

**Somerset Schools Forum**  
**Wednesday 15 January 2020**  
**1.30 pm Victoria Park Community Centre,**  
**Bridgwater**



To: The Members of the Somerset Schools Forum

Issued By Scott Wooldridge, Strategic Manager - Governance and Risk and Monitoring Officer-  
Date Not Specified

For further information about the meeting, please contact or

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**RNID typetalk**

## **AGENDA**

- Item Somerset Schools Forum - 1.30 pm Wednesday 15 January 2020
- 1 **Welcome, Introductions and Apologies.**
  - 2 **Notes of Previous Meeting held on 27 November 2019 (attached) (Pages 3 - 12)**
  - 3 **Membership Update**
  - 4 **Director of Children's Services Update (verbal update)**
  - 5 **Head of SSE Update (verbal update)**
  - 6 **Individual Schools Budget 2020/21 (attached) (Pages 13 - 20)**
  - 7 **Technical Working Group Update (attached) (Pages 21 - 26)**
  - 8 **Early Years Budget - Sub Group Update (Verbal Update)**
  - 9 **High Needs - Sub Group Update (Verbal Update)**
  - 10 **Budget Monitoring 2019/20 Month 8 (excluding delegated schools) (attached) (Pages 27 - 30)**

## SOMERSET SCHOOLS FORUM

Minutes of a Meeting of the Schools Forum held at The Victoria Park Community Centre, on Wednesday 27 November 2019 at 1.30pm

### PRESENT

#### **Primary headteachers &**

#### **Governors:**

Susan Brewer  
Morwenna Dunstan  
Matthew Gardner  
James Lamb  
Helen Hazell  
Alison Crudginton  
Chris Axten-Higgs

#### **PRUs:**

Jo Simons

#### **Academies:**

Peter Elliott – chair

#### **Special Academies:**

#### **Non-school members:**

Rachel Parish – Early Years Provider Representative  
Kim Newstead – Unison Schools Convenor

#### **Observers:**

Oliver Bagana – NASWT  
Helen Taylor (on behalf of Richard Culham)  
Robin Head Somerset National Educational Union

#### **Officers:**

Faye Purbrick - Cabinet Member for Education & Council Transformation  
Julian Wooster – Director of Children’s Services  
Annette Perrington, Assistant Director Inclusion  
Elizabeth Watkin, Strategic Manager, Chief Accountant  
Sian Kenny, Strategic Manager, Finance and Business Partnering  
Ian Rowswell, Head of Support Services for Education  
Phil Burner, Saphto Exec and Liason Officer  
Mike Bryant, Democratic Services Team Leader  
Andrew Randell, Senior Democratic Services Officer  
Frances Nicholson – County Councillor (Observer)  
Dave Farrow – Head of Educational Outcomes  
Lucinda Searle – SAPHTO Executive Officer

**Apologies for absence:** Mark Ruffett, Naoimi Philip, Richard Cullum and Barbara O’keefe.

1 **Welcome, Introduction and Apologies** – agenda item 1

The Chair welcomed everyone to the meeting.

2 **Minutes** – agenda item 2

The minutes of the meetings held on 9 October were signed off as a correct record.

3. **Director of Children’s Services Update**- agenda item 3

The Director of Childrens Services, Julian Wooster, presented an update.

Headline results in 2019 indicated a decline in Somerset's Children's Services performance. The indicators were set out as performance across the Education Framework, New ofsted league table and multiple deprivation indicator. Somerset was also ranked amongst the lowest in the national table of the inclusion index.

Proposals in arranging a conference to consider the issues, working together to form a strategy and approach to address the situation was considered. By mid December a new central government would be formed and new department for Education to work with and address these issues. It was recognised there was a correlation between the best performing areas receiving the highest funding.

Somerset County Council were due a SEND inspection, with it recognised that attainment results and inclusion scoring needed to improve. An update relating to the performance and progress of attainment results would be captured and reported at future meetings.

**Action: SEND Arrangements would be Scrutinised and opportunities provided to visit schools and evidence best and understand the issues, a Somerset Inclusion Index would be developed alongside this.**

#### 4 **SSE Update** – agenda item 4

Ian Rowswell presented a number of slides updating the Background, Reserves and Financial Position to date. The update set out the use of reserves and Governance around SSE.

Following on from the presentation around the principles for SSE reserves the Somerset Client Group had considered the proposal that they operate as a sub group of Schools Forum acting as an Advisory Board on SSE and traded services to schools. This would also include consideration of options around use of any surplus SSE reserves. The Client Group were supportive of this proposal. A further meeting had been arranged with Lizzie Watkin around the level and arrangements for SSE reserves; with a plan to produce a report outlining further detail of proposals for Jan meeting.

National changes to the arrangements for NCS is seeing a number of providers step away from that provision. The changes were being assessed along with impact on the SSE Outdoors service.

SSE annual conference in March at Dillington House was now live on the website – focusing on activities and services that supported a broader curriculum and both

academic and character education. Schools were now able to book a place and preferred workshop.

The SSE Governance team had been shortlisted in the ICSA national Governance awards for Service Provider of the year – up against orgs such as PWC. The awards were being confirmed at a ceremony tonight.

**Action: The forum noted the update.**

## 5 **Funding Update** – agenda item 5

The Forum considered the Funding Update report and key points were summarised by Sian Kenny, Strategic Finance Manager. The DfE had published the 2020-2021 National Funding Formula Tables for Schools and High Needs on the 11th October 2019.

