officers being able to claim from it, is always retained by Schools Forum and not by the unions. There is no need to reflect a temporary under-use by a permanent reduction in allocation.

Representatives from Lancashire's teachers' professional associations work with you and your colleagues when workplace issues arise, intervening at an early stage before the matter escalates. This includes support for Head Teachers in meetings when there is an issue between them and Governing Boards. With a reduction of FT there is a significant likelihood that workplace issues could be escalated more quickly, with the consequential breakdown in working relationships, resulting in an 'unhappy' workplace for everybody.

In summary, at this time when we should all be working together for our pupils and not taking a divisive approach, it would be extremely counter-productive to make any reduction to the facilities time and jeopardise those excellent relationships alluded to by the Head of Schools' HR, especially at a time when HR is increasing its capacity due to an increase in workload.

***I urge the forum to vote 1 a) Continue the 'Staff Costs - Public Duties/Suspensions' de-delegation using the same policy as 2020/21.***

Yours faithfully

Branch Secretary, Lancashire National Education Union

### **View from ASCL on Staff Costs De-delegation**

Email correspondence has been received from the ASCL Regional Officer for the North West in connection with the staff costs de-delegation arrangements in Lancashire. Based on experiences in other LAs in the region, it is suggested that it may be more appropriate to have a separate Facilities Time de-delegation (and separate public duties and suspensions de-delegation) to enable greater consistency with the standalone buy-back option that is available to academies.