

Sefton Schools Forum Report

Date of Meeting:	13 January 2020
Title of Report:	DSG Funding Allocations to Schools; Central Schools Services; High Needs and Early Years Blocks for 2020/21
Presenting Officer:	Tricia Davies/Kevin McBlain
Reason for Submission to Forum:	(1) ITEMS FOR APPROVAL & (4) ITEMS FOR INFORMATION
Executive Summary:	<p>To provide members with information on the 2020/21 proposed funding allocations to Early Years; High Needs; Individual Schools Budgets and the Central Schools Services Block (including delegation and de-delegation) on which Schools Forum are asked to formally approve as required.</p> <p>To note the intention of the Local Authority to submit the final Authority Proforma Tool (APT) Return on Schools funding to the DfE by the deadline of 21st January 2020 to enable School Budgets to be set for 2020/21. This will be based on the agreed approach to the Schools formula after consultation with schools.</p>
Budget/Risk Implications:	None
Recommendations:	<p>The Schools Forum is asked to note and/or agree the following recommendations:</p> <p><u>FOR NOTING BY SCHOOLS FORUM</u></p> <ul style="list-style-type: none"> • Note the overall DSG funding for 2020/21 and the allocation assigned to each of the 4 funding blocks including any adjustments to be made. • Note the Local Authority recommendations in support of the Individual Schools Budgets (ISBs) for 2020/21 (before any de-delegation from Maintained Schools), and in line with the general direction given by SAPH and SASH during November/December 2019, on the approach to apply to the schools formula; and note the provision of the APT Return in respect of the Schools Formula after reducing the Block funding for: the contribution by the Schools Block towards High Needs budget pressures in 2020/21 (as agreed previously by Schools Forum); and for the Infant Class size/Pupil Growth contingency adjustments (subject to approval by schools, below) • Note the provision of funding for High Needs in 2020/21, and the continuing review of High Needs by the LA, in conjunction with schools, throughout the early part of 2020, to try to make efficiencies and reduce/contain expenditure in 2020/21.

- Note the provision of funding for Early Years and the intention of the LA to increase the base hourly rates payable to all EY Providers for 2; 3 and 4-Year-old childcare by £0.10p p hour from 1 April 2020.
- Note the contribution from the Early Years funding Block towards High Needs budget pressures in 2020/21, as determined by the LA.

ITEMS REQUIRING A VOTE OF FORUM REPRESENTATIVES AS NECESSARY

- **To agree by a vote**, to the proposed contingency allocation of **£0.600m** in support of significant pre-16 pupil growth in 2020/21 and in compliance with KS1 infant class size legislation and as described in **Paras 3.7 to 3.10 below (ALL Primary and Secondary School Phases to vote)**
- **To agree by a vote** to support the Central Schools Services Block (CSSB) funding allocation as proposed (totalling £1.150m 20/21) with associated services. **See Paras 6.1 to 6.5 below (ALL Primary and Secondary School Phases to vote)**
- **To agree by a vote** to the rates to be applied against Maintained Schools funding for 2020/21, in recovery of statutory costs incurred by the Local Authority on their behalf. This item was originally agreed as a de-delegated item in 2018/19 and 2019/20; and will need to be agreed for 2020/21 by Forum today. Costs are treated as de-delegated through the APT and raised through a charge per pupil for Primary and Secondary schools of £19.14; £47.62 per Place for Special schools; £47.62 for AP Places; and £28.55 per FTE place at Nursery schools. **See Paras 7.1 to 7.3 below (Maintained Schools only to vote by phase as required, but including Primary; Secondary; Special/AP and Maintained Nursery Phases)**
- **To agree, by a vote** of the Maintained Schools Sector only, the basis for and, de-delegation of further specific central services as shown in **para 7.6 Items A to E below**, to be pooled centrally by the local authority to provide a service to all 'maintained' schools. **(Maintained Primary and Secondary Schools Only to vote by phase, as necessary)**

FINAL OUTCOME FOR NOTING

- Schools Forum note the intention of the Local Authority to submit the final APT for the 2020/21 schools' formula funding to the DfE, by the deadline of 21st January 2020.

