

Date: Wednesday, 18 December 2019

Democratic and Members' Services

Fiona McMilan

Monitoring Officer

10:00 hr

Law and Governance

Shire Hall

Castle Hill

Cambridge

CB3 0AP

Kreis Viersen Room

Shire Hall, Castle Hill, Cambridge, CB3 0AP

AGENDA

1. **Apologies for Absence**

2. **Schools Forum Minutes - 8th November 2019** **3 - 84**

3. **Minutes Action Log - December 2019** **85 - 90**

4. **Schools Funding Update - December 2019** **91 - 144**

5. **Schools Forum agenda Plan - December 2019** **145 - 146**

6. **Date of Next Meeting -17th January 2020**

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CAMBRIDGESHIRE SCHOOLS FORUM: MINUTES

Date:	8 th November 2019	
Time:	10:00 a.m. – 13:40 p.m.	
Venue:	Kreis Viersen Room, Shire Hall, Cambridge	
Present:	<u>Academy Board Member</u>	Philip Hodgson (Chairman) Dr Alan Rodger (Vice-Chairman)
	<u>Maintained Primary</u>	Liz Bassett Tony Davies Sasha Howard
	<u>Maintained Special School</u>	Lucie Calow
	<u>Maintained Pupil Referral Unit</u>	Amanda Morris-Drake
	<u>Maintained Governor</u>	Paul Stratford
	<u>Academy Primary</u>	Susannah Connell
	<u>Academy Secondary</u>	Jonathan Digby
	<u>Academy Special School</u>	Dr Kim Taylor (OBE)
	<u>Academy Alternative Provision</u>	Nick Morley
	<u>Other Academy Appointments</u>	Jon Culpin Richard Spencer
	<u>Early Years Reference Group</u>	Deborah Parfitt
	<u>Post-16 and Further Education</u>	Jeremy Lloyd
	<u>Observers</u>	Councillor Simon Bywater (CCC) Jon Duveen (Teachers Unions) Joe McCrossan (Diocese of East Anglia) Alex Rutterford-Duffety (Diocese of Ely)
	<u>Officers</u>	J Lee (From 10:26 a.m.), J Lewis, R Sanderson, M Wade, J Veitch
Apologies:	<u>Maintained Nursery</u>	Rikke Waldau
	<u>Observers</u>	Councillor Joan Whitehead Councillor Peter Downes
	<u>Maintained Primary</u>	Guy Underwood
	<u>Maintained Secondary</u>	Carole Moss

125. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies were received from Carole Moss, Guy Underwood, Rikke Waldau, and Councillors Peter Downes and Joan Whitehead

There were no declarations of interest.

126. MINUTES OF THE MEETING HELD ON 12TH JULY 2019

The minutes of the meeting held on 12th July 2019 were approved as a correct record and signed by the Chairman.

127. ACTION LOG

The Forum received the following updates:

Minute 87 – The Strategic Finance Business Partner informed the Forum that a Special Educational Needs (SEND) Recovery Board had been established specifically to look at the issues relating to the High Needs Block Funding. He commented that there was a proposal to bring a more detailed High Needs Proposals and Consultation Report to the January meeting. A member suggested that this report should be brought to the Forum before they make a formal decision.

Minute 112 – The Democratic Services Officer confirmed that the Academy Trust's balances had been circulated to the Forum. An Academy representative clarified that the figures circulated were from 2018 and therefore out of date.

Minute 119 a) - The Strategic Finance Business Partner stated that further information regarding this action would be covered in the presentation today.

Minute 119 c) - The Strategic Finance Business Partner explained that he had written to colleagues at the Education and Skills Funding Agency (ESFA) about the issues Cambridgeshire was facing. He commented that the Department of Education (DfE) had recently published the criteria and formula for growth funding for the 2019/20 financial year. Officers had populated this formula with their figures to calculate the amount of funding they would receive. However, they were still waiting on the completion of the October 2019 census, so they were unsure as to the Growth Funding they would receive. There was an ongoing issue regarding that new schools were not fully recognised in the growth formula nationally, this needed to be addressed further.

Minute 120 – The Head of Integrated Finance informed the Forum that Officers had a meeting with Nursery Head Teachers regarding the uncertainty around the early years maintained nursery supplements. He welcomed the news that Central Government had confirmed that this supplement would continue for another year. However, conversations still had to be had as this funding only lasted for one year. He suggested that the Forum should consider whether January 2020 was still the appropriate time to receive the report.

Minute 121 a) – The Forum were informed of the differences regarding the finance arrangements and accounting structure between Academy Schools and Maintained Schools. It was explained that the funding balances of maintained and academy schools were not comparable, as they had different systems and a different financial year end.

Minute 121 b) – The Head of Integrated Finance clarified that the training sessions were ongoing. Officers had been creating a working group that stemmed from the Finance Forum Seminar that had been taking place. The Strategic Finance Business Partner confirmed that they had twenty volunteers from the private, voluntary and independent sector, a workshop was going to be organised to discuss the ongoing budget issues faced by schools.

128. NOTIFICATION OF APPOINTMENTS AND RESIGNATIONS

The Forum was informed of the following appointments and resignations:

- a) As agreed at a previous meeting a place has been created to take account the new Maintained Secondary School at Northstowe and the Headteacher Carole Moss was now a member of Forum.
- b) Academy Alternative Provision following the resignation of Sarah Roscoe in June, Nick Morley has now been appointed as her replacement and was welcomed to his first meeting.
- c) Academy Representative Jane Horn resigned on 12th July. A replacement was being sought.
- d) Academy Representative Primary schools Anna Reeder resigned in July 2019. A replacement was being sought.
- e) Secondary School Academy Representative Andrew Goulding resigned in July 2019 and a replacement was being sought.

The Forum was informed that this would be Jonathan Digby's last meeting as he had resigned his seat on the Forum. The Chairman thanked him for his valuable contribution to the work of the Forum.

129. SCHOOLS FUNDING UPDATE – NOVEMBER 2019

The Forum received a report providing them with an update on the latest national funding announcements and local funding formula proposals for 2020/21. The Head of Integrated Finance drew the Forum's attention to the document 'Draft – School Funding Arrangements for 2020-21 – Cambridgeshire County Council Consultation with Primary and Secondary School' that had been tabled at the meeting. **(Attached as Appendix 1 to these minutes)**. He stated that this document was brought to the Forum for comment only, as they would not be making any formal decisions on the Consultation at this stage.

The Service Director, Education informed the Committee that Officers at Cambridgeshire County Council were subject to Purdah regulations and therefore would be restricted as to the information they could discuss with the Forum.

The Head of Integrated Finance, the Strategic Finance Business Partner and the Service Director, Education outlined the information set out in the '2020/21 Dedicated Schools Grant Funding' PowerPoint presentation. **(Attached as Appendix 2 to these minutes)**. The Head of Integrated Finance highlighted the fact that the figures in the Consultation were subject to change.

