



## SCHOOLS' FORUM MEETING

1<sup>ST</sup> OCTOBER 2020

### SCHOOLS FUNDING 2020/21

#### 1 INTRODUCTION

1.1 The purpose of Schools Forum is to advise local authorities on the operation of the local Schools Budget and its distribution among schools and other bodies. This paper updates the Forum on the provisional outturn for the Schools Budget for 2020/21, the funding position for 21/22 and other matters from the DfE on Schools Financing.,

#### 2 FORECAST OUTTURN 2020/21

2.1 The table below summarises the forecast 2020/21 DSG Outturn against each of the four blocks.

	Schools £000	High Needs £000	Early Years £000	Central Schools £000	Total £000
<b>Surplus/(Deficit) Carry Forwards from 2019/20</b>	19	(458)	135	37	(267)
DSG Allocations prior to recoupment and deductions for direct funding of high needs places by ESFA	25,261	4,224	1,833	166	31,484
Difference in Clawback					0
Transfer between blocks	(126)	126			0
Academy Recoupment	(23,288)	(234)			(23,522)
<b>Expenditure in Year</b>	(1,847)	(4,468)	(1,855)	(159)	(8,330)
					0
<b>Under/(Over) spends in 2020/21</b>	0	(352)	(23)	7	(367)
<b>Surplus/(Deficit) Carried Forward to 2021/22</b>	19	(810)	112	44	(634)
<b>Percentage of DSG</b>	0.06%	2.57%	0.36%	0.14%	

#### 2.2 The High Needs Block

2.2.1 As can be seen from the table above, the High Needs budget is showing an overspend forecast of £352k, this is £52k more than 2019/20. However, within 2020, this forecast overspend has reduced from Q1 (£710k) through the ceasing of high cost school placements (£120k) and the revised outturn on project budgets for SEND recovery work due to Covid-19.

- 2.2.2 As schools return demand in the High Needs area is likely to change, its likely that the forecast will increase as additional demand flows. We will begin to see this by the next schools forum and will be better placed to model the potential impact.
- 2.2.3 The in-year overspend will be added to brought forward position of £458k, making a total deficit on the DSG reserve for high needs of £810k. This is the equivalent of 2.57% of total DSG allocated to Rutland in 2020/21.
- 2.2.4 Due to the deficit on the High Needs block and as per 5.2 in the DSG Grant Conditions 2020/21, the recovery plan must be available for the DfE to review on request. The recovery plan is currently being updated in line with the projects progress and considering the impact of Covid-19. The DfE have published a template which can be used at the discretion of the Council. This template is currently being reviewed in line with the Councils current plan to understand the differences between the two. The revised plan will be presented at the next schools forum.
- 2.2.5 Schools Forum should also note that we have been informed that the DfE are working with a number of pilot authorities to help reduce deficits (including potentially making further funding available). We will be following progress with interest to see if solutions are found that could be applied here in Rutland.

### **2.3 The Early Years Block**

- 2.3.1 The Early Years Block shows an in-year deficit of £23k. This has been forecast assuming current spending levels, although the Covid-19 pandemic may impact this projection. Therefore, the situation is being monitored.
- 2.3.2 When the £23k in year deficit is accounted for there is still a £112k surplus. The Council wants to work with providers to see how the £112k can be used to support the sector at the next Early Years forum on the 29<sup>th</sup> September and will report back at the next Schools Forum.

### **2.4 The Schools Block**

- 2.4.1 Schools block is forecast to break even for 2020/21. Therefore the £19k surplus brought forward is forecast to be a £19k surplus position at the end of 2020/21.

### **2.5 Central Services Block**

- 2.5.1 There is an in year surplus forecast on the Admissions Service of £7k, attributable to lower than anticipated staffing costs and a £3.5k contribution from schools. This under spend will be added to the brought forward position giving an overall forecast surplus of £44k.

## **3 SCHOOLS FINANCING UPDATES**

### **3.1 Schemes for financing local authority-maintained schools**

- 3.1.1 Further to the publication of the 'Financial transparency of LA maintained schools and academy trusts' consultation response on 21<sup>st</sup> July, the DfE have now updated the statutory guidance on schemes for financing local authority maintained schools.