Appendices
(to be attached)

Appendix 1-Detailed analysis of Schools Block Funding between 2019/20 and 2020/21

	<p>Appendix 2 –Draft APT 2020/21 Pro Forma DfE submission (APT) to be submitted to the DfE by 21st January 2020</p> <p>Appendix 3 - Individual Funding Allocations for Primary and Secondary Schools in 2020/21</p> <p>Appendix 4 – Changes in the funding allocations 2019/20 to 2020/21 within the Schools Formula for information.</p> <p>Appendix 5-Early Years funding changes between 2019/20 and 2020/21</p> <p>Appendix 6-High Needs funding changes between 2019/20 and 2020/21</p>
<p>Background Papers (available on request)</p>	<p>2020/21 DSG Funding Announcement – 19 December 2019</p> <p>Copyright Licences – DSG Announcement 19 December 2019</p>
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SCHOOLS' FORUM POWERS & RESPONSIBILITIES

1	ITEMS FOR APPROVAL (DfE can adjudicate if Forum does not agree LA proposal)
2	ITEMS FOR CONSULTATION (Consultation with Forum but LA decides)
3	ITEMS FOR CONSULTATION (Consultation with Forum but DfE decides)
4	ITEMS FOR INFORMATION (No formal consultation of the Forum is sought)

1. **Background**

- 1.1 The 2020/21 Dedicated Schools Grant settlement was announced on 19 December 2019 and is based on four main funding blocks; Schools; Central School Services; High Needs and Early Years. This is in line with Department for Education (DfE) announcements regarding 2020/21 funding guidance issued in September 2019. An early draft of the schools APT funding Pro-forma was sent to Local Authorities in October, to enable them to draft potential formula allocations for discussion with Headteachers and Schools Forum for 2020/21. Schools Forum received a paper in September and November discussing any major changes arising from the revised DfE guidance for 2020/21. These mostly revolved around changes to the national funding formula elements including an uplift to the MFG; changes to the minimum per pupil funding; and significant growth in funding levels.
- 1.2 National Funding announcements were made by the Government in the Summer regards Schools and High Needs, with a 3-year funding growth allocation promised, totalling £7.1bn between 2020/21 and 2022/23, against the 2019/20 baselines. The funding settlement includes: £2.6bn in 2020/21 (incl £780m for High Needs); £2.2bn in 2021/22 and £2.3bn in 2022/23. No specific growth value was identified for High Needs beyond 2020/21.
- 1.3 The rollout of the 'hard' Schools' National Funding Formula, to the point where the DfE effectively controls all funding to schools, has now been put back to 2021/22, and Local Authorities have been allowed to continue to apply a 'Local' formula funding model in 2020/21, or move partly, or completely, to the National Formula Funding (NFF) model.
- 1.4 Other headline changes for 2020/21 include an increase to the Minimum Per Pupil Funding levels for Primary pupils, from £3,500 to £3,750; and for Secondary pupils, from £4,800 to £5,000. The Primary level will increase further in 2021/22, to £4,000. These changes are mandatory requirements on Local Authorities to apply within their Schools formula.
- 1.5 The DfE have also stated that the Minimum Funding Guarantee for 2020/21 must be set locally between +0.5% and +1.84% (Sefton used minus -1.5% in 2019/20). This guarantees that schools would gain at least an increase of +0.5% funding against their 2019/20 baseline funding, or up to a maximum of +1.84% to reflect the increased level of funding available for 2020/21. The NFF model assumes the floor is set at the maximum +1.84% MFG.
- 1.6 The 2018 and 2019 Teachers Pay and Pensions increase grants will continue to be supported by separate allocations in 2020/21, before possibly being subsumed into the formula funding from 2021/22.
- 1.7 Sefton Headteachers were consulted by Finance officers in November/December, on 3 possible financial models, to help the LA determine the general approach to be taken for setting the 2020/21 Schools funding allocation. There was broad agreement from Headteachers that they wished to move towards the new National Formula Funding and so a 'hybrid' funding model has been adopted for 2020/21. This approach should help ease the transition to the 'hard' National Formula from 2021/22, when this will be implemented.