Forum members welcomed the 2020/21 National Funding Formula announcement but agreed that it did not mitigate the existing funding crisis that schools faced in Cambridgeshire. Forum also raised their concerns regarding the political misrepresentation of the impact the new funding formula would have on the funding crisis faced by schools. The Service Director, Education stated that he would add the Forum's concerns into the consultation document.

2020/21 School Funding Arrangements

Individual members raised the following points in relation to the presentation:

- asked for more information regarding the further £1.5bn allocated to meet the additional Teacher's Pensions costs over the 3 year period. The Head of Integrated Finance stated that he had not received any detail on this. The Service Director, Education suggested that the Department for Education (DfE) might have used a proxy to allocate the money rather than actual cost.
- sought clarification regarding the Teachers' starting salary increase to £30,000 by 2022/23. The Service Director, Education stated that there was no separate grant for this increase. He explained that there would be a three year settlement, but the Council had not yet received any data for year two or three or any data that confirmed how much more money Cambridgeshire would receive.
- commented that even with the 4.8% increase in Schools Block funding for 2020/21, schools would still be considering the redundancies they would still have to make for September 2020.
- informed the Committee that due to historic under-funding of 16-19 Education, there had been strikes in two sixth form colleagues in the County. The comment was made that the proposed increase in funding for 16-19 education would not adequately safeguard high quality education.
- Suggested to Officers that if they agreed to the 1.8% transfer from the Schools Block to High Needs Block, a person representing a particular school highlighted that they were likely to have to lose possibly one or two Teaching Assistant's, which would lead to a likely increase in permanently excluded pupils, resulting in a larger deficit in 12 months' time. The Strategic Finance Partner confirmed that they had this discussion with the SEND Recovery Board about the impacts of the funding proposals.
- sought clarification regarding the impact of the amount of money received per schools for premises which were historically highly insufficient to meet the needs of schools and resulted in schools having to finance capital repairs from their revenue budgets. The Service Director, Education confirmed that he had not seen any announcements for capital grants, he suggested that funding levels could be in line with last year.
- suggested that the Consultation should include information on the changes the 2020/21 National Funding Formula would have on nursery provision as the crisis would continue and had only been delayed by 12 months. The Head of Integrated Finance confirmed that Officers could add this. **(ACTION)**

- sought clarification regarding the 19-25 education £5m deficit. The Service Director, Education confirmed that it was the additional cost to the High Needs Block when the SEND reforms were implemented. He stated that they could provide more information on the breakdown of the £5m deficit. **(ACTION)**
- queried whether the proposed 1.8% transfer could happen again for 2020/21. The Strategic Finance Business Partner clarified that each block transfer had to be approved on an annual basis. Currently they did not know how much money there would be in the Central Schools Block for next year and therefore could not predict whether this transfer would happen again.
- asked Officers whether they would be in the same position next year and whether there would be any more proposed cuts to funding. The Service Director, Education stated that last year, he had not expected there would be an 11% increase in Educational Health and Care Plans. He was uncertain of the financial position the service would be in next year, although funding for education was due to increase again.
- raised concerns regarding the reduction of education provision over the years as a result of budget cuts. A member stated that it would be irresponsible to agree to any more cuts to schools funding. It was stated that further cuts could lead to safeguarding issues within schools and questioned whether the impact of the transfer proposal measures had been fully risk assessed.
- expressed concerns regarding what would happen to existing provision if they did not approve the funding proposal. The Service Director, Education clarified that the Local Authority (LA) was currently funding the existing provision, which could not be sustained. The member commented that the proposals would just prolong an inadequate government financing system and did not solve the wider funding problem.
- expressed concerns regarding the proposed changes to the Schools Block funding and the difficulty of receiving Education Health and Care Assessment and Plans (EHCPs). The member suggested that his parents and schools had had to look privately to get assessments undertaken. Another member commented that the money schools received from EHCPs had stayed the same, while staffing costs had increased.
- queried the nature of the comments that Forum was being asked for on the 2020/21 School Funding Arrangements. The Head of Integrated Finance suggested that nothing in the presentation had to be necessarily commented on, but the Forum could request clarification on the data. The Service Director, Education suggested that Forum would have to decide how they wanted to respond to the 2020/21 National Funding Formula and whether they wanted to question certain elements of the proposed funding changes.
- informed the Forum of the point raised by the 'Worthless Campaign' regarding the proposed National Funding Formula.
- sought clarification regarding the discrepancy in information regarding the Minimum Per Pupil Guarantee's (MPPG) effect on the Funding Floor Factor. The Head of Integrated Finance explained that there was a Funding Floor on the 1.84% uplift on Per Pupil Funding. However, as the Council had MPPG funding

now, there was no need for this factor. The Service Director, Education commented that unlike in the past, they had to take note of the Funding Floor. He noted the comment that it would be beneficial if the presentation explained more clearly the interaction between Minimum Funding Guarantee (MFG) and MPPG when the Consultation went into the public domain.

- queried whether the Teachers Pay Grant was ending. The Service Director, Education confirmed that there was a commitment for it to continue. He commented that they had expected it to be added to the Dedicated Schools Grant (DSG) Funding which had not happened.
- requested more information regarding the 80% of the MFG that must be delegated through pupil led factors. The Service Director, Education clarified that Local Authorities must allocate at least 80% of the delegated schools block funding through pupil-led factors, this included: basic entitlement, deprivation, prior attainment, looked after children, English as an Additional Language (EAL), pupil mobility.
- discussed whether schools could make a one off contribution into the Schools Block from schools with large year end balances. The Service Director, Education and the Head of Integrated Finance raised concerns as to how this would be implemented. The Service Director, Education suggested that they could ask schools the question.
- the Service Director, Education highlighted that a Council in Dorset had proposed taking balances from schools. He stated that they would look into this further **(ACTION)**.

Growth Funding and New Schools

Individual members raised the following points in relation to the presentation:

- queried the level of Growth Funding received. The Strategic Finance Business Partner suggested that he expected it to be at around the £3.3m, similar to that received last year.
- queried whether under the new National Funding Formula, would new schools opened in Cambridgeshire be supported by this funding formula or by the Local Authority (LA). The Service Director, Education stated that the opening of new schools in Cambridgeshire would incur a significant cost to the LA
- It was highlighted that there was no growth funding available for special schools. The Service Director, Education stated that the pressure created on the Dedicated Schools Grant (DSG) from special school places was considerable. The comment was made that there was going to be 100 more special school places in the next two years that were not funded.
- asked whether it would be beneficial for new schools to fully understand how the Growth Funding changes would affect them over the three years with a further suggestion made that new schools, should receive funding for three years. The Service Director, Education explained that the school agreed pupil numbers two years in advance to help with estimating teacher numbers. There was also ongoing dialogue with schools and adjustments were made. He stated that he would make sure this information was clear in the consultation events. **(ACTION)**

The Strategic Finance Business Partner commented that they reviewed the funding for new schools on an annual basis.