The following announcements have been made on education funding for next year:

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- Increases for the schools and high needs blocks across three years.
- Additional funding for increases to teachers' pay.
- Extra funding for 16 to 19-year-olds next year.
- Extra funding for early years next year, now confirmed as 2 year old
- funding will increase by 8p to £5.28ph and 3 & 4 year old funding
- increase by 8p to £4.38ph.
- Local authority and school-level illustrative allocations.
- Pay and pension allocations for Sept 2019 to March 2020.

It was highlighted that the Funding Update was considered at the Technical Working Group held on 19<sup>th</sup> October.

Some members of the Schools forum expressed concerns about not having received the consultation relating to the de-delegation and education management deductions. Thirty-two schools had participated between 12<sup>th</sup> and 26<sup>th</sup> November, which represented 12% of schools. Initial feedback was set out from the consultation.

Costs associated for academies providing Religious Education (SACRE) were considered, these were not recovered or taken into account for academies, maintained schools were charged for this provision.

Following debate the Forum voted on the proposed recommendations. Whilst recommendation A was noted, in respect of recommendation B there was no majority in favour as voting was tied. Consequently recommendation B was not approved by the Forum.

**Action:**

- a) The Schools Forum noted the DfE Guidance on the National Funding Formula for Schools and High Needs.
- b) The schools forum did not approve the Education Management Funding for 2020/21.

**6 DSG Recovery Plan – agenda item 6**

An update was provided and options presented to demonstrate potential impact of provisional allocations against the deficit recovery plan over an extended five year timeline.

Debate

- It was recognised that there remained variables in the landscape that need more detailed consideration in order to fully review the deficit recovery plan.
- It had been determined that the deficits were experienced due to a combination of a lack of funding and an increase of demand from the high needs block.
- In relation to the consultation published on the 18<sup>th</sup> November, concerns were expressed over questions needing to be more specific and only a 7% response rate for primary schools. The overall response rate had increased from previous years.
- It was recognised that high needs arrangements would need to change, the original deficit recovery plan would need to continue to support high needs. Additional funding should not be used to pay off the deficit.
- Discussion in relation to the underspend on growth funding for the schools block would be followed up at the technical working group.
- Concerns were expressed that those needing Early Help Assessments were losing out due to these not being followed up when required. This was considered a responsibility for all providers with schools clear around the challenges of inclusive practice.
- Options A to G (under item 11) were set out along with the implications of these, with the aim of reducing ongoing pressures to address the deficit, elements included additional funding from the schools block.
- All board members were encouraged to attend the next meeting of the technical working group.

**Action:**

A) Schools Forum resolved not to support a transfer of £237,000 from the Schools

Block to the High Needs Block for 2020/21

B) The Schools Forum requested that the DSG recovery plan options be refreshed and reviewed by the Technical Working Group.

## **7 Budget Monitoring 19/20** – agenda item 7

Position against month 6 was reported below and formed part of budget monitoring.

The forecast outturn position for the Dedicated Schools Grant in 2019/20 (excluding delegated schools budgets) is a £2.721m overspend.

The cumulative deficit brought forward from previous years is £6.702m. With the additional of the projected in year overspend this will increase to £9.423m by the end of 2019/20

### Headline Figures Included

- Schools De-delegated Services reported an £0.005m underspend.
- Central Schools Services Block (excluding de-delegated) reported an £0.069m underspend.
- Early Years Block reported an £0.113m underspend
- High Needs reported an £2.908m overspend (based on 179 places)

The level of reserves brought forward from 2018/19 is a deficit of £6.702m, balances for each block can be found in the table in section 1 above.

There are currently no requests for use of reserves and none expected in 2019/20 given the overall DSG deficit position.

### **Action:**

The Forum noted the budget monitoring update:-

## **8 Pension Update** – agenda item 8

The Somerset LGPS had a triennial valuation process resulting in the pension fund actuaries making an assessment of the required employer contribution rate for the forthcoming 3 years and where applicable the value of the lump sum contributions to be made for the forthcoming 3 years.

All entities that form part of the Somerset Pension Fund were affected by the triennial valuation and the specific changes for Somerset County Council were detailed. These changes affected all Somerset LA maintained schools where they had employees that join the Somerset LGPS.

There was no other option than to ensure communication was made to ensure all Somerset LA Maintained schools understand the financial implications to ensure they can set a realistic and deliverable budget for the financial year 2020/21.

The actuary of the Somerset LGPS confirmed that for Somerset County Council the employer's contribution rate and deficit lump sum were set out:

Financial Year	Employer rate	Change	Lump Sum	Change	Overall change
2020/21	18.1%	+2.6%	£9.331m	-£3.475m	+0.2%
2021/22	18.1%	-	£9.671m	+£0.340m	+3.6%
2022/23	18.1%	-	£10.024m	+0.353m	+3.6%

The figures set out were for Somerset County Council as a whole and the impact on individual schools could differ depending on any proportional change of staffing levels (of the staff within the LGPS) across the whole council. The above overall percentage change figure would be taken as indicative only.

**Action:**

The Forum noted:

- The change in employer's contribution rate for Somerset County Council for 2020/21 from 15.5% to 18.1%, or an increase of 2.6%
- The change in value of the Pension Deficit Lump sum payment for Somerset County Council for 2020/21 from £12.806m to £9.331m, or a decrease of £3.475m
- The overall pension increase for 2020/21 of 0.2%
- The changes for future years (2021/22 and 2022/23) as detailed in section 4

**9 Technical Working Group Update – agenda item 9**

The group were provided with the revised unit values published in October as part of the National Funding Formula (NFF) for 2020/21. The updated values for 2020/21 have been uplifted by an average of 4%.