- 1.8 DfE guidance in September 2019, stated that Local Authorities could again consult with schools and ask their Schools Forum to support a funding Block transfer of up to 0.5% of their total Schools block allocation to other Blocks. A request was subsequently made by the LA to Schools Forum in November, to agree another 0.5% contribution from Schools Block towards High Needs in 2020/21, and Schools Forum voted by a simple majority, to agree the contribution of a full 0.5% of Schools Block funding to High Needs next year. The full value of this is £0.823m in 2020/21.
- 1.9 In addition to the transfer of funding from the Schools Block to High Needs in 2020/21, a transfer of £0.200m will be made from Early Years funding, taken from ongoing contingency / transitional formula funding. This is considered affordable and will not impact on the funding paid to Early Year Providers.
- 1.10 The additional funding to Schools in 2020/21 (including pupil growth funding) is just over £5.7m, representing a +3.6% increase in funding from 2019/20, with every school gaining some extra funding next year, subject to changes in pupil numbers. The increase in funding to High Needs is £3.8m in 2020/21. This is significantly more than previous years and will help towards meeting the ongoing budget pressures across High Needs in 2020/21, subject to a review of local funding allocations and changes necessary to control spending.
- 1.11 As part of the Schools Block allocations from 2019/20, Forum members will be aware the DfE adopted a new method of allocating Pupil Growth funding based on actual movement of pupil numbers between the last two years of census data. Funding of £1,425 per Primary pupil Growth and £2,130 per Secondary pupil growth has then been applied to the new data to give a fresh allocation. This change has seen Sefton's funding increase from £0.577m in 2019/20, to £0.946m in 2020/21.
- 1.12 The DfE are not prescriptive as to whether all this funding should be managed centrally towards pupil growth, or whether a smaller figure is set aside. This is a decision taken by each Local Authority with their Schools and Schools Forum. The Local Authority is already supporting a number of schools who have increased their PAN to support population growth within the borough. The implementation of the Sefton Local Plan is now underway and as a result there is a need to increase school places in specific areas to support increasing pupil population numbers. The LA would therefore recommend, that in 2020/21, £0.600m be set aside for Pupil Growth, with the remaining balance of this funding (£0.346m) being delegated to schools through the Schools Formula, to support ongoing pressures within the education system (See paras 3.7 to 3.10 below).
- 1.13 Using the DfE's final allocations for 2020/21 based on October 2019 census pupil numbers, a revised schools funding model has been produced, adopting the hybrid NFF funding model to the formula and figures, as agreed by both Phases. This has now been included in the Authority's final Authority Proforma Tool (APT) Return, which, if ratified by Schools Forum today, will be submitted as final, to the DfE by their deadline of 21st January 2020.
- 1.14 The final formula model therefore includes the following decisions and formula element adjustments:

- The agreed deduction from the DfE's Schools Block funding allocation of £0.823m (split £0.440m Primary and £0.383m Secondary) towards High Needs in 2020/21 before applying the individual formula funding to schools.
- The application of Business Rates with an inflationary uplift for 2020/21 of +1.63% on 2019/20 figures.
- The setting aside of £0.600m Pupil Growth including Infant Class size growth funding before school allocations are made (to be agreed).
- The application of elements of the formula, which move Sefton schools closer to the National Formula funding from 2020/21 including a reduced Lump Sum payment of £0.114.5m to all schools (£0.117.5m 2019/20).
- An uplift to 13 Primary and 4 Secondary Schools funding in the formula, to ensure minimum per pupil funding levels are achieved for each school (£1.278m)
- Application of a positive +1.84% MFG with a gains cap of 4.41%.

1.15 These changes to the local formula were considered the best, to provide as much funding as possible to as many schools as possible, given the continuing budget pressures felt by all. Under the model chosen, MFG will cost £0.643m but £0.472m of this is offset by the gains cap being set at 4.41%, costing a net £0.171m in 2020/21.

2. Total DfE Funding Allocations for 2020/21 after agreed Local Authority Inter-Block Adjustments

2.1 As stated above, the final funding allocations for 2020/21 were released to local authorities on 19th December 2019, along with the APT Return containing the October 2019 census data. The total Block allocations are shown below.

2020/21 DSG Funding Allocations for Sefton are as follows:

Notional DSG Allocations 2020/21	DSG Funding 2020/21 (£m)	Comments
Schools Block (SB)	£163.904m	Includes delegated, de-delegated funding, plus the allocation for pupil growth of £0.946m & Business Rates, but after an inter-block adjustment with High Needs (£823k)
Early Years Block (EY)	£17.015m	Incl 2 YO Funding; 3-4 YO Funding; EYPPG; DAF; and MNS protection, but after an Inter-block adjustment with High Needs (£200k)
High Needs Block (HN)	£32.343m	Allocation after making all EFA recoupment deductions for direct payments to Non-Maintained Institutions by the DfE; Includes growth funding of £4.041m and is after an inter Block adjustment for contributions by Schools and Early Years towards anticipated High Needs budget pressures in 2020/21 (£1.023m)
Central Schools Services Block (CSSB)	£1.150m	Includes central services set aside by Schools Forum annually – (See further analysis below)
Total allocated DSG funding 2020/21 (Per DfE Dec 2019)	£214.412m	19th Dec 2019 – DfE Allocation Schedule