- commented that it was beneficial that Officers had created the figures in the presentation based on the scenario where the Council received the lowest possible amount of funding from Central Government. The Service Director, Education stated that by formulating the budget based on the lowest amount of funding received they had been able to achieve an underspend which could be released back into the DSG. He commented that they needed to incentivise new schools to grow through fair funding.
- raised concerns regarding allocating a new school growth funding when an existing school in the same area had empty classrooms. The Service Director, Education explained that there were certain requirements around building new schools set out in the Section 106 arrangements. The Council needed to make sure that a new school had the correct amount of funding to be able to run effectively and to be able to resource itself. Another member also raised concerns regarding classrooms sitting empty while the Council were spending money to build new schools.
- queried if there had been issues where Secondary Schools had reduced their Published Admission Number (PAN) even though they had the physical capacity to enrol more students. The Service Director, Education stated that Officers had challenged reductions in PAN. He commented that he would like to see a return to an Indicated Admission Number (IAN) as it would save the Council money and keep children local. He noted that this would be something they could talk to schools about.

The Service Director, Education in reference to the Growth Funding recommendation set out in the report told the Forum that the Council wanted to be more transparent with schools regarding funding figures. The more the Forum could provisionally agree, the more robust the provisional figures they could provide to schools. He wanted to create the most realistic funding figures he could.

Centrally Retained Funding and De-Delegations – Central Schools Services Block (CSSB) Funding.

Individual members raised the following points in relation to the presentation:

- queried whether the decision had been made yet to make schools fund 20% of their broadband contract. The Service Director, Education clarified that it hadn't, the discussion surrounding this proposal was for discussion at this meeting.
- requested more information regarding the installation of Broadband for Secondary Schools in Cambridgeshire. The Service Director, Education stated that a fair allocation of Broadband cost would be a methodology based on the number of pupils in schools rather than actual cost of the connection.
- suggested it would be beneficial if the Forum could be shown the Broadband presentation presented last year. The Service Director, Education suggested that they could bring this back with the updated broadband funding model.

(Action)

- requested that when the consultation process began, Officers highlighted the broadband options which they considered to be the fairest for schools. The Service Director, Education agreed and stated that the first consultation was taking place on the 14th November 2019.
- stated that their school did not have any Early Intervention Workers. The Service Director, Education clarified that he had delayed appointing any Early Intervention Workers as there was uncertainty whether the funding for the role would continue.
- sought clarification regarding whether authorities with higher historic spending had benefited from the 20% reduction on Historic Commitments. The Service Director, Education confirmed that this was the case.
- requested more information regarding what the contribution to Children's Services included. The Service Director, Education clarified that it funded areas such as: Early Help Services, Education Psychologists and Social Care Workers.
- asked for more information regarding the impact of the 50% cut to the Contribution to Children's Services. The Service Director, Education confirmed that the Council had recognised and anticipated this cut and had therefore put £1.5m back in to help replace this loss of funding, which had allowed the Service to put more money into the High Needs Block.
- raised concerns regarding the 32% increase in the cost of insurance. The Service Director, Education clarified that this was due to an increase in industrial injury and material damages claims. The Strategic Finance Business Partner suggested they could find more information regarding the breakdown of the increase in insurance cost. **(ACTION)**.
- there was a discussion on Risk Protection and whether this would be a cheaper alternative. It was acknowledged that it would be cheaper, but coverage would not be as good. The Strategic Finance Business partner indicated officers would bring back proposals on risk protection. **(ACTION)**

The Service Director Education suggested that a question in the consultation could be whether to de-delegate insurance or suggest that schools buy their own insurance **(ACTION)**.

- commented that the workload for the trade unions representative in schools had increased.

Maintained Primary representatives on Schools Forum were asked to approve the continuation of de-delegations in respect of:

- i) Contingency
- ii) Free School Meals Eligibility
- iii) Insurance Catch-Up
- iv) Maternity
- v) Trade Union Facilities Time

High Needs Block

Individual members raised the following points in relation to the presentation:

- raised concerns regarding the 1.8% transfer from the Schools Block to the High Needs Block and suggested whether it would be more beneficial to keep the deficit in the High Needs Block and not disaggregate it. This would clearly monitor how the High Needs Block impacted the deficit. This was not however considered to be possible with the challenge the Council faced financing the overspend on the high needs block.
- raised concerns regarding the fact that the recommendation in the report only proposed to move the deficit from the High Needs Block into the Schools Block. Schools would therefore have less funding and would have to start taking cost savings measures, such as making Teachers Assistant (TAs) redundant, which would have further negative knock on effects on service provision and added pressure on the Education Service with a need to look at other providers. The point was made that the proposals were just hiding the actual funding problem. The Service Director, Education highlighted that it was the LA's role to propose a budget, the LA then would decide the budget once Schools Forum and Schools had been consulted.
- informed Forum that most of the High Needs Block funding was transferred back into mainstream schools to help support children with Special Educational Needs (SEN). Quality assurance and risk assessment needed to be an important point in the ongoing discussion.
- suggested that the majority of the High Needs Block funding was allocated to children from more affluent families, but this was not reflected in the presentation figures. The Service Director, Education agreed and stated that if you looked at the distribution of Education Health and Care Plans, you could see that more were given to pupils in South Cambridgeshire, which was a more affluent area of the county.
- raised concerns regarding the fact that the documents used to formulate the High Needs Block Funding figures were significantly out of date.
- queried whether there was a possibility of not transferring anything from the Schools Block into the High Needs Block. The Head of Integrated Finance stated that this would be quite complicated as the LA would likely be supportive of a movement between blocks to reduce the pressures on the high needs block. This would potentially be going against what the Forum had agreed. The Service Director, Education commented that Officers did not want to be in conflict with the Forum, they had to try their best to provide a balanced budget.
- the Service Director, Education informed the Forum that the DfE required the LA to identify savings and balance the high needs block over a 3/5 year period. The current funding formula disadvantaged had decreased the amount of money coming through to Cambridgeshire. Officers stated that Shire Counties were the worst affected by the reductions in the High Needs funding formula.
- requested whether they could see the SEND review before any decisions were made. The Service Director, Education confirmed that he would share the proposal in future meetings and in the SEND working group. However, he

explained that this would not solve issues around the amount of money in the system. **(ACTION)**