In 2019/20 a decision was taken to adopt all of the NFF values in Somerset's funding formula in anticipation of a hard national formula being implemented in the near future.

TWG supported a proposal that the revised NFF 2020/21 values be adopted in Somerset's funding formula



Somerset also adopted the minimum per pupil funding (MppF) levels in 2019/20. These values have increased in 2020/21 as set out:

	2019/20	2020/21	Increase	%
Primary	£3,500	£3,750	£250	7.1
Secondary (KS3)	£4,600	£4,800	£200	4.3
Secondary (KS4)	£4,800	£5,300	£500	10.4

The Department for Education released a consultation that opened on the 10<sup>th</sup> September and closed on the 22<sup>nd</sup> October that sought views on making the national MppF levels mandatory to use in local authority funding formulae from 2020/21. Due to purdah the outcome of this consultation is unknown but we have been advised to assume this will become mandatory. Any local authority choosing not to adopt the values would have to submit a disapplication to the Secretary of State for Education.

TWG supported a proposal that these values be adopted in Somerset's funding formula:

**Action:**

The Schools Forum noted the discussion and recommendations made by TWG:

- Somerset adopt the 2020/21 National Funding Formula (NFF) values
- Somerset adopt the national Minimum Per Pupil Funding levels (MppF)
- Minimum Funding Guarantee is set at 1.84% (maximum in range of 0.5% to 1.84%)
- Capping is not implemented for 2020/21 (if affordable)
- Mobility factor be considered for implementation in the local formula in 2020/21
- Looked After Children (LAC) factor continued to be excluded from the local formula.

**10 Early Years Sub Group Update – agenda item 10**

The paper provided an update from the Early Years Sub Group which met on 6<sup>th</sup> November and considered the budget position as at month seven.

Appendix A detailed the response from the consultation that ran from 25<sup>th</sup> September to 25<sup>th</sup> October 2019. This report was discussed at the sub group meeting on the 6<sup>th</sup> November. It was noted that less than 20% of providers responded to the consultation which did not meet the criteria that sub group had put in place. The response from the consultation was therefore taken into consideration when making their recommendation. The recent announcement by the DfE about the uplift to the Early Years Base Rate for Somerset of £0.08p from April 2020 was also considered when making their recommendation. The Sub group also considered the increase in the base rate to all providers by taking away the quality supplement. The overarching reason for the cessation of any quality supplement, that Sub Group concluded, was

to reinstate equality of funding for all providers which is especially important now as the current funding rate is low. A requirement of the Early Years Sub Group was to ensure, in addition to the Minimum Funding Guarantee, a package of business support be put into place to support settings in need of this. It was agreed that this would be discussed at the next Early Years Sub Group.

### **Action:**

The Schools Forum noted budget position as at month seven.

The Schools Forum agreed the recommendations of the Early Years Sub group to cease to pay the quality supplement element of the Single Funding Formula for all eligible qualifications and for the funding to be added to the base rate.

## **11 High Needs Working Group Update – agenda item 11**

Position against month 6 was reported and formed part of month 6 budget monitoring

Type of provision	Budget	Projection	Overspend/ Underspend
Early Years	£1,274,100	£1,283,200	£9,100
Mainstream - pre 16	£7,376,600	£7,394,249	£17,649
Specialist Units - ASD	£2,371,500	£2,378,900	£7,400
Specialist service HI / VI	£966,700	£992,800	£26,100
PRUs - PEX	£2,592,000	£2,467,600	-£124,400
PRUS - HN (Tone + Specialist Provision)	£657,000	£657,000	£0
PRUS - Medical / Hospital	£1,899,000	£1,899,000	£0
Behaviour Partnership	£2,487,000	£2,487,000	£0
Maintained Special and Free Special Schools	£16,752,300	£17,377,285	£624,985
NMSS and Independent	£10,569,600	£13,164,696	£2,595,096
FE post 16 (Colleges & ISP)	£4,409,600	£4,162,000	-£247,600
Vulnerable groups	£72,100	£72,100	£0
<b>Total</b>	<b>£51,427,500</b>	<b>£54,335,830</b>	<b>£2,908,330</b>

The main overspend projected continued to be the cost of placements at independent and Non-Maintained Special Schools; the projection for month 6 was based on 179 school placements. This continued to be in line with expectations set out in the deficit recovery plan. Special School Top Up funding was projecting an overspend of £0.625m, based on 757 children and represented an increase since month 5 of £0.374m.

A request was made by the Assistant Director of Children's Services for members of the Forum to attend the next meeting of the Technical Working Group scheduled on 10<sup>th</sup> January at 9:15. Items relating to High Needs and DSG reserves were due to be considered at this meeting.

**Action:**

- to note the outturn position Month 6
- to note the indicative National allocations
- To note High Needs Sub Group comments on the impact of the indicative allocations on strategic approach to the Dedicated Schools Grant recovery plan requirements
- To note submission of place numbers for Academies and Special Free Schools.

**12 Any other business** – agenda item 12

There was no other business.