3. Schools Block Allocation

- 3.1 Sefton's Schools Block will see a net increase of £5.748m compared to 2019/20. This additional amount includes: Minimum headroom growth of +1.84% funding per pupil through the new Formula Funding (£4.838m); Additional funding of (£0.541m) after taking account of changes in pupil numbers between October 2018 and October 2019 (i.e an extra +113.5 year on year : +35.5 Primary pupils and +78.0 Secondary pupils); together with the uplifted calculation of funding for Pupil class size Growth based on changes to actual pupil numbers year on year (£0.369m).
- 3.2 This additional funding ensures that the minimum funding levels per pupil of £3,750 per Primary pupil, and £5,000 per Secondary Pupil are made in 2020/21 (Increased from £3,500 and £4,800 respectively in 2019/20). The DfE have also set the minimum funding guarantee (MFG) at a positive +1.84% in the national distribution of funding to Local Authorities, to ensure all schools will receive extra funding in 2020/21, and Sefton too, has adopted the maximum MFG value of +1.84% in its proposed formula. The Schools Block figure is also inclusive of Pupil growth funding of (£0.946m). Use of this funding will still need to be agreed by Forum as a Centrally managed set aside contingency, which will be decided at today's meeting (See paragraphs 3.7 to 3.10 below re Pupil Growth funding).
- 3.3 Notwithstanding, this Schools' allocation will also be adjusted for the contribution agreed by Schools Forum on 4 November 2019, to transfer £0.823m of Schools Block funding to High Needs in 2020/21 to help with budget pressure in that Block.
- 3.4 For a more detailed analysis of the movement of Schools Block funding between 2019/20 and 2020/21 **please see Appendix 1** to the report.
- 3.5 The consultation with schools has already included reports to Schools Forum taken in September 2019 and November 2019; and there has been a meeting between Headteachers from SAPH and SASH with Officers of the Council in November/December, to enable discussion around financial modeling of the funding scenarios. The popular model of choice, a hybrid NFF model, is now presented to Forum today for final approval, and is included in the draft APT Return to the DfE attached to this report (**See Appendix 2**). See also **Appendix 3**, which shows the effect of the proposals on individual schools. **Appendix 4** includes an analysis of the changes to the Formula elements used between the 2019/20 Local funding model and the proposed 2020/21 hybrid NFF model now adopted.
- 3.6 If the Schools Forum agree the details included in the draft APT, the baseline funding for Schools in 2020/21 will be as follows, pending agreement regarding maintained school de-delegation covered later in this report.

Actual Split of Funding in the APT above, before Maintained Schools De-delegation	
Primary Maintained schools' allocation (68 Schools)	£77.746m
Secondary Maintained schools' allocation (6 Schools)	£26.495m

All Academy Schools Recouped by the DfE for direct funding from the ESFA (19 Academy/Free Schools)	£59.063m
Small over-allocated balance on formula	£0.001m
APT Schools funding allocations 2020/21	£163.305m

Pupil Growth / Infant class size Growth Contingency funding proposal 2020/21 for the Agreement of all Primary and Secondary Schools by Phase

- 3.7 In 2013/14, Schools Forum agreed to create a central contingency for exceptional pupil number growth. The funding is used to support schools which have additional teaching costs as a result of significant growth in pupil numbers from September to March and who will receive no additional support for these pupils until April in the next financial year. This mostly affects Primary schools with large intakes and this funding was top-sliced from the Primary Sector. The criteria for use of the pupil growth funding was increased by Schools Forum in September 2019, for exceptional pupil increases and changes to PAN agreed with schools, for increase in pupil numbers of 10 and above for Primary schools; and 20 and above for pupils in Secondary schools between the previous year and current year census data. Growth funding would be based on use of the KS NFF AWPU rates and at 7/12ths funding from September to March. This award would be subject to the overall demands placed on the fund in the year.
- 3.8 A contingency of £0.350m was agreed to set aside in 2019/20. This was part of a larger calculation and Pupil Growth allocation (£0.577m). In 2020/21, based on further growth in pupil numbers at October 2019, the total allocation has increased to £0.946m for 2020/21, and Schools, and Schools Forum will need to decide, alongside the LA, what level the Pupil Growth contingency should be set at for next year.
- 3.9 The DfE guidance suggests that LA s may propose, in conjunction with their Schools Forum, how much of this funding should be set aside for pupil growth next year. This can be based on anticipated growth in infant and older pupil numbers and trends, and after consideration of the effects of Local Plans, for example, in areas of new housebuilding. The local authority is therefore recommending that the contingency is increased to **£0.600m** (which should help on average 20 schools) and the residual funding (£0.346m) would be added into the general ISB funding allocations for schools and distributed through the Schools formula. This recommendation is considered prudent, based on the level of demand against the fund in 2019/20 in some areas, where pupil growth in Infant places exceeds the number of places, causing the need for additional classes (- 6 Primary Schools) and where there has been exceptional increase in pupil numbers during the year (13 schools – 6 Primary and 7 Secondary schools). *Note, that this adjustment has already been assumed in the APT Return for agreement today*.
- 3.10 Note also, that any of this contingency not used by the end of a financial year, must be reallocated back to schools.