- informed the Forum that the Office for National Statistics (ONS) produced a report that outlined an insufficient impact assessment made regarding the introduction of the SEND reforms and set out the cost required from Local Authorities to implement this reform. Going forward they should provide impact assessments to see where the money was being spent and the effect it was having on the outcomes of young people. The Service Director, Education confirmed that they did quantify the funding gap between post 19 allocations when the reforms came in, and compared to last year he confirmed it was around a further £5m increase in costs. He commented that this was why the High Needs Block was under such pressure.
- the Service Director, Education informed the Forum that he had received a letter from the ESFA stating that they would like to meet in order to address the pressures identified in Cambridgeshire and help create a recovery plan. The Chairman, with agreement from the Forum, proposed that members of the Forum namely teachers and School governors should also attend this meeting to support the Service Director, Education. The Chairman stated that the Forum needed to stand up for themselves regarding the funding formula issues, otherwise they would be having the same conversation every year.
- queried the amount of funding being allocated to out of county provision. The Member noted that the Forum had discussed proposals to try and reduce this last year. The Service Director, Education confirmed that the Council had performed a significant amount of work in this area, saving around £500,000 through the reorganisation of Out of County provision packages. However, the Council could not meet some children's complex needs, and further explained that while they wanted children to remain in-county, they had no places left for them in Special Schools. The cost was currently £10m.
- suggested that if a child's family placement was not sustainable, then this would lead to children going out of county to residential specialist schools at greater cost. It was a complicated relationship between education and social care provision. The Service Director, Education reassured the Forum that every child's placement over £100k and tuition package had to be approved by him.
- queried whether borrowing money to help fund the High Needs Block to stop children going out of county could be an option for the Council. The Service Director, Education questioned whether borrowing money was the right option as this still did not solve the revenue issues for schools and might not stop children going out of county. He stated that he would explore this option. **ACTION.** He informed Forum that three new special schools were being built, funded through section 106, DfE and Council funding.

The Consultation

Individual members raised the following points in relation to the presentation:

- Raising queries were raised on the changes to the MFG and CAP arrangements.

- The Head of Integrated Finance confirmed that they did not support the proposal to reduce the Age Weighted Pupil Unit (AWPU) for the transfer to the High Needs Block.
- The Service Director, Education stated that it was very important for people to attend the consultation events.
- Queried whether contributing to apply a funding cap was the appropriate method to use.

The Head of Integrated Finance drew the Forum's attention to the School Budget Scenario Excel document. He confirmed that the information found in this document was based on the October 2018 census. A Member suggested that the excel spreadsheet should contain more background information regarding funding top-ups.

It was resolved to:

2020/21 School Funding Arrangements

- 1) Note and comment on the national funding announcements.

Growth Funding

- 2) Agree in principle to approve the following subject to any large scale changes coming forward as part of the final settlement:
 - i) the revised growth fund criteria and funding rates for 2020/21
 - ii) the reduction of the centrally retained growth fund to £2m.

Unanimously agree:

- iii) the variation to pupil numbers for new schools.

Central Schools Services Block

- 3) Agree in principle:
 - i) the reduced Contribution to Combined Budgets into 2020/21 as set out in slide 27.
 - ii) the continued use of the retained duties funding (adjusted for final pupil numbers) within the Central Schools Services Block (CSSB) to support ongoing functions.
 - iii) the continued retention of £10 per pupil from maintained schools for services specifically provided to maintained schools.
- 4) Provide comments on:
 - i) the proposal for schools to be charged for 20% of the current broadband costs following the reduction in funding.

- ii) the increased transfer of £1,138k from the Central Schools Service Block (CSSB) to the High Needs Block..

De-Delegations

- 5) It was agreed to come back and make a final decision on de-delegations at a later Forum meeting following the results of the Consultation with schools on the basis that they should be informed that the maintained primary representatives on Schools Forum were minded to agree and supported all the above listed de-delegations on the basis of economies of scale and added value.

High Needs Block

- 6) provide comments on High Needs Block proposals and the potential impact for Cambridgeshire Schools.

Consultation Proposals and Process

- 7) provide comments on the proposed consultation process and areas for consultation.

130. REVIEW OF SCHOOLS FORUM

The Forum received a report providing an outline of proposals to the revision of the operation of Schools Forum. Attention was drawn to the recommendations of the report.

It was resolved to:

- a) approve setting up the following New Subgroups to consider funding under each of the main funding blocks –
 - schools budget (formula),
 - high needs block
 - and early years.
- b) approve the following nominations to them.
 - Dr Alan Rodger, Richard Spencer, Tony Davies, Jon Culpin and Philip Hodgson to the Schools Budget (formula) subgroup.
 - Liz Bassett, Dr Kim Taylor, Amanda Morris Drake, Nick Morley and Lucie Callow to the High Needs Block subgroup.
 - Deborah Parfitt, Rikke Waldau and Sasha Howard to the Early Year subgroup.
- c) from 2020-21 to agree a reduced Meetings schedule for Forum to meet in the following months:
 - November
 - December
 - February
 - March (reserve date)
 - July

- d) operation of the meetings to start with an informal slot from 9:30 until 10 prior to the public meeting and for there to be a training session offered after the main Forum meeting to support new members / refresh knowledge.
- e) reports to Schools Forum to be by a short covering report with the main detail included in presentations which will be available as part of the agenda despatch.
- f) to receive proposals for revised terms of reference and a forward training programme to the December meeting.

131. AGENDA PLAN

It was resolved to:

Note the agenda plan.

132. CHANGE OF DATE FOR THE SCHEDULED 27TH MARCH MEETING

The Forum agreed to reschedule the meeting scheduled for the 27th March 2020 meeting to the 28th February 2020.

DATE OF NEXT MEETING

The Cambridgeshire Schools Forum will meet next on Wednesday 18th December at 10:00am in the Kreis Viersen Room, Shire Hall, Cambridge.

Chairman
18th December 2019

DRAFT

School Funding Arrangements for 2020-21

**Cambridgeshire County Council
Consultation with Primary and
Secondary Schools**

November 2019

**Consultation Closing Date
10 December 2019**

Contents

PURPOSE	3
CONTEXT	4
SCHOOLS NATIONAL FUNDING FORMULA 2020-21 OVERVIEW	5
HIGH NEEDS OVERVIEW 2020-21	7
CONSULTATION PROPOSALS	9
CONSULTATION QUESTIONS	14

NOTE:

- 1. Please note that any reference to schools in this document applies similarly to academies unless stated otherwise.**
- 2. Please also note that the elements of the Schools funding formula are applied on the same basis to both maintained schools and academies. The difference is that maintained schools currently receive their funding from the Authority for the April to March period and academies have the same funding formula applied over the academic year September to August.**