- 3.1.2 The changes to Issue 12 of the scheme for financing local authority-maintained schools will take practical effect from 1<sup>st</sup> April 2021.
- 3.1.3 The scheme now includes the provision for schools to submit a 3-year budget forecast each year, and a recovery plan if the deficit rises above 5%.
- 3.1.4 The changes relating to financing and operating leases (IFRS16) that were due to come into effect on 1 April 2020 have been delayed until 1 April 2021, due to the COVID-19 pandemic.
- 3.1.5 Meetings will be scheduled with schools affected to provide maintained schools with further guidance. The Council is also reviewing and updating its Scheme for the Financing of Schools.

### **3.2 Updated School Information (England) Regulations 2020**

- 3.2.1 The School Information (England) Regulations 2020 take effect from 1 January 2021 and require maintained schools to publish on their website the number of school employees (if any) whose gross annual salary is £100,000 or more in £10,000 bands. The DfE is recommending this be presented in tabular form.
- 3.2.2 Schools must also publish a link to the specific page on the Schools Financial Benchmarking dedicated to their school using the unique reference number allocated to the school by the Department for Education.

### **3.3 Consistent Financial Reporting Framework**

- 3.3.1 The DfE have updated the 2020 to 2021 consistent financial reporting (CFR) framework to include guidance for coronavirus (COVID-19) related funding. Section 118 now states how grants provided specifically in connection with COVID-19 should be recorded.

### **3.4 Catch Up Premium**

- 3.4.1 Allocations have now been published on gov.uk website. The provisional allocations are:
- 3.4.2 for primary, middle, secondary and all through local authority-maintained schools, academies and free schools
- £80 for each pupil aged 4 and over recorded in Reception to Year Group 11 in the October 2019 school census.
- 3.4.3 for local authority maintained special schools, pupil referral units and hospital schools
- £240 for each high needs place recorded on their local authority's section 251 budget return statement for 2019 to 2020
- 3.4.4 for special, AP and hospital academies and free schools, and for non-maintained special schools
- £240 per place from published high needs place numbers for the 2020 to 2021 academic year

- 3.4.5 for local authorities with SEND pupils placed in independent special settings
- £240 for each pupil with an Education Health and Care Plan, or SEN support, educated in an independent special setting, as recorded on their January 2020 alternative provision census.
- 3.4.6 The first payment (as set out below) is based on these provisional allocations. As set out in earlier guidance, we will make two further payments in 2021. For primary, middle, secondary and all through local authority-maintained schools, academies and free schools, these will be based on final allocations using pupil numbers from the October 2020 census for mainstream schools. The final allocations could be significantly different to the provisional allocations.
- 3.4.7 The first payment is worth 25% of the provisional allocation, rounded to the nearest £10, and will be paid to:
- Local authorities on 30 September 2020
  - Academies on 8 October 2020
  - Non-maintained special schools in November 2020

## **4 SCHOOLS FUNDING 2021/22**

- 4.1.1 In July, the DfE published the National Funding Formula for schools and high needs for 2021/2022. This year 2021/22 will see a core funding increase of £4.8bn. School funding through the NFF is increasing overall by 4%. High needs funding will increase by 10% and Central services will see a 4% increase.
- 4.1.2 Every school will be allocated at least 2% more pupil-led funding per pupil compared to its 2020-21 NFF baseline. The minimum per pupil funding levels will ensure that every primary school receives at least £4,000 per pupil, and every secondary school at least £5,150 per pupil.
- 4.1.3 Technical changes are the inclusion of the teachers' pay grant (TPG) and teachers' pension employer contribution grant (TPECG) in the minimum funding guarantee (MFG) baselines.
- 4.1.4 The 2021 to 2022 modelling authority proforma tool (APT) is now available to local authorities allowing provisional allocations to be calculated.
- 4.1.5 The Council will present a draft budget position at the next meeting which will likely include a request for a 0.5% transfer between the School block and the High needs block as per the prior year.

## **5 RECOMMENDATIONS**

- 5.1 Schools Forum is asked to note the forecast outturn position for 2020/21 Dedicated Schools Grant.