Regulation 9(7) requires local authorities to put any unspent money from the growth and infant class size funds back into the individual schools' budget, so that it is recycled to schools. As this is fully expected to be utilized in 2019/20 nothing has been included in the schools' formula for 2020/21 for unspent balances.

4. Early Years (EY) Block allocation

- 4.1 Early Years funding was announced in late October 2019 and will be £17.215m in 2020/21 before any Inter-Block adjustments are made. There is a small uplift in the 2020/21 national hourly base rate funding allocation for EY, which for Sefton, will see an increase in its hourly rate to £4.38 per hour (£4.30 p/hr 2019/20) for 3-4-Year-Old childcare; and for the 2-Year-old Offer, an increase to £5.30 per hour (£5.22 p/hr 2019/20), so an increase of £0.08 per hour for both age groups.
- 4.2 Maintained Nursery Schools will continue to receive a protection subsidy in 2020/21, to ensure their financial stability, and this is contained at broadly the same levels of funding as 2017/18 – 2019/20 (£0.538m). No long-term announcements have been made in respect of the future ongoing protection funding of Nursery schools beyond 2020/21, and Local Authorities may need to prepare contingency plans for their future funding to maintain their financial viability and stability, beyond next year.
- 4.3 After some consideration, it is proposed that the hourly Base Rates paid to Early Years providers by the Local Authority for 2-year-old is increased by £0.10 per hour to £5.00 per hour in 2020/21 (£4.90 p/hr 2019/20); and the 3-4 Year old 15 universal and additional eligible 15 hours of childcare increased also by £0.10 per hour to £4.10 per hour (£4 p/hr in 2019/20) plus any deprivation supplement paid, as now, at between £0.05 - £0.15 per hour. This is on the basis that the national funding levels have increased and there is a little flexibility to use some EY contingency funding. The transfer of £0.200m from Early Years to High Needs in support of budget pressures in 2020/21 is being made again in 2020/21, but will have no effect on the hourly base rates payable to providers above, as it will come out of a contingency set aside from the transitional formula allocation, retained to ensure Sefton's funding reaches a minimum floor level nationally of £4.38 per hour for 3-4 year olds.
- 4.4 All other separately funded supplements including Early Years Pupil Premium (EYPPG) and Disability Access Funding (DAF), will remain payable at current levels into 2020/21 i.e. payable to Providers up to £302 per annum per child for Pupil Premium and £615 per annum per child for Disability Access funding. However, overall funding for DAF has reduced slightly in 2020/21, due to a fall in funding applications during 2019/20.
- 4.5 A detailed breakdown of the 2020/21 Early Years funding compared to 2019/20 is provided at **Appendix 5** to this report for information.

5. High Needs (HN) Block allocation

- 5.1 Sefton's High Needs budgets have been under severe pressure over the last five years, and have been forecast to overspend by more than £4m in 2019/20, which will inevitably bring the DSG balances into a significant deficit by the end of this year, well

above the DfE's 1% DSG threshold (c.£2m), to require the Local Authority to provide a 3-year recovery plan to the DfE by the end of June 2020.

- 5.2 Based on the Government's announced growth funding for High Needs in 2020/21 (an extra £780m nationally), Sefton's allocation has increased by £3.824m compared to 2019/20.
- 5.3 For a further breakdown of the funding changes to High Needs between 2019/20 and 2020/21 please see **Appendix 6** to this report.
- 5.4 Forum members should note, that the Heads of Education and Communities, with members of the High Needs SEN Funding workshop (Forum Sub-Group), are examining proposals to change the application of High Needs funding in 2020/21. These will be developed through the Sub-Group and in partnership with schools and other stakeholders, with a view to making gradual changes to future funding processes from September 2020.

