

Lancashire Schools Forum eNewsletter

• Issue 111 • January 2021

Fair Exchange?

Welcome to Issue 111 of 'Fair Exchange?' a Post-Forum Edition of the eNewsletter of the Lancashire Schools' Forum.

Schools Budget for 2021/22

Initial information from the Government about the Schools Budget for 2021/22 has been included in previous editions of Fair Exchange. On 17 December 2020, the Department for Education (DfE) announced the 2021/22 Dedicated Schools Grant (DSG) allocations for 2021/22 for every Local Authority, in four funding blocks, each calculated using national funding formulae.

Information on Lancashire's 2021/22 DSG allocations are provided below:

Forecast DSG Income	£m's
Schools Block	849.944
High Needs Block	151.033
Early Years Block	82.472
Central Schools Services Block	6.766
Gross Total forecast DSG Income	1,090.214
Total deductions for direct high needs payments made by the ESFA	(8.402)
Net Total forecast DSG Income	1,081.812

At the Schools Forum meeting on 12 January 2021, school and early years representatives considered proposals for setting the 2021/22 Schools Budget. A meeting of the Lancashire County Council Cabinet was also held on 14 January 2021, where final decisions about the setting of the 2021/22 schools budget were taken. The key headlines from the 2021/22 budget setting process include:

Schools Block

Lancashire continues to use the National Funding Formula (NFF) methodology as the local Lancashire funding model in 2021/22. For 2021/22, the NFF includes.

- Funding for teachers pay & pensions grants that were previously paid separately;
- Additional funding for small and remote schools will increase in 2021/22;
- Mandatory Minimum Pupil Funding levels now include pay and pensions:
 - £4,180 per pupil for primary schools (£3,750 per pupil for primary schools in 2020/21)
 - £5,415 per pupil for secondary schools (£5,000 per pupil for secondary schools in 2020/21)
- The 2019 update to the Income Deprivation Affecting Children Index (IDACI) has been incorporated in deprivation funding

Following a consultation with schools and academies in Lancashire, areas where local discretion is available in 2021/22 were agreed by the Schools Forum and the LCC Cabinet as follows:

- The Minimum Funding Guarantee (MFG) was set at a +2.0% with no cap on gains; This means that mainstream schools will be allocated at least 2% more pupil-led funding per pupil compared to its 2020/21 NFF baseline;

- To transfer Schools Block headroom of circa £2m (0.26% of the Schools Block, prior to the inclusion of the teachers pay and pensions grant uplifts) once the NFF methodology has been implemented in full as the local formula, to support other funding blocks. (This headroom is generated from Lancashire's Growth allocation).

High Needs Block (HNB)

The extra funding made available nationally for school budgets in 2021/22 have provided additional High Needs funding that will be used to:

- cover the forecast cost and demand led pressures in High Needs expenditure from April 2021;
- support increases in HNB expenditure to broadly match uplifts in the mainstream sector, including:
 - increasing the Weighted Pupil Numbers (WPN) rate across all school and FE settings by 2% to £4,391;
 - increasing 'School Specific' allocations in special schools and PRUs by 2%;
 - aligning PRU Excluded Pupils, Medical and Other pupils to WPN value at Band E2 (1 WPN) from April 2021
 - in the secondary formula, 1 WPN paid rather than the average of the secondary AWPU value
 - in the primary PRU formula, 2/3 of 1 WPN paid rather than the primary AWPU value
 - incorporating increased income relating to the teachers pay and pensions grants (previously distributed as a separate grant) into school specific allocations for special schools and PRUs, at £660 per pupil;
 - Increase the Hospital Education budget to £927k as set out in DfE operational guidance, taking into account the addition pay and pensions grants.

Early Years Block (EYB)

The Government have increased the 2021/22 EYB allocation, but not at the same level of increase that is included in the Schools and High Needs blocks, and there remain considerable cost pressures facing all providers across the sector. The extra funding does allow for base rates in Lancashire to be increased for 3 and 4 years olds by 6p per hour and allocations for 2 year olds to be increased by 8p per hour.

For the deprivation supplement, the formula has been updated to reflect the 2019 Income Deprivation Affecting Children Index (IDACI) dataset, to mirror the Schools and High Needs Block.