PURPOSE

1. The purpose of this consultation document is to outline Cambridgeshire County Council's (the Authority) proposed changes to the school funding formula arrangements for 2020-21. The principle consulted on and adopted in previous years was to move as closely as possible to implementing the Department for Education's (DfE) national funding formula (NFF). Cambridgeshire has made good progress in achieving this although the Dedicated Schools Grant (DSG) funding for Cambridgeshire has not enabled the full NFF to be adopted.
2. The proposed areas of consultation have been discussed by Schools Forum at its meeting of 8 November 2019 prior to the release of this consultation document. The outcome of the consultation will be reported back to the Schools Forum at its meeting on 18 December 2019. The intention is to continue to support schools so that the move to the NFF is undertaken in a managed way through using the minimum funding guarantee (MFG) and funding caps as required.
3. The consultation provides an opportunity for primary and secondary schools to comment on the changes being proposed. This document:
 - a. Provides an overview of the proposed changes to the schools funding formula for 2020-21;
 - b. Provides a link to the financial implications of the NFF for individual schools as published by the DfE, which the Authority is considering for 2020-21. The indicative figures are based on current information and have not been updated for the October 2019 pupil numbers or other datasets that are required for the calculation of the 2020-21 school budgets. Neither do they reflect any local decisions that may be required, any transfers between funding blocks or the funding of growth. Any DfE school level analysis must therefore be taken in this context and **must only be considered indicative at this stage;** and
 - c. Asks specific questions for Schools to express their views on the proposals.
4. For the 2020-21 funding arrangements the timeframes are imposed on the authority in terms of its deadlines to make submissions to the Education and Skills Funding Agency (ESFA).
5. **Schools are asked to respond to this consultation by completing the Online Response Survey at the following link:**

Link to insert

Responses should be submitted by 5pm on 10 December 2019.
6. Responses received will be analysed and shared with members of the Schools Forum at its meeting on 18 December 2019 prior to the Authority deciding on the final funding formula for use in 2020-21 to be submitted to the DfE in mid January 2020.

CONTEXT

7. In July 2019 the DfE published its update to the NFF for schools and high needs. This consultation document focuses only on the schools NFF since the high needs generates funding at an Authority level rather than at an individual school level.
8. The DfE has confirmed that the arrangements in 2020-21 will continue to allow some local discretion through what is termed a 'soft' funding formula, which has been extended to 2020-21. The soft formula means that the Authority can still decide how it allocates its funding to schools using the available NFF factors but has flexibility to determine the use and / or value of these factors. By contrast, when the DfE moves to a 'hard' formula, each school will receive its funding through the NFF directly from the Education and Skills Funding Agency (ESFA).
9. The DSG continues to be ring-fenced. There are four well established blocks as set out below. The Schools Block continues to be ring-fenced with one exception that the Authority has the ability to move up to 0.5% of the Schools Block to other blocks after consultation with schools and after approval by the School's Forum.

Figure 1 – the make up of the Dedicated Schools Grant

DEDICATED SCHOOLS GRANT			
SCHOOLS BLOCK	CENTRAL SERVICES SCHOOLS BLOCK	EARLY YEARS BLOCK	HIGH NEEDS BLOCK
This Block funds: <ul style="list-style-type: none"> - Individual school budgets; - Services de-delegated from maintained school budgets and The Growth fund 	This Block funds: <ul style="list-style-type: none"> - Historical commitments previously agreed with Schools Forum such as the Public Sector Network (broadband) contract; and Ongoing responsibilities of the Authority such as Admissions, the servicing of the Schools Forum, copyright licenses and services to meet statutory responsibilities 	This Block funds: <ul style="list-style-type: none"> - The 2 year old Early Years single funding formula; - The 3 and 4 year old Early Years single funding formula (universal and extended entitlement); - The Disability Access Fund; - Maintained Nursery school supplementary funding; and Any central expenditure by the authority to support early years services 	This Block funds: <ul style="list-style-type: none"> - Special school budgets; - Special schools outreach; - Top up funding for pupils with High Needs; - Out of County SEN placements; - SEND specialist services; - Early Help District Delivery Services; - Alternative provision such as PRUs, High Needs Units; - EOTAS devolution; and Commissioning Services

SCHOOLS NATIONAL FUNDING FORMULA 2020-21 OVERVIEW

10. The factors used in the 2019-20 Cambridgeshire school funding formula (excluding the area cost adjustment) are set out in Table 1 alongside the factors in the 2020-21 NFF and the difference between them. As can be seen from the 'Increase in factor Unit Rate' column the rates for each of the factors have increased by 4% as a result of the government's additional investment in schools funding. Cambridgeshire has implemented the NFF in terms of the factors and rates in 2019-20 (with the exception of Mobility) and the intention is to mirror the factors and rates for 2020-21.
11. The one area of change for Cambridgeshire's funding formula is the Mobility factor. In previous years this has not been used due to the quality of the data set it was based on. For this reason the rates for primary and secondary mobility for 2019-20 were set to nil. The DfE have for 2020-21 revised the underlying data set using a more reliable measure for mobile pupils. Based on the indicative data set for Cambridgeshire this factor will allocate approximately £0.56m to eligible schools within the formula. Now that the DfE have resolved the issues with the data set, the Authority is proposing to introduce the mobility factor based on the principle of mirroring the NFF.
12. There are some other changes to the funding arrangements for 2020-21 as follows:
 - a) The NFF will introduce a mandatory minimum per pupil guarantee (MPPG) for primary and secondary pupils. For 2020-21 these are set at £3,750 for Primary and £5,000 for Secondary pupils (note from 2021-22 the Primary MPPG will increase to £4,000 per pupil);
 - b) The minimum funding guarantee (MFG) must be set between +0.5% and +1.84%. In previous years schools will recognise the MFG has typically been a negative figure meaning that individual per pupil funding at school level could decrease. This change is a way of ensuring that there is a minimum funding for each school;
 - c) The NFF has removed the funding cap that was being applied. However the Authority is still able to apply a funding cap locally if needed in order to ensure Cambridgeshire's funding formula is affordable within the funding allocated.
13. The impact of the 2020-21 NFF for schools can be seen at an individual school level on the DfE website. **However schools are reminded that these are indicative allocations, which will move with the October 2019 census data as well as any decisions taken locally such as transfers between the blocks.**

[Link to DfE School Level Impact \(refer to 'Impact of the schools NFF, 2020-21' file\)](#)

Table 1 – 2020-21 NFF factors and rates compared to current Cambridgeshire factors and rates