6. Central Schools Services Block (CSSB) allocation

- 6.1 The CSS Block allocation contains funding for ongoing centrally retained DSG items for Sefton services, such as the running of the Professional Development Centre (PDC) at Formby; Grounds Maintenance of playing fields for former closed schools; Free School Meals checking; School Licences; School admissions; and former Education Services Grant (ESG) funding of statutory duties of the Local Authority, performed for all schools in the Borough.
- 6.2 The CSS Block is funded by the DfE on a per pupil basis, and is being reduced over the next few years, as it expects Local Authorities to start to remove many of its historic cost related activities and either absorb them; scrap them or retain them as traded services with schools. The funding for Sefton has therefore seen a reduction to its CSSB in 2020/21 of £-0.121m. An analysis of the 2020/21 central budgets is set out in Para 6.3 below and will need to be formally agreed at today's Schools Forum.
- 6.3 The reduction in funding mentioned above, will mostly affect the 'Combined' historic budget areas, which include the PDC budgets. A report will be brought to Schools Forum in the near future in this regard, to consider options to reduce spending or generate revenue in line with the reduction to funding for these 'combined' activities in 2020/21. The Block for Sefton, includes the following locally delivered services, which proposed allocation, Schools Forum are asked to endorse today (**£1.150m 2020/21**):
 - Contribution to combined services – **£0.166m (£0.289m in 2019/20)** – which includes budgets for residual running costs of closed schools, any repair and maintenance and utility costs across Primary, Secondary and Special sectors, a contribution towards the Professional Development Centre, and support of residual grounds maintenance.
 - Co-ordinated admissions scheme - **£0.137m**
 - School Licences 2020/21 - **£0.193m** as announced by the DfE in December 2019 (**See Para 6.4 below**)
 - Servicing of the Schools Forum - **£0.062m**

- In addition, the Council have requested that the ESG retained funding, which has transferred to DSG from Council funding from April 2017 is kept centrally within DSG to contribute towards the costs of the Council's ongoing statutory duties for all schools **(See Para 6.5 below) - £0.592m**

6.4 In respect of School Licences (above), the Department for Education has agreed to purchase a single national licence for schools, managed centrally by the DfE, for all state-funded schools in England. A detail of the amount to be deducted from DSG for these school licences has also been provided, and for 2019/20, the cost will be **£193,501** excluding VAT, a minimal increase on 2019/2019. The list of licences covered is included below for information.

- Copyright Licensing Agency (CLA)
- Schools Printed Music Licence (SPML)
- Newspaper Licensing Authority (NLA)
- Education Recording Agency (ERA)
- Motion Picture Licensing Company (MPLC), and
- Filmbank Distributors Ltd. (for the PVSL)
- Christian Copyright Licensing International (CCLI)
- Mechanical Copyright Protection Society (MCPS)
- Performing Rights Society (PRS)
- Phonographic Performance Ltd (PPL)

6.5 Since 2017/18, the DfE have included, within the baseline of the Central Support Services Block (CSSB), some funding to assist Local Authorities in recovery of their support costs in respect of specific statutory responsibilities applicable to all schools, whether Maintained or Academies. This funding was taken from the former Education Services Grant funding once given to LAs to manage their statutory functions and added into the CSSB, following the cessation of the Education Services Grant (ESG) to LAs in 2017/18 (previously c.£3m to Sefton). The identifiable statutory duties include; LA Strategic Management and Planning; School Welfare services; School place planning; Data management; and management of overall schools funding, including work on the schools' formula and the APT returns and negotiations etc. The cost of providing these services is identified at £0.592m out of the CSSB above, and not to support this allocation could have serious consequences over the ability of the LA to perform some key statutory work. Members should note that the inclusion of this funding in the CSSB has no direct impact on schools funding.

7. LA Statutory functions and other Services for de-delegation in respect of Maintained Schools

Recovery of Costs relating to LA Statutory Functions affecting Maintained Schools only

7.1 The DfE recognises that LAs have specific statutory responsibilities towards their Maintained schools, and Regulations were amended from 2017/18 to allow LAs to retain some of their Maintained schools' block funding to cover the statutory duties that they carry out on behalf of these schools, and which were previously also funded through the former ESG.