The meeting ended at 3.31pm

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Title: **Schools Budget 2020/21 – Individual Schools Budget (ISB) and Growth Funding**

Author: Sian Kenny, Strategic Finance Manager – Business Partnering

Contact Details: 01823 359392 or email Skenny@somerset.gov.uk

<p><b>Summary:</b></p>	<p>This report provides the background and context to the required level of funding for the Individual Schools Budget (ISB) element of the Schools Block for 2020/21.</p> <p>This report refers to the options and proposals presented in the Technical Working Group paper later on the agenda.</p> <p>The final amount is subject to the Secretary of State’s decision on the local authority’s request to disapply the regulations and allow for a transfer from the Schools Block of £237,000 (approximately 0.08%).</p> <p>Please also note that the Final Local Government Finance Settlement for 2020/21 is expected to be laid before the House of Commons, for its approval, in late January or early February. Final checks and controls will continue to be made before final submission of Schools Budgets to the DfE on the 21<sup>st</sup> January 2020. For these reasons, the figures below are subject to change.</p>
<p><b>Recommendations:</b></p>	<ol style="list-style-type: none"> <li>1) Schools Forum are asked to give their view on the following for a key decision to be made by the Cabinet members for Children &amp; Families and Education &amp; Council Transformation:             <ul style="list-style-type: none"> <li>• The formula factors for 2020/21</li> <li>• The formula values for 2020/21</li> <li>• The Growth Fund for 2020/21</li> </ul> </li> <li>2) Local Authority members are asked to approve the de-delegation arrangements for 2020/21.</li> <li>3) Local Authority members are asked to note the final contribution rate of £17.64 per pupil for the education management services for 2020/21 following the decision at Schools Forum on 27<sup>th</sup> November 2019 to agree to contribute to these services.</li> </ol>

<p><b>Reasons for Recommendations:</b></p>	<p>The School and Early Years Finance (England) (No.2) Regulations 2018 require approval by the local authority, taking into consideration the view of the Schools Forum.</p>
<p><b>Links to Priorities and Children and Young Peoples Plan:</b></p>	<p>Somerset County Council’s Business Plan – Improving Lives, providing fairer life chances and opportunity for all.  Somerset Children and Young People’s Plan – Learn well and develop skills for life.</p>
<p><b>Financial Implications:</b></p>	<p>This report covers the Schools Block which is £311,745,122 for 2020/21. This is an increase of £17,859,959 on 2019/20, due to demographic growth and DfE funding announcements.  This amount may be reduced pending the Secretary of State’s decision on whether to approve the disapplication request of £237,000 from Schools Block in 2020/21.</p>

## 1. Background

- 1.1** This report focuses on the funding formula used to distribute the ISB to maintained schools, academies and free schools with delegated budget shares.

## 2. Options Considered

### 2.1 Formula Data

In November 2017, the Schools Forum supported the proposal to adopt the Department for Education (DfE) National Funding Formula (NFF) factors, values and transitional arrangements where possible. This was approved by the lead Cabinet member and the implementation of the NFF continued in 2019/20 and will continue into 2020/21.

- 2.2** In December 2019, the DfE published the Authority Proforma Tool (APT) for 2020/21, which is the tool that the Local Authority is required to complete and return by 21<sup>st</sup> January 2020.

- 2.3** The APT includes details of the Local Authority formula, values, de-delegation, charges for education management services and commentary/explanations of how the formula has been devised. The DfE uses this information to make a deduction from the ISB to fund academies, and the Education and Skills Funding Agency (ESFA) use the formula to notify academies of their general annual grant for the academic year 2020/21.

- 2.4** The APT includes the current dataset to be used when calculating the school

budgets shares for 2020/21.

- 2.5** The dataset includes pupil numbers (Table 1) and other data (Table 2) such as free school meals, low prior attainment and deprivation, which has been shown in comparison to 2019/20.

Table 1 – Pupil Numbers

<b>Pupil numbers to be funded in the APT</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Change in numbers</b>	<b>Change in %</b>
Primary (years R – 6)	41,481	41,349	-132	-0.32%
Key Stage 3 (years 7 – 9)	15,626	15,981	355	2.27%
Key Stage 4 (years 10 – 11)	9,897	10,010	113	1.14%
<b>Total</b>	<b>67,004</b>	<b>67,340</b>	<b>336</b>	<b>0.50%</b>

*Note: Ghost pupils for new/growing schools*

75

- 2.6** The above pupil numbers differ from the October census numbers due to adjustments (known as ghost pupils) as a result of new and growing schools being funded, which have been opened for less than 7 years and are adding a cohort each September.
- 2.7** The schools funded for ghost pupils in 2020/21 are Kingfisher, Primrose, Northgate and Nerrols.
- 2.8** The Age Weighted Pupil Unit (AWPU) for ghost pupils and the other formula factors are funded from the Growth Fund; this is known as implicit growth funding and is pro-rated (from September 2020 to March 2021).

- 2.9** Table 2 – Other Data

<b>DfE Dataset</b>	<b>Primary Pupil Numbers</b>		<b>Secondary Pupil Numbers</b>	
	<b>2019/20</b>	<b>2020/21</b>	<b>2019/20</b>	<b>2020/21</b>
Free School Meals	5,638	6,523	3,006	3,643
Free School Meals (Ever6)	8,349	8,291	5,672	5,663
IDACI band F	4,416	4,419	2,547	2,635
IDACI band E	3,816	3,788	2,162	2,173
IDACI band D	952	982	553	564
IDACI band C	832	833	455	459
IDACI band B	1,729	1,750	997	1,035
IDACI band A	205	216	112	123
EAL 3	1,895	1,945	280	282
Mobility	n/a	342	n/a	66
Low Attainment	13,901	12,687	5,747	6,048

- 2.6** Formula Factors and Values for 2020/21

The NFF per pupil values that have been applied are set out in Table 3 below.