NFF Factor		CCC Unit Rate 2019- 20 (£)	NFF Unit Rates 2020- 21 (£)	Increase in Factor Unit Rate (£)
Basic per pupil entitlement (AWPU)	AWPU: Primary	2,729	2,857	128
	AWPU: Secondary KS3	3,838	4,018	180
	AWPU: Secondary KS4	4,357	4,561	204
	Minimum per pupil funding Primary	3,300	3,750	450
	Minimum per pupil funding Secondary (KS3 and KS4 combined)	4,000	5,000	1,000
Deprivation (based on ever 6 free school meal numbers)	FSM current - Primary	440	450	10
	FSM current – Secondary	440	450	10
	Ever6 FSM – Primary	540	560	20
	Ever6 FSM – Secondary	785	815	30
	IDACI Band F: Primary	200	210	10
	IDACI Band F: Secondary	290	300	10
	IDACI Band E: Primary	240	250	10
	IDACI Band E: Secondary	390	405	15
	IDACI Band D: Primary	360	375	15
	IDACI Band D: Secondary	515	535	20
	IDACI Band C: Primary	390	405	15
	IDACI Band C: Secondary	560	580	20
	IDACI Band B: Primary	420	435	15
	IDACI Band B: Secondary	600	625	25
	IDACI Band A: Primary	575	600	25
	IDACI Band A: Secondary	810	840	30
Low Prior Attainment	Primary	1,022	1,065	43
	Secondary	1,550	1,610	60
English as an Additional Language	Primary	515	535	20
	Secondary	1,385	1,440	55
Pupil Mobility	Primary	0	875	875
	Secondary	0	1,250	1,250
Lump Sum	Primary	110,000	114,400	4,400
	Secondary	110,000	114,400	4,400
Sparsity	Primary	25,000	26,000	1,000
	Secondary	65,000	67,600	2,600

Notes to the Table

- Figures in brackets are negative / minus figures i.e. reductions in the unit rates in the context of this table
- The DfE recognises that some factors cannot easily be allocated on a formulaic basis and under the national funding formula are continuing to fund these at historical funding

levels. This covers the Premises factors which includes PFI, split site and rates for those schools affected.

- c) The CCC unit rate figures are before the area cost adjustment for Cambridgeshire being applied.

HIGH NEEDS OVERVIEW 2020-21

14. Cambridgeshire continues to experience pressures on its High Needs budgets which is a trend that is being experienced nationally. Indeed some local authorities have sought and been granted approval by the Secretary of State to transfer more than 0.5% of funding from their Schools Block to the High Needs Block in order to manage the financial pressures they are facing.
15. In previous years following consultation with schools, the Schools Forum has approved transfers from the Schools Block. In 2018-19 0.21% (£0.7m) was transferred with the 2019-20 figures being 0.5% (£1.7m).
16. Cambridgeshire's indicative allocation for High Needs for 2020-21 has increased by £5.75m to a total High Needs allocation of £74.6m before academy recoupment. Whilst this is a welcome 8.4% increase compared to 2019-20 funding levels it simply isn't enough. The DSG high needs funding is not matching the rate of growth in Cambridgeshire for numbers of high need pupils at a time of higher expectations from both the local authority, schools, Ofsted, the Government, pupils and parents. Effectively the uplift addresses most, but not all, of the year-to-year overspend, before further growth, but this leaves unaddressed the accumulated deficit that has resulted from overspending on high needs provision in Cambridgeshire schools and settings, particularly since 2018.
17. Schools should be aware that over 70% of the high needs budget is allocated to schools and settings to support pupils with high needs, with a further 14% for out of county provision. The High Needs Block for Cambridgeshire funds the following services (as also set out in paragraph 9) with the planned budget:
 - £22.1m Special school budgets including Special Schools outreach;
 - £19.1m Top up funding for pupils with High Needs (including Post 16);
 - £10.0m Out of County SEN placements;
 - £1.5m Out of School Tuition;
 - £7.2m SEND specialist services;
 - £0.4m Early Help District Delivery Services;
 - £3.7m Alternative provision such as High Needs Units and Hospital PRU;
 - £5.7m EOTAS devolution; and
 - £2.6m Commissioning Services, Out of School Tuition, Personal Transport and support to parents.
18. The uplift in funding must be set in the context of the estimated cumulative deficit expected at the end of 2019/20 of £16.2m. Cambridgeshire had the fourth highest DSG deficit, in proportionate terms, amongst County Council comparators as at April 2019, with this expected to rise to the third highest by March 2020. In addition there is the need to meet the ongoing £9.0 million over spend in the base budget and plan for the fact that the £1.7 million transfer from the schools block in 2019/20 is only one off and may not be approved by the Schools Forum in 2020/21, or the Secretary of State. The combination of these factors is significant meaning that there is no funding to meet the increasing number and complexity of high needs pupils. To the contrary significant savings need to be delivered within High Needs

to bring the budget under control. The pressure on the high needs budgets over the last 5 years and the forecast for the current year is set out in Table 2.

Table 2 –High Needs income, budget, actual expenditure and overspends by year

Year	High Needs Block Income £m	High Needs Budgeted Expenditure £m	High Needs Actual Expenditure £m	Overspend Value £m	Cumulative Deficit £m
2014-15	63.8*	60.5	61.8	1.3	Nil – deficits during this period were managed within the overall DSG available
2015-16	64.1*	61.9	63.2	1.3	
2016-17	64.9*	63.0	65.7	2.7	
2017-18	64.3	65.3	70.0	4.7	
2018-19	65.9	67.1**	75.9	8.8	7.2
2019-20	68.9	71.1**	80.1	9.0 (latest forecast)	16.2

Notes

* Due to the way in which statements of SEN were funded prior to April 2013 and the subsequent requirement for mainstream schools to fund the first £6,000 of each statement a technical adjustment was required from 2013-14 to 2016-17 to transfer funds back to schools, hence why the High Needs Budget Expenditure appears lower than the High Needs Block received in these initial years. This has now been reflected in the revised baseline block allocations.

** The 2018/19 budget includes £1.2m of transfers from other funding blocks (£0.5m from Central Block and £0.7m from the Schools Block) and this is the same for 2019/20 (£0.5m from Central Block and £1.7m from the Schools Block).

19. The £9.0m overspend that is forecast for 2019-20 results largely from the increasing numbers of children and young people placed in specialist settings, both in and out of county, and the cost of supporting post 16 high needs pupils that continue to put pressure on the current financial year. For example since April 2019 Education Health and Care Plans (EHCPs) have increased from 4,262 to 4,572, an increase of 310 or 7%. Over the 12 month period covering October 2018 to October 2019 EHCPs have increased by 11%.
20. Any overspend of more than 1% of the total DSG requires an authority to submit deficit recovery plans to the DfE for scrutiny. The Authority had to do this at the end of the 2018-19 financial year and will be discussing the deficit further with the DfE. The DSG is a ring-fenced grant and the deficit that has been accumulated on high needs is ring-fenced to services funded by DSG. Whilst this ring-fence is longstanding and reflects money already spent on schools and services, the DfE have indicated (subject to consultation) they will go further in the next set of regulations to make it unlawful for local authorities to use any local monies or resources from other departments to cross-fund the financial position within the DSG ring-fence. In this context, it is for the local area, and all schools and services funded through the DSG, to collectively respond to the deficit and return the DSG to a sustainable basis. Any deficit on the DSG would therefore require reductions in spending levels on high needs

services such as reduced levels of top up funding and reductions to specialist services. The only other alternative would be to manage any deficit in the following year's school budget, which would ultimately reduce the level of funding available to be allocated to schools. Any such changes would be discussed with the Schools Forum and where necessary consulted on with schools.