- 7.2 From 2018/19, after a consultation with schools, it was agreed that the ongoing statutory functions still provided for Maintained schools by the Local Authority could be charged to the schools receiving them, and rates for recharge were agreed in recovery of the costs of provision (£0.520m) as part of a de-delegation calculation.
- 7.3 The services provided, are not captured by the duties included for all schools above, or through Traded services with schools. The Statutory functions are identified across a range of areas, including (but not exhaustive):
- Health and Safety support;
 - National Curriculum assessments;
 - Teacher's pension data returns and handling;
 - Asset valuations and Capital Budget and spending;
 - Senior leadership advice and support to Council Members around Maintained schools; and
 - Work across a number of Statutory statements, including maintenance of Internal financial controls and the Scheme for Financing schools.
- 7.4 Schools Forum Maintained Schools representatives are asked to agree a deduction from their funding, recovered on the basis of a charge per pupil. This includes charges to all Maintained Special schools, including Alternative Provision; Maintained Nursery Schools and the Primary and Secondary schools within the strategic control of the LA. The Local Authority have re-calculated the full cost recovery rates for charging all Maintained schools in 2020/21 to maintain a similar value of funding as from 2018/19. There is a small increase to the previous year's charges. A charge per pupil of £19.14 (£18.77 in 2019/21) for Primary and Secondary Pupils and a charge of £47.62 (£46.70 in 2019/20) per Special School Place; £47.62 (£46.70 in 2019/21) per AP Place and £28.55 (£28 in 2019/20) per FTE Nursery school place is required to cover the costs of these services. These rates will need to be agreed by the Maintained schools, by phase, at this budget meeting for 2020/21.

Services permitted for De-delegation from Maintained Schools only, which require a vote of approval from the Maintained Primary and Secondary School phases as necessary for the coming year

- 7.5 The Services that Maintained schools agreed to de-delegate in line with DfE guidance with effect from 2013/14, and on an ongoing basis were:
- Staff Costs – Union Facility Time & Jury Service (Primary and Secondary Phases)
 - The Admission of FSM eligibility (Primary and Secondary Phases)
 - Support for minority ethnic pupils or underachieving groups (Primary and Secondary Phases)
 - Library and Museum Services (Primary only)
 - Schools facing financial difficulties (Primary and Secondary phases)
- 7.6 The current budget allocation for each central service has been reviewed and recommendation of Officers to the School Forum is for the de-delegation of each service area (A to E below) based on the funding levels for each sector as follows:

(A) Staff Costs – Union Facility Time & other Public Duties (Jury Service etc) - £0.079m

(See also the separate report on this agenda for Trade Union Facility Time 2020/21 estimates).

The basis for allocating the 2020/21 funding per pupil is as follows:

Primary 'Maintained' School Sector – (£0.057m) - £3.05 per pupil (£2.89 in 19/20)
Secondary 'Maintained' School Sector – (£0.022m) - £4.30 per pupil (£4.13 in 19/20)

(NOTE that Academy Schools may buy into this service at the rates per pupil applicable to the Maintained schools above)

This budget supports the representation and co-ordination role for individual officials of the recognized teaching unions. It also covers Convener costs and cover release for attendance at local authority consultative groups. These groups play a critical role in both the development of policies for the local authority to commend to schools and in representing schools' views to the local authority.

As all schools are covered by the policies developed with the unions it is proposed the formula allocation for this service (which would be delegated on pupil numbers) should be de delegated and run centrally on behalf of all schools. Schools can claim back monies to support supply cover for staff that are released to cover official union duties.

(B) The Admission of Free School Meal Eligibility – £0.030m

This funding was previously allocated to the maintained primary sector only. However, the Admissions Team now conducts complete checks against annual census data and so captures maintained secondary pupil numbers also. It is therefore proposed that a rate of £6.70 per pupil be charged against numbers of pupils eligible for FSM for 2020/21 to include primary and secondary phases (no change from 2019/20).

The Admissions Team processes the applications for Free School Meals (FSM). Claimants who receive some tax credits, certain benefits or who are asylum seekers will complete an application and their entitlement is assessed using the DWP Free School Meals Eligibility Checking system before approving FSM eligibility. Entitlement is reassessed at regular intervals.

(C) Support for minority ethnic pupils or underachieving groups - £0.091m

Primary School Sector £0.069m - 60% prior attainment 40% EAL eligibility
Secondary School Sector £0.022m - 60% prior attainment 40% EAL eligibility

This budget supports schools in improving the outcomes for underachieving ethnic minority groups and pupils with English as an Additional Language (EAL)

The support varies depending on school needs and could include support for EAL and achievement, unaccompanied asylum-seeking children, working with agencies including police and social care and individual support for children, staff and parents.

