

Annual Report 2019/20 April 2019 - March 2020

Introduction

The end of the 2019/20 financial year saw unparalleled circumstances for schools brought about by the COVID-19 pandemic. This situation introduced new demands and restrictions for many schools, and created short term changes in all our priorities. For the Schools Forum, this meant that the 4th meeting of the year had to be cancelled and the business undertaken using the Forum's electronic urgent business procedure.

This annual report sets out some of the significant issues dealt with by the Forum in FY 2019/20, including consideration of some initial issues arising from the COVID-19 situation.

The Schools Forum hopes that all colleagues and children are all keeping safe and well in these unprecedented times.

Chair of the Forum

Shaun Jukes, Headteacher at Sir Tom Finney High School, has been elected as the Forum Chair for the 2019/20 and 2020/21 academic years.

School Budgets 2020/21

Advising on the Schools Budget is a crucial responsibility of the Forum. The key headlines from the 2020/21 budget setting process included:

The Lancashire Dedicated Schools Grant (DSG) allocation for 2020/21 was some £55m higher than the previous year, due to increased funding from the Government and an overall increase in the Lancashire pupil population.

Schools Block

Lancashire continues to use the National Funding Formula (NFF) methodology as the local Lancashire funding model in 2020/21;

For 2020/21, the NFF provides an uplift of 4% on most formula factors and the updated Minimum Pupil Funding (MPF) rates announced by the Government:

- Primary £3,750 per pupil
- Secondary £5,000 per pupil

Following a consultation with schools and academies in Lancashire, areas where local discretion is available in 2020/21 were agreed by the Schools Forum and the LCC Cabinet as follows:

- The Minimum Funding Guarantee (MFG) was set at a 2020/21 MFG of +1.84% with no cap on gains (This matches the NFF methodology);
- To transfer Schools Block headroom of circa £2m (0.26% of the Schools Block) once the NFF methodology has been implemented in full as the local formula, to support the Early Years block. (This headroom is generated from Lancashire's Growth allocation).
- To amend the notional SEN to remove the Basic Pupil elements from the calculation.

High Needs Block (HNB)

The extra funding made available nationally for school budgets from April 2020 have provided a considerable increase in HNB funding in Lancashire for 2020/21.

This additional funding will be used to:

- cover the forecast growth in High Needs expenditure from April 2020;
- support increases in HNB expenditure to broadly match uplifts in the mainstream sector, including:
 - increasing the Weighted Pupil Numbers (WPN) rate by 5% to £4,305;
 - realigning the 'School Specific' allocation in special schools to be more equitable and transparent
 - Uplifting the PRU School Specific rate by 4%;
 - Uplifting the PRU Excluded Pupils, Medical and Other pupils rates in line with NFF rates;

Early Years Block (EYB)

The Government have increased the 2020/21 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.

Lancashire will passport additional Government 2020/21 allocations for 2, 3 and 4 years olds by increasing base rates by 8p per hour.

In addition, the Schools Forum has agreed to transfer the £2m headroom from the Schools Block, which will include, for one year only:

- a local increase to the 3&4 year old base rates of an extra 8p per hour, in addition to that provided by the increased Government funding;
- an increase of £200k to the SEN Inclusion Fund from April 2020, to provide a higher budget to support early years pupils with high needs.

Other factors within the Early Years Funding Formula will continue, at 2019/20 rates, including the supplementary funding for Maintained Nursery Schools.

Service De-delegations 2020/21

Regulations require that the Forum is responsible for deciding which services should be de-delegated each year. In October 2019, the Forum considered a number of de-delegation proposals. Primary and secondary members agreed by phase that a number of services would be de-delegated for the 2020/21 financial year. This means that for primary and secondary schools (but not academies) services will be provided centrally. For the first time in 2020/21, a new de-delegation was agreed, relating to Primary Inclusion Hubs. A full list of de-delegations agreed from April 2020 are:

- **Staff costs – Public Duties/Suspensions.** This de-delegation incorporates reimbursement to schools for staff costs associated with public duties and suspensions;
- **Museum Service - Primary Schools Only.** Provides funding for the work the museum service undertakes for primary schools to help meet the national curriculum and to support wider cultural learning;
- **Support for Schools in Financial Difficulty.** This funding allows support to be offered to schools in financial difficulty, which is managed by the School Improvement Challenge Board (SICB) against published eligibility criteria. An additional element to the de-delegation was agreed for 2020/21 to include a rolling programme of School Financial Health Checks.
- **Primary Inclusion Hubs.** This new de-delegation aims to establish an Inclusion Hub of primary schools in each district to reduce exclusions and improve attendance for pupils at risk of exclusion, including providing high quality training for staff in schools and sharing share good practice and expertise.

Consultation Responses

As always, the Forum is very grateful for the consultation responses and comments from colleagues in schools and academies that help to shape and steer the Forum's decisions and recommendations. For example, over 150 responses were received during the consultation on de-delegation proposals for 2020/21.

Support for Schools in Financial Difficulty (SIFD)

The Schools Budget for 2020/21 contains a significant increase in the overall level of funding compared to 2019/20, with further increases announced by the Government for the subsequent two financial years.

A significant number of schools have faced a challenging financial environment in recent years. This additional funding will help ease some of the financial pressures on many schools from April 2020 going forward, however, there are many schools that will only receive inflationary level per pupil increases and may still face considerable financial pressures.

By way of context, the outturn position for maintained schools at March 2019 revealed that school balances had decreased by £1.4m, to a total of £42.7m. The level of aggregate balances held by schools is now at the lowest level since 2009/10. 46% of schools used reserves in year to set their budget and 39 schools ended the financial year in a deficit budget position.

The Forum continues to work with the LA to support schools that are in, or may be heading towards financial difficulty. This includes monitoring the financial outlook of schools on the Schools in Financial Difficulty category warning system for maintained schools, issuing early warning letters to offer a 'heads-up' that financial pressures may be mounting and using the agreed SIFD procedures to provide additional support to some schools. In March 2020, the Forum agreed a one-off SIFD allocation to a Lancashire school, to assist with its financial recovery plan from April 2020.

A School Resource Management Adviser (SMRA) was utilised to offer additional support for a small number of Lancashire schools.

COVID-19

Using the Urgent Business Procedure in March 2020, the Forum agreed some early Schools Budget related actions in response to the COVID-19 outbreak, including:

Early Education Funding (EEF) – Summer Term 2020 Payment Proposals

Government announcements in response to COVID-19 include confirmation that Early Education Funding will continue in the event that settings close. However, there is a significant risk to the sustainability of the PVI childcare sector if the LA is unable to pay providers in a timely way. In response, a revised payment process for the summer term EEF payments, and subsequent terms if necessary, to mitigate this issue was supported by the Forum.

Clawback of balances at 31 March 2020

The Forum have previously agreed the clawback policy that would apply at 31 March 2020. However the current COVID-19 situation may impact on the year end procedures for some schools and the county council, including schools unable to complete normal year end closure processes by the published deadlines, backlogs in the county council around processing payments, possible government instructions around council priorities etc. Capital projects at some schools, which were due to be completed by year end, have also be delayed pushing payments back into the new financial year.

As individual school year end accounts may be affected by this, the Forum agreed to suspend the application of clawback at 31 March 2020.

Supply Cover Insurance and Maternity Scheme for Lancashire Schools

A number of COVID-19 related questions relating to the Lancashire supply scheme rules had been received. The Forum agreed a number of rule applications related to specific circumstances around COVID-19 absences.

Full details of all Schools Forum business are available from the [Schools Forum website](#).

For any queries please email schoolsforum@lancashire.gov.uk