The values have increased by an average of 4%.

Table 3 – NFF Factors and Values

Formula Factor	2019/20 Formula Values		2020/21 Formula Values	
	£		£	
Per pupil - primary	2,747.00		2,857.00	
Per pupil – Key Stage 3	3,863.00		4,018.00	
Per pupil – Key Stage 4	4,386.00		4,561.00	
<i>Amount per pupil</i>	<b>Primary</b>	<b>Secondary</b>	<b>Primary</b>	<b>Secondary</b>
Free School Meals	440	440	450	450
Free School Meals (Ever6)	540	785	560	815
IDACI band F	200	290	210	300
IDACI band E	240	390	250	405
IDACI band D	360	515	375	535
IDACI band C	390	560	405	580
IDACI band B	420	600	435	625
IDACI band A	575	810	600	840
EAL3	515	1,385	535	1,440
Mobility	n/a	n/a	875	1,250
Prior Attainment – per pupil	1,022	1,550	1,065	1,610
<i>Lump sum payments</i>				
Lump Sum	110,000	110,000	114,400	114,400
Sparsity Factor	25,000	65,000	26,000	67,600

## 2.8 Proposed Formula Funding for 2020/21

The Schools Block for 2020/21 is summarised below in Table 4. The Schools Block includes Growth Funding which has been calculated by the DfE using the same formula as last year.

Table 4 – Schools Block Funding

Individual Schools Budget	2019/20	2020/21	Change
	£	£	£
Schools Budget	291,694,372	309,769,192	18,074,820
<i>Plus</i> Growth Fund (implicit & explicit)	2,190,791	1,975,930	-214,861
<b>Schools Block</b>	<b>293,885,163</b>	<b>311,745,122</b>	<b>17,859,959</b>
<i>Less</i> Retained Growth	1,221,055	1,665,033	443,978
<i>Less</i> Transfer to High Needs Block	298,000	237,000	-61,000
<b>Funds available for delegation to schools (ISB)</b>	<b>292,366,108</b>	<b>309,843,089</b>	<b>17,476,981</b>

2.9 Table 5 shows the values and dataset multiplied to show the total funding allocated against each of the formula factors for 2020/21, compared to 2019/20, with the assumptions in this paper included in the overall funding.



If Somerset adopts the NFF and transitional arrangements published by the DfE, the cost of the ISB will exceed the funding available by £359,844.

Table 5 – Total Funding and Shortfall in Funding Available

<b>Formula Factor</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Change</b>	<b>% Change</b>
Primary AWPU	113,947,620	118,133,150	4,185,530	4%
KS3 AWPU	60,361,628	64,211,658	3,850,030	6%
KS4 AWPU	43,408,973	45,655,610	2,246,637	5%
FSM	3,804,233	4,574,507	770,274	20%
FSM 6	8,963,421	9,258,119	294,698	3%
IDACI	6,120,195	6,460,102	339,907	6%
EAL 3	1,363,439	1,447,016	83,577	6%
Mobility	0	381,452	381,452	
LPA Primary	14,206,958	13,511,785	-695,173	-5%
LPA Secondary	8,907,724	9,737,890	830,166	9%
Lump Sum	28,004,166	29,286,400	1,282,234	5%
Sparsity	638,779	687,864	49,085	8%
Split sites	70,000	70,000	0	0%
Rates	3,336,648	3,636,665	300,017	9%
PFI funding	386,511	363,372	-23,139	-6%
Rural Technology	408,710	408,560	-150	0%
Rents	17,675	18,029	354	2%
<b>Total Funding for Schools Block Formula (excluding minimum per pupil funding and MFG)</b>	<b>293,946,680</b>	<b>307,842,178</b>	<b>13,895,498</b>	<b>5%</b>
Minimum Funding Level	1,437,520	2,238,522	801,002	56%
Funding Floor	174,974	0	-174,974	-100%
MFG	46,631	122,233	75,602	162%
Capping	-3,239,868	tbc		
<b>Total Cost of Funding Formula</b>	<b>292,365,936</b>	<b>310,202,933</b>	<b>11,291,102</b>	<b>4%</b>
Schools Budget	291,694,372	309,769,192	18,074,820	6%
Implicit Growth Funding	424,475	310,897	-113,578	-27%
Schools Block Transfer	-298,000	-237,000	61,000	-20%
Use of Growth Fund	545,261	tbc		
<b>Funding Available</b>	<b>292,366,108</b>	<b>309,843,089</b>	<b>17,476,981</b>	<b>6%</b>
<b>Shortfall in funding</b>	<b>172</b>	<b>-359,844</b>		

**2.10** The Schools Forum Technical Working Group (TWG) have considered options to remove the funding gap of £359,844, including use of capping and growth fund ("tbc" in table 5 above). These options and proposal(s) to remove the funding gap are presented in the next item on the agenda.

**2.11** Schools Forum should bear in mind the financial sustainability of the options/proposals, particularly in relation to: -

- Future funding of schools is unknown beyond 21/22
- National SEND funding review
- System commitment to progress high needs plans
- Further reductions in the Central School Services Block
- System commitment to address in year deficits and deliver the DSG Deficit Recovery Plan

**2.12** Schools Forum are asked to give their view on the information provided in this report and the next report for a key decision to be made by the Cabinet members for Children & Families and Education & Council Transformation.