Other funding in the early years formula remains unchanged from 2020/21,

- Early Years Pupil Premium (EYPP) - 53 pence per eligible child per hour
- Disability Access Fund DAF - £615 per eligible child per year

The supplementary funding for Maintained Nursery Schools (MNS) also continues, but DfE announcements indicate that funding allocations for September 2021 to March 2022 period are described as conditional and they may be subject to change and local authorities are instructed to treat them as unconfirmed;

The local agreement to transfer £2m from the Schools Block to early years will enable the increase in Government funding to be passed on in full and to continue the additional local increases facilitated by the similar transfer last year.

2021/22 base rates will therefore be:

- 2 Year Old Base rate- £5.16 per hour (compared to £5.08 in 2020/21);
- 3&4 Year Old Base rate- £4.35 per hour (compared to £4.29 in 2020/21).

Central School Services Block

This Block is to fund central functions that local authorities carry out on behalf of pupils in state-funded maintained schools and academies in England. The Central School Services Block is split into funding for historic commitments and funding for ongoing responsibilities.

In order to protect some combined budget contributions that help support valued services to schools, the historic commitments element is forecast to be overspend in 2021/22, being partially supported from the ongoing responsibilities element, in order to produce a balanced position for the Central Schools Services Block overall.

Issuing Individual Schools Budgets (ISBs)

Proposals for the Schools Block have now been submitted to the Education and Skills Funding Agency (ESFA) for compliance checking against the relevant Regulations before they can be distributed. The authority cannot issue school budgets until we have been notified that the checks are complete and our proposals are compliant. However, it is anticipated that individual budgets should be issued in the week commencing 22 February 2021.

Consultations

Responses to the consultation on the possible Schools Block Transfer to the Early Years Block supported the proposal.

Further details on the consultation responses are provided at Appendix A to the newsletter.

The Schools Forum is very grateful for all the comments and responses that have been received. They are vital in shaping the sometimes difficult decisions and recommendations that need to be made.



Other Key Issues

School Teaching & Support Staff Supply Reimbursement Scheme

The School Teaching and Support Staff Supply Reimbursement Scheme arrangements for 2020/21 were agreed by the Forum on 12 January 2021. The Forum agreed that the premiums need to increase to account for the greater demand from covid related absences, but supported the increases being kept as low as possible, partly by holding the majority of reimbursement rates, in line with the freeze on public sector pay announced by the Chancellor in November 2020.

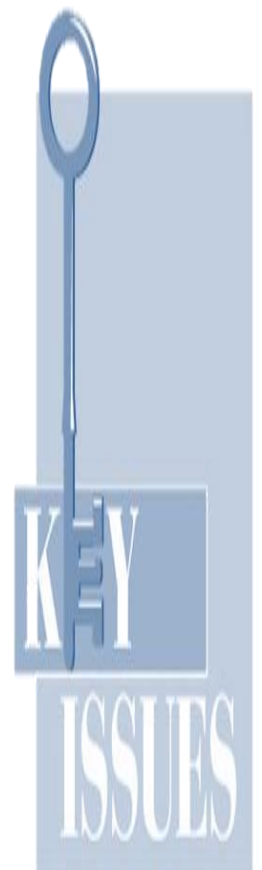
Individual 2021/22 scheme details and offers will be sent to all schools and academies in the County shortly – look out for your offer letter on the Schools Portal.

If you have any queries with your offer please email schoolsforum@lancashire.gov.uk

Growth Funding

Schools and academies may be commissioned by the local authority to provide additional school places. To support this growth, additional funding allocations are made to assist with the lag that accompanies the funding generated by taking on extra pupils. The Forum have agreed that from April 2021, the Minimum Pupil Funding (MPF) incorporating teachers pay and pensions grants will be utilised for the growth fund payments, as follows:

- Primary £4,180 per pupil
- Secondary £5,415 per pupil



WHAT'S HAPPENING NATIONALLY

DfE Guidance Buy school furniture

In December 2020, the DfE updated their guidance on buying school furniture. The 'framework' can be used to buy loose and fitted school furniture and bleacher seating from DfE approved suppliers and have it delivered and installed.

The guidance is available [here](#).

Pupil premium for 2021 to 2022

The DfE have confirmed that the funding rates for the pupil premium in the financial year 2021 to 2022 will stay the same as for 2020 to 2021:

- Primary pupils: £1,345
- Secondary pupils: £955
- Looked-after children: £2,345
- Children who have ceased to be looked-after: £2,345
- Service children: £310

The PPG eligibility criteria will also remain unchanged 2021/22.