21. In addition moving forward to 2020-21 there will be additional high need pupil growth that will need to be funded. Work is ongoing to quantify this growth for 2020-21. As Table 2 identifies the position that Cambridgeshire finds itself the increased funding allocations from the DfE in recent years have been insufficient to meet the growth in pupil numbers and increasing demand for top up funding.
22. The impact of the demands on the High Needs Block and the issues currently faced in respect of certain elements of the high needs budgets means the Authority needs to plan to ensure that the 2020-21 high needs budget is robust and managed within the funding available. Given the estimated deficit position of £16.2m that will exist on the High Needs Block at the end of 2019-20 and the ongoing pressures on High Needs budgets the Authority is consulting schools on a transfer in 2020-21 from the Schools Block to the High Needs Block as set out in the next Section.

CONSULTATION PROPOSALS

23. The Authority has modelled a number of options to demonstrate the impact of the consultation options on individual school budgets. The consultation proposals are explained in the remaining sections of this document. The modelling is provided in Appendix 1 (2020-21 School Budget Scenarios) which sets out the impact on individual schools as a result of:
 - Including the Mobility factor in the formula;
 - The varying levels of transfer from the Schools Block; and
 - The impact this has on the MFG and the use of the funding cap.

Schools are able to look up the modelled impact on them by inserting their school reference number from the 'School References' tab into the 'Look Up Tool' tab in Appendix 1.

24. Appendix 1 provides for the varying combinations of options and what it means to an individual school's budget. It should be noted that the modelling:
 - Is indicative and based on the October 2018 census and data sets (October 2019 has not yet been released by the DfE);
 - Is based on the NFF data which is indicative in its calculation of MFG due different baselines being used compared to the modelling tool issued by the DfE;
 - Includes the mobility factor in the formula;
 - Assumes the same level of growth funding (£3.3m) and includes weighted numbers agreed for 2019-20. Weighted numbers for 2020-21 will need to be added and will impact on those schools where the weighted numbers have been agreed. This will be updated in the final APT and school budgets when the final growth funding allocation is confirmed; and
 - Will change for example due to the outcome of the consultation, the final Schools Block allocation, the final October 2019 numbers and the growth funding that has not yet been announced by the DfE.

SCHOOLS FUNDING FORMULA – MOBILITY FACTOR

25. **The views of schools are sought in respect of introducing the Mobility formula factor into the 2020-21 Cambridgeshire funding formula.**
26. The Authority through discussions with the Schools Forum have adopted the principle of mirroring the NFF as closely as possible to prepare the county's schools for when the hard NFF is introduced.
27. For 2020-21 there are limited changes to the NFF itself. The Minimum per pupil Funding Level of £3,750 for Primary pupils and £5,000 for Secondary pupils will be mandatory and the Authority will be including these values in the local formula. Minimum funding levels were used in 2019-20 and therefore this does not form part of the consultation questions.
28. The other main change to the NFF is the change in the data set for the mobility factor. As this is now based on a more appropriate data set the Authority is proposing to introduce this into the local funding formula for 2020-21. The cost of introducing this factor is included in the allocation that the Authority receives from the DfE as part of the NFF, therefore it does not create a cost or the need to reduce other aspects of the funding formula. By introducing the mobility factor:
 - The overall cost of this formula factor is c£0.56m across all schools;
 - Would see 76 Primary and 5 Secondary schools receive a funding allocation through the factor; and
 - Set allocations of between £33 and £44,747 for Primary schools and between £2,218 and £27,615 for Secondary schools that are eligible schools

SCHOOLS BLOCK TRANSFER TO THE HIGH NEEDS BLOCK

29. **Schools are asked for their views on whether they support a transfer from the Schools Block to the High Needs Block for 2020-21 and how a transfer from the Schools Block should be funded. The options being consulted on to transfer funding from the Schools Block to the High Needs Block as follows:**
 - **Option 1 – to make no transfer in 2020-21;**
 - **Option 2 – to transfer 0.5% equating to £1.8 million (this repeats the transfer that was made in 2019/20);**
 - **Option 3 – to transfer 1.0% equating to £3.6 million;**
 - **Option 4 – to transfer 1.8% equating to £6.5 million; or**
 - **Option 5 – a transfer in excess of 1.8% to repay the deficit quicker (note this option is not modelled).**
30. As outlined in paragraph 9 under the NFF arrangements in 2020-21 the Schools Block is ring-fenced although there is some limited flexibility for the authority to transfer up to 0.5% of the Schools Block funding to another DSG block. For 2019-20 0.5% (£1.7m) was transferred between the blocks.
31. It is important for schools to note that any transfer above the 0.5% allowed under the regulations will require Secretary of State's approval. This applies to options 3, 4 and 5 and

would need to be submitted if either of these was the preferred option following discussions at the 18 December Schools Forum meeting.

32. The indicative High Needs allocation for Cambridgeshire is an increase in funding of £5.75m for 2020-21. There are a number of additional considerations for 2020-21 given the financial position on Cambridgeshire's High Needs Block which are set out below:
- a) The estimated deficit of £16.2m at the end of 2020-21 needs to be repaid, this needs to be planned for and is likely to require high needs savings proposals to reduce costs given the high needs funding from the DfE for the Authority is insufficient;
 - b) The additional £9.0m of high needs costs that have been incurred in 2019-20 will continue into 2020-21, therefore this needs to be built into the 2020-21 budget or reduced through savings proposals; and
 - c) The transfer of £1.7m from the Schools Block in 2019-20 is only one off so if a transfer is not approved in 2020-21 this creates a further funding shortfall in the High Needs Block.

The financial implications of these factors is set out in Table 3 which outlines the likely position without a transfer from the Schools Block in the context of the High Needs Block indicative allocation for 2020-21.

33. Given the position set out in Table 3 the Authority is in the unfortunate position of having to propose a further transfer from the Schools Block to support the High Needs costs in 2020-21. As part of this consultation the Authority is seeking views from schools on the different levels of transfer from the Schools Block outlined in paragraph 29. Table 4 sets out the position in respect of the Authority's High Needs Block with the differing levels of transfer being accounted for.
34. Any transfer between the Schools Block and High Needs Block would only be for 2020-21. The authority does have to consult with schools for transfers between blocks in future years where the DfE maintain this flexibility.
35. Table 4 demonstrates that the transfers from the Schools Block are not sufficient in isolation to resolve the deficit and meet ongoing cost pressures. Rather any transfer from the Schools Block would be a contribution to the escalating costs. With a lower level of transfer from the Schools Block the implication will be further reductions to High Needs spending and service provision.