### **3. Growth Funding**

**3.1** Growth funding is allocated within the local authorities' school block NFF. A paper will be presented at the next meeting, proposing any changes to the criteria for new and growing schools, for the Schools Forum to approve.

**3.2** The budget for growth was £2,190,791 in 2019/20. The Growth Fund allocation is £1,975,930 for both implicit and explicit growth. Within the funding formula for 2020/21, there is £310,897 of implicit growth for the 4 new and growing schools, which therefore leaves £1,665,033 available for explicit growth during the 2020/21 financial year. The exact requirement for the 2020/21 growth fund is not known. Any funds not required can be re-allocated or rolled forward into the Growth Fund the following year.

### **4. Balancing the Schools Block for 2020/21**

**4.1** The Children's Services Finance team has provided models to remove the gap for consideration by the TWG. As stated in para 2.10 above, these options and proposal(s) are presented to Schools Forum in the next item on the agenda.

### **5. De-delegation and Education Management Functions**

#### **5.1** De-delegation

Schools were consulted in November 2019 on de-delegation and responses are presented in the table below.

Table 6 – Consultation Response

Q2. Please indicate whether you wish to see budgets de-delegated for each of the areas shown in the table	Yes	No
Schools in financial difficulty	16	5
FSM Eligibility	20	2
Insurances	20	2
Licenses and subscriptions	19	3
Care First	20	2
Maternity	20	2
Trade Union	19	3

- 5.2** Local Authority members of Schools Forum are asked to approve the de-delegation arrangements in table 7 for 2020/21.

Table 7 – Services and Values for De-delegation

Services for De-delegation	Basis for de-delegation	2019/20 £	2020/21 £
Schools in financial difficulties	Per pupil	£0.25	£0.26
FSM eligibility checking service	Per FSM Ever 6	£0.47	£0.49
Insurance (Public and Employers liability)			
• Primary	Per pupil	£26.74	£29.11
• Secondary	Per pupil	£45.06	£31.09
Licences & Subscriptions	Per pupil	£4.69	£4.94
Staff Costs (Care First, Maternity, Trade Union duties)	Per pupil	£26.67	£27.06

### **5.3** Education Management Functions

At the meeting on the 27<sup>th</sup> November 2019, Schools Forum agreed to the contribution of £17.20 per pupil for education management services. The contribution has been updated to reflect final pupil numbers from the October census, which has resulted in a small increase of £0.44 to £17.64.

## **6. Consultations undertaken**

- 6.1** A consultation on formula changes took place with all schools and academies during the Autumn term. The outcomes of the consultation have informed the TWG and Schools Forum to form their views and assisted the Cabinet members for Children & Families and Education & Transformation in making key decisions.

## **7. Background Papers**

- 7.1.** [The School and Early Years Finance \(England\) \(No. 2\) Regulations 2018](#)
- 7.2.** [Schools revenue funding 2020 to 2021 Operational Guide](#)

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## Schools Forum Decisions and Consultations

– 15 January 2020

## Item: 7

### Technical Working Group Update

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<b>Summary:</b>	<p>This paper provides feedback from the Technical Working Group (TWG) meeting held on 10<sup>th</sup> January 2020. It includes discussions on the following:</p> <ul style="list-style-type: none"><li>• National Funding Formula (NFF) and Schools Budgets</li><li>• Month 8 budget monitoring report</li><li>• DSG Deficit recovery plan</li></ul>
<b>Recommendations:</b>	<p>The Forum is asked to note the discussion and recommendations made by TWG:</p> <ul style="list-style-type: none"><li>• Mobility factor is included in the local formula in 2020/21</li><li>• Capping is not applied in 2020/21 and the Growth Fund used to support the shortfall</li></ul>
<b>Reasons for Recommendations:</b>	<p>The Schools and Early Years Finance Regulations 2018 require consultation with the Schools Forum in relation to formula changes (including redistributions).</p>
<b>Links to Priorities and Children and Young Peoples Plan:</b>	<p>The Schools Budget supports the Enjoying and Achieving aim within the Children’s Plan.</p>
<b>Financial Implications:</b>	<p>This report covers the Schools Block which is £311,745,122 for 2020/21. This is an increase of £17,859,959 on 2019/20, due to demographic growth and DfE funding announcements.</p> <p>This amount may be reduced pending the Secretary of State’s decision on whether to approve the disapplication request of £237,000 from Schools Block in 2020/21.</p>

## **1. National Funding Formula (NFF) and Schools Budget**

**1.1.** The group were provided with a spreadsheet containing the following data:

- Pupil numbers funded in the APT
- Data sets used for other pupil led factors
- NFF factors and values
- Cost of the funding formula (including and excluding the mobility factor), funding available and the gap in 2020/21
- Mobility factor
- Capping (including and excluding the mobility factor)
- Growth Fund

All data allowed for comparison between 2019/20 and 2020/21 and any individual schools data was anonymised.

**1.2.** A recap was provided of what had previously been agreed by TWG to be recommended to School Forum on the 25<sup>th</sup> November 2019:

- Adopt the Minimum per pupil Funding (MppF) levels of £3,750 for Primary, £4,800 for KS3 and £5,300 for KS4.
- Adopt all 2020/21 increases in NFF funding values.
- Set the Minimum Funding Guarantee (MFG) at 1.84%.
- Model the impact of adopting the Mobility factor.
- Model the impact of capping and seek to apply no capping (if affordable).