Please note however that DfE we will be using **October 2020 school census data** to calculate pupil premium allocations (except for alternative provision and pupil referral units where eligibility will continue to be based on the January census)

Free School Meal Supplementary Grant 2020 to 2021

The DfE have also confirmed that that the Free School Meal (FSM) Supplementary Grant will be extended for one additional year to 2020 to 2021 for increases in FSM pupil numbers between October 2019 and October 2020, at a per pupil rate of £450.

Allocations will be made in February 2021.

Covid workforce fund to support with costs of staff absences in schools

At the end of the autumn term 2020, the DfE announced new funding to support schools during Covid pandemic. Schools facing the greatest combined staffing and funding pressures will be able to claim via a new short-term Covid workforce fund.

The DfE announced that they will allow claims from 1 November 2020 to 31 December 2020 and allow schools to reclaim costs incurred, if they meet certain conditions about the level of short and long term absences and the use of any existing financial reserves.

Further details about this fund are available [here](#)

DfE are asking schools to make the necessary payments from their existing budgets and record these in line with local finance policies. Schools and academy trusts will be able to make claims for costs eligible for reimbursement through this fund in spring 2021. The DfE will publish detailed guidance about the claims process then.

VAT: reduced rate for hospitality

As part of the covid response, the Government has allowed VAT registered businesses to apply a temporary 5% reduced rate of VAT to certain supplies, which may have had implications for some schools, most notably related to catering. This VAT reduced rate has recently been extended from 12 January to 31 March 2021. Further details are available [here](#).

WHAT ELSE IS HAPPENING?

'On-Line Resources on approval' Reminder

Internal Audit have again been alerted to invoices being sent to schools 'on approval' in respect of a yearly subscription providing access to on-line resources. Schools are then chased for payment in an aggressive manner.

The companies makes contact via unsolicited telephone calls and emails, often to the School Business Manager claiming that a member of staff had agreed by telephone to accept the resources on approval. However, checks within the school indicate no such phone call was received. The pursuit of payment has often been conducted in a threatening and aggressive manner, even though the invoices clearly state 'on approval'.

This is a perennial problem and periodically a message is posted on the school portal. Audit have noted that a small number of schools have made such payments in 2020/21.

For legal reasons we cannot name the supplier but schools are asked to be vigilant and should remind their staff that they should not be entering into any agreements without first checking with the Headteacher whether it is appropriate to do so. Invoices 'on approval' should only be paid if the school clearly understand the terms and conditions of the payment.

FORUM MEMBERSHIP

Primary Governor Vacancy

3 nominations for a primary school governor vacancy on the Forum went forward into an election process in the autumn term 2020, in which all maintained primary school governing bodies were entitled to vote.

50 votes were cast in the election, representing an 11% turnout.

Karen Stephens, a governor at Woodlea Junior School was successful in the election process, receiving 28 votes (56%)

PRU Headteacher

Anne Kyle has left her post as head of Oswaltwistle School to take up a new role as an executive Head for SEMH and Alternative Provision for St Helens Council.

PRU headteachers have nominated Jane Eccleston, the head at Acorns School, as their new representative.

A full list of Forum members, as at December 2020 is available [here](#).



QUESTIONS?

Remember, if you have any questions about the Schools Forum, please contact Paul Bonser, Forum Clerk, 01772 531815, or email schoolsforum@lancashire.gov.uk

Consultation on the possible Schools Block Transfer to the Early Years Block

Analysis

Question: Do you agree that any headroom available in the Schools Block once the NFF methodology has been implemented in full should be transferred to support pressures in the Early Years Block in 2021/22?			
Yes	No	Not Sure	Total responses
72	3	4	79
91%	4%	5%	100%

Consultation on a proposal to make a one-off Covid allocation to Lancashire early years providers in Spring 2021

Analysis

Question: Do you agree with the proposal to make a one-off Covid allocation to Lancashire early years providers in Spring 2021?				
Type of Setting	Yes	No	Not Sure	Total
Private, Voluntary and Independent Setting	105	0	3	108
Primary School or Academy with Nursery Class	62	5	3	70
Other Maintained School or Academy	28	0	3	31
Maintained Nursery School	29	0	1	30
Eligible Child Minder	197	1	8	206
Other	12	2	0	14
Totals	433	8	18	459
	94%	2%	4%	