Additional advantages:

- One central team, phone number and website
- All staff funded are operational
- Service has long-standing links to support agencies, Ed Welfare, Health, CAMHS, admissions, local charities / faith groups
- Ability to access external funding on behalf of local authority schools

(D) Library and museum services (Primary Schools only) - £0.004m

This is small contribution that goes to support the Sefton Libraries Service and would be allocated out on a per capita basis (23p).

All the above services **will be delegated to schools in the first instance** but if maintained schools in a phase collectively agree, **through the Schools Forum**, they can be provided centrally by **returning the funding** to the local authority. The final delegated budget would then exclude these amounts.

***Regulation 9(8)** allows local authorities to carry over to 2019-20 unspent de-delegated central expenditure to be used for the same purpose as it was used in 2018-19. In other words, it can be used for de-delegated services without having to allocate through the formula again. This responds to representations that money that maintained schools de-delegate should continue to be available for the use of maintained schools*

(E) Schools Facing Financial Difficulties Contingency - £0.175m

This is to re-designate funding originally held in centrally retained non-delegated budgets on recommendation from the DfE to help support schools in hardship facing large redundancy costs or financial difficulties. This would be recovered on the basis of a lump sum allocation: -£2,200 (£2,100 in 2019/20) per Maintained Primary School and £4,300 (£4,200 in 2019/20) per Maintained Secondary School. This funding would not be available to Academy schools.

8. Recommendations

8.1 The Schools Forum is asked to note/ and or agree the following recommendations:

8.2 **ITEMS FOR NOTING BY SCHOOLS FORUM**

- Note the overall DSG funding for 2020/21 and the allocation assigned to each of the 4 funding blocks including any adjustments to be made.
- Note the Local Authority recommendations in support of the Individual Schools Budgets (**ISBs**) for 2020/21 (before any de-delegation from Maintained Schools), and in line with the general direction given by SAPH and SASH during November/December 2019, on the approach to apply to the schools formula; note the provision of the APT Return in respect of the Schools Formula after reducing the Block funding for: the contribution by the Schools Block towards High Needs

budget pressures in 2020/21 (as agreed previously by Schools Forum); and for the Infant Class size/Pupil Growth contingency adjustments (subject to approval by schools, below).

- Note the provision of funding for High Needs in 2020/21, and the continuing review of High Needs by the LA, in conjunction with schools, throughout the early part of 2020, to try to make efficiencies and reduce/contain expenditure in 2020/21.
- Note the provision of funding for Early Years and the intention of the LA to increase the base hourly rates payable to all EY Providers for 2; 3 and 4-Year-old childcare by £0.10 per hour from 1 April 2020.
- Note the contribution from the Early Years funding Block towards High Needs budget pressures in 2020/21, as determined by the LA.

8.3 **ITEMS REQUIRING A VOTE OF FORUM REPRESENTATIVES AS NECESSARY**

- **To agree by a vote**, to the proposed contingency allocation of **£0.600m** in support of significant pre-16 pupil growth in 2020/21 and in compliance with KS1 infant class size legislation and as described in **Paras 3.7 to 3.10 above (ALL Primary and Secondary School Phases to vote)**
- **To agree by a vote** to support the Central Schools Services Block (CSSB) funding allocation as proposed (totalling £1.150m 20/21) with associated services. **See Paras 6.1 to 6.5 (ALL Primary and Secondary School Phases to vote)**
- **To agree by a vote** to the rates to be applied against Maintained Schools funding for 2020/21, in recovery of statutory costs incurred by the Local Authority on their behalf. This item was originally agreed as a de-delegated item in 2018/19 and 2019/20; and will need to be agreed for 2020/21 by Forum today. Costs are treated as de-delegated through the APT and raised through a charge per pupil for Primary and Secondary schools of £19.14; £47.62 per Place for Special schools; £47.62 for AP Places; and £28.55 per FTE place at Nursery schools. **See Paras 7.1 to 7.3 above (Maintained Schools only to vote by phase as required, but including Primary; Secondary; Special/AP and Maintained Nursery Phases)**
- **To agree, by a vote** of the Maintained Schools Sector only, the basis for and, de-delegation of further specific central services as shown in **para 7.6 Items A to E above**, to be pooled centrally by the local authority to provide a service to all 'maintained' schools. **(Maintained Primary and Secondary Schools Only to vote by phase, as necessary)**

8.4 **FINAL OUTCOME FOR NOTING**

- Schools Forum note the intention of the Local Authority to submit the final APT for the 2020/21 schools' formula funding to the DfE, by the deadline of 21st January 2020.