**1.3.** As the decision to recommend adopting the mobility factor had been deferred to this meeting the group was presented with the impact of including the factor within the funding formula.

A mobile-eligible pupil is one whose school census record at their current school (or one of its predecessors) in the last three years indicates an entry date which is not typical. "Not typical" means that the first census a pupil is recorded as attending the school is January or May for year 1 to 11. Schools receive funding for all mobile-eligible pupils through this factor, above a threshold set as 6% of the NOR.

The modelling presented showed the cost of the factor as £0.381m, but it was explained that this results in a reduction in schools receiving funding through the MFG of £0.034m.

It was the view of the group that as we are moving towards adopting the NFF it would be sensible to include this factor in 2020/21.

**1.4.** TWG was presented with the position for 2020/21 that shows the cost of the funding formula exceeds funding available by £0.360m. This was calculated

using the revised Authority Proforma Tool (APT) released in December which had been updated with the October 2019 pupil data and includes the mobility factor.

It was noted by members of the group that without the disapplication request to transfer £0.237m from the Schools Block to the High Needs Block the shortfall would be £0.123m, 0.1%.

### **1.5. Option 1a – Director of Childrens Services**

A proposal (option 1a) was presented on behalf of the Director of Childrens Services to balance the overall position by applying a cap on gains of 20%.

This would ensure that the funding formula was affordable within the allocation from the Department for Education. It would therefore safeguard the Growth Fund and allow any underspends to be carried forward to support funding shortfalls in future years. The outcome of this option being to ensure a more financially sustainable position.

Modelling of the impact of applying a cap on gains was presented with 31 schools being affected. The NOR being between 23 and 88 and the financial impact between £2,052 and £35,953.

TWG was advised that although an announcement was made in October 2019 that the local authority financial settlement was only for 2020/21 and therefore any announced increases beyond next year could not be guaranteed.

Discussion followed about the principles of capping gains and the belief that it would lead to a two tier funding system in Somerset. Concerns were raised that the schools being impacted were small schools where it was the consensus of the group the funding could make a real difference.

It was also noted that there was a concern amongst the group that schools were not being listened to during consultation processes.

This option was not supported by the group.

### **1.6. Option 2a – Technical Working Group**

A proposal (option 2a) was presented on behalf of the TWG based on the preferences expressed at the previous TWG meeting. This proposal is to balance the overall position by using one off funding from the Growth Fund.

There would be no impact on individual schools but the funding has the potential to only be available for one year and therefore was not presented as a permanent solution.

Discussion followed about the use of Growth Funding and the likelihood of funding not being available in future years. The group were presented with information on the values of the Growth Fund in 2019/20 and 2020/21.

	<u>2019/20</u>	<u>2020/21</u>
Allocation	2,190,791	1,975,930
Implicit growth	424,475	310,897
Used in formula	545,261	0
Explicit growth	<u>1,221,055</u>	<u>1,665,033</u>

The forecast balance in 2019/20 and anticipated commitments in 2020/21 were also discussed. The forecast underspend of the Growth Fund in 2019/20 is currently £0.5m, with the forecast commitment for explicit growth in 2020/21 (based on the previous 3 years) of £0.8m. This could leave a cumulative uncommitted balance of £1.4m.

This option was supported by the group.

## **2. Month 8 Budget Monitoring**

- 2.1.** The group was presented with the month 8 DSG budget monitoring report for information. Concerns were raised about the financial position not being inline with the deficit recovery plan and the accuracy of financial forecasting.

This will be presented in agenda item 10.

## **3. DSG Deficit Recovery Plan**

- 3.1.** At the November meeting, the Schools Forum previously recommended a task and finish group be set up to review the DSG recovery plan, monitor progress and revise assumptions. The group were advised that this was now going to be progressed with a date to be arranged in February.

The membership of the task and finish group was originally to be an amalgamation of the TWG and High Needs Sub Group, however the group agreed to extend the membership beyond Schools Forum members if required, to ensure appropriate representation. The chair of the Technical Working Group and Local Authority officers will take this forward.

## **4. Background Paper**

### **5.**

- 4.1** Minutes of Technical Working Group – 10<sup>th</sup> January 2020.



**Note:** For sight of individual background papers please contact the report author

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**SOMERSET SCHOOLS FORUM**

**Item No. 10**

Date of meeting – 15<sup>th</sup> January 2020

**Budget Monitoring 2019/20 Month 8 (excluding delegated schools)**

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**1. Summary**

- 1.1 The forecast outturn position for the Dedicated Schools Grant in 2019/20 (excluding delegated schools budgets) is a £4.999m overspend.

The cumulative deficit brought forward from previous years is £6.702m. With the addition of the projected in year overspend this will increase to £11.701m by the end of 2019/20.

<b>DSG Funding Blocks</b>	<b>Opening balance</b>	<b>2019/20 over/(under) spend</b>	<b>Planned use of reserves</b>	<b>Closing balance</b>
De-delegated Services*	£0.294m	£0.016m	£0.000m	£0.310m
Central Schools Services	(£0.865m)	(£0.007m)	£0.000m	(£0.872m)
Early Years	(£0.015m)	(£0.062m)	£0.000m	(£0.077m)
High Needs	£7.288m	£5.052m	£0.000m	£12.340m
<b>Total DSG</b>	<b>£6.702m</b>	<b>£4.999m</b>	<b>£0.000m</b>	<b>£11.701m</b>

\*Maintained schools

**2. Background**

- 2.1 **Schools De-delegated Services:** £0.016m overspend

Type of provision	Budget	Projection	Overspend/ Underspend
Contingencies	7,400	0	0
FSM checking	13,900	13,900	0
Maternity	685,600	721,145	35,545
care First	21,700	21,700	0
Insurance	879,800	879,800	0
Trade Union	80,300	60,849	-19,451
Licences and Subscriptions	138,500	138,500	0
<b>Total</b>	<b>1,827,200</b>	<b>1,835,894</b>	<b>16,094</b>

There is currently a small overspend projected against the maternity costs for teachers; this is being offset by a small underspend against the Trade Union contribution. Any under or overspends (including the cumulative deficit of £0.294m currently held in reserves) should be adjusted against the 2020/21 de-delegated values.

## 2.2 Central Schools Services Block (excluding de-delegated): £0.007m underspend

Type of provision	Budget	Projection	Overspend/ Underspend
Commissioned School Improvement	1,770,100	1,821,777	51,677
Admissions	35,000	32,539	-2,461
Education Outcomes	2,072,100	2,072,186	86
Improving Efficiency and Outcomes	28,200	28,200	0
Commissioning - SSE	596,200	596,200	0
Commissioning Central	568,200	536,965	-31,235
Residential Placements	100,000	100,000	0
Retained Duties	1,041,000	1,016,000	-25,000
<b>Total</b>	<b>6,210,800</b>	<b>6,203,867</b>	<b>-6,933</b>

The largest change in this area is the reduction of the underspend in the admissions service is the addition of £0.053m cost related to Governance Services charges to the Admission service for work completed for admissions appeals.

## 2.3 Early Years Block: £0.062m underspend

Type of provision	Budget	Projection	Overspend/ Underspend	Month 6	Change between Months
2 year old funding	2,551,010	3,003,347	452,337	446,414	5,923
3 & 4 Year Old Funding	24,605,363	24,169,424	-435,939	-453,755	17,816
EY Disability access	94,100	16,915	-77,185	-77,308	123
Other Early Years	680,453	679,710	-744	-27,873	27,129
<b>Total</b>	<b>27,930,927</b>	<b>27,869,396</b>	<b>-61,531</b>	<b>-112,522</b>	<b>50,991</b>

The majority of the change in in Early Years is as a result of a continued underspend in 3 & 4-year-old Universal 15 hrs provision offset by increased overspend in 3 & 4 year old additional 15 hrs provision resulting in a change of £0.018m additional spend. The other material change is an increase costs within Early Years Pupil Premium of £0.027m. This is however expected to reduce over the coming months. All projections are currently based on trends in take up over the last 2 years to limit the volatility seen in previous years projections.

## 2.4 High Needs: £5.052m overspend

Type of provision	Budget	Projection	Overspend/ Underspend	Month 6	Change between Months
Early Years	£1,274,000	£1,182,616	-£91,384	£9,100	-£100,484
Mainstream - pre 16	£7,376,500	£7,405,999	£29,499	£17,649	£11,850
Specialist Units - ASD	£2,371,500	£2,377,193	£5,693	£7,400	-£1,707
Specialist service HI / VI	£966,700	£977,524	£10,824	£26,100	-£15,276
PRUs - PEX	£4,910,100	£4,776,789	-£133,311	-£124,400	-£8,911
PRUS - Medical / Hospital	£237,900	£237,900	£0	£0	£0
Behaviour Partnership	£2,487,000	£2,487,000	£0	£0	£0
Maintained Special and Free Special	£16,852,300	£17,738,738	£886,438	£624,985	£261,453
NMSS and Independent	£10,569,600	£13,361,663	£2,792,063	£2,595,096	£196,967
FE post 16 (Colleges & ISP)	£4,409,600	£4,913,750	£504,150	-£247,600	£751,750
Vulnerable groups	£72,100	£50,000	-£22,100	£0	-£22,100
Deficit budget set		£1,070,100	£1,070,100	£0	£1,070,100
<b>Total</b>	<b>£51,527,300</b>	<b>£56,579,272</b>	<b>£5,051,972</b>	<b>£2,908,330</b>	<b>£2,143,642</b>

The change in forecast overspend for High Needs has increased by £2.144m since the last month 6 report. This includes an additional £1.070m relating to the planned high needs overspend identified in the DSG Deficit Recovery Plan, but not previously been reported against High Needs.

The other large changes include an increase in forecast expenditure of £0.752m for FE post 16. This is as a result of increased forecast spend of £0.482m for independent post 16 down to an increase in volume from 54 to 57 and an increase in the number of packages to 12. The forecast overspend on FE College top up has also increase by £0.270m. This is as a result of independent college users moving in to mainstream college places.

The overspend on Maintained special and Non-Maintained Special Schools and Independent schools has increased by £0.458m since month 6. The overspend for Top

up for maintained special schools has increased by £0.165m to £0.529m. The non maintained overspend has increased by a further £0.231m to £1.810m.

### **3 DSG Reserves**

- 3.1 The level of reserves brought forward from 2018/19 is a deficit of £6.702m, balances for each block can be found in the table in section 1 above.
- 3.2 There are currently no requests for use of reserves and none expected in 2019/20 given the overall DSG deficit position.