Table 3 – Existing Costs Compared to the Indicative High Needs Settlement for 2020-21
Excluding any transfer from the Schools Block

	Existing Cost to Fund £m	Indicative Funding Increase £m	Indicative Funding Remaining £m	Notes
Cumulative High Needs Deficit at the end of 2019-20	16.2			Repayment of the DSG deficit is a requirement
2020-21 High Needs Base Budget Adjustment	9.0			Required to meet the existing costs that will continue into 2020-21
2019-20 Transfer from the Schools Block	1.7			This represents the additional cost to the High Needs Block from the removal of the transfer as this is only ever a one off transfer
2020-21 High Needs Savings Proposals	(1.9)			Planned savings within the High Needs Block the Authority is working on
2020-21 High Needs Cost Pressures	8.3			Forecast cost pressures for 2020-21
Totals	33.3	(5.8)	27.5	£25.1m is the estimated High Needs Block deficit that is likely to exist at the end of 2020-21

Table 4 – The Forecast High Needs Deficit as at 31 March 2021 after transfers from the Schools Block based on the options proposed

Transfer Option from the Schools Block	Estimated 2020-21 DSG Deficit £m	Estimated 2020-21 Net Cost Pressures £m	Value of the Schools Block Transfer £m	Revised Estimated 2020-21 Deficit £m	Revised Deficit as a Percentage of the Indicative Schools Block %
No Transfer	16.2	17.1	0	33.3	9.2%
0.5% Transfer	16.2	17.1	(1.8)	31.5	8.7%
1.0% Transfer	16.2	17.1	(3.6)	29.7	8.2%
1.8% Transfer	16.2	17.1	(6.5)	26.8	7.4%

THE COST OF GROWTH

36. In 2019-20 the DfE changed the basis of growth funding from being based on historical spend to a formulaic approach using lagged growth data. The Authority lost £1.7m as a result of this change in 2019-20, which was reported to the Schools Forum. The implication of this is that the amount of funding to support the cost of growth in new and growing schools was insufficient and had to be funded from within the overall Schools Block.

37. The funding allocation for growth is not yet known for 2020-21. The modelling provided at Appendix 1 includes the 2020-21 intrinsic growth in the Authority's funding formula and assumes the same level of growth funding for 2020-21 at £3.3m.
38. Intrinsic growth is the growth related to the guaranteed pupil numbers for schools that are growing to capacity. The local Growth Fund for 2020-21 is £2m which means there would be £1.3m of funding available to fund weighted numbers (intrinsic growth). The cost of the weighted numbers in the formula is c£3.5m. The consequence of this is therefore that a net cost of £2.2m for intrinsic growth has to be met within the overall funding formula, which would have been met by the historic growth funding from the DfE.
39. The growth funding allocated to the Authority by the DfE is insufficient to meet the cost of the local Growth Fund (£2m in 2020-21) and the cost of intrinsic growth in the formula £3.5m for the Authority. A funding cap of 4.9% is required in order to ensure the Cambridgeshire formula is within the available funding for the Schools Block including the intrinsic growth. In turn this impacts on the funding gains and is another reason the DfE NFF figures cannot be achieved for Cambridgeshire schools. This position existed in 2019-20.
40. There are no specific consultation proposals for schools in respect of funding for growth through weighted numbers, which is agreed through the Schools Forum each year.

BALANCING THE COST OF THE FORMULA TO THE AVAILABLE FUNDING

41. Any transfer from the Schools Block will reduce funding available for distribution for school budgets. On the basis that the Authority has adopted the principle of mirroring the NFF as closely as possible, the Authority is proposing that any transfer of funding from the Schools Block will be funded by:
 - A reduction to the Minimum Funding Guarantee (MFG) which can be set between +0.5% and +1.84% for 2020-21;
 - Applying a funding cap so that schools gaining the most funding above the Minimum per Pupil Funding Level (MPPFL) are limited in the amount of the funding gain that they would be able to keep;
 - A combination of reducing the MFG and applying a funding cap; and
 - If required setting a lower MPPFL than the mandatory level in the NFF (subject to the Secretary of State's approval).
42. In the options modelled reductions to the MFG in isolation are insufficient to meet the overall cost of the funding transfers proposed. Therefore the authority is proposing the use of the funding cap in order to ensure the Cambridgeshire funding formula remains within the Schools Block funding available for distribution. The funding cap enables the formula itself to mirror the NFF, but then restricts the funding gains for those schools gaining funding over a certain percentage.
43. Alternatives to applying the funding cap could include an overall reduction to the AWPU values, reductions to the additional needs factors or a reduction in the lump sum. Reductions to the lump sum would detrimentally affect small schools due to the amount of funding they are able to generate through pupil led funding factors. The additional needs factors target

funding to those pupils that require extra support and therefore is not being proposed by the Authority. Reductions in AWPU values would restrict the amount of gains to all schools although this would result in additional MFG and minimum per pupil funding level costs if schools do not achieve the minimum amount of growth set.

44. If a High Needs transfer from the Schools Block is ultimately agreed the Authority is proposing to use the funding cap to ensure the affordability of the formula. This has the impact of restricting the gains for those schools that are receiving the most funding gains. This approach still enables the pure NFF to be applied in terms of factors, unit rates and the MPPFL.
45. If a transfer from the Schools Block to the High Needs block is not approved by the Schools Forum then the Authority would be in the likely position of having to apply to the Secretary of State for a transfer to go ahead. Any transfer from the Schools Block in excess of the allowable 0.5% must be approved by the Secretary of State.
46. As previously mentioned the impact on individual school budgets is provided in Appendix 1. In addition at a summary level the impact of the options (comparing options 1 to 4 at both the highest and lowest level of MFG that can be set) in terms of the indicative number of schools and funding gains are summarised in Table 5.

Table 5 - Number of Schools with Funding Gains for each Option

Option	1a	1d	2a	2d	3a	3d	4a	4d
High Needs Transfer Value	£0	£0	£1.8m	£1.8m	£3.6m	£3.6m	£6.5m	£6.5m
MFG %	1.84%	0.50%	1.84%	0.50%	1.84%	0.50%	1.84%	0.50%
Funding Cap %	4.94%	4.97%	3.83%	3.85%	2.65%	2.67%	0.25%	0.28%
Funding Gain Value:								
< £5k	2	6	2	6	4	8	128	131
£5k - £20k	43	38	60	56	110	103	22	19
£20k - £50k	93	93	82	82	44	47	16	16
£50k - £100k	52	53	49	49	39	39	38	38
> £100k	54	54	51	51	47	47	40	40
Total No. of Schools	244	244	244	244	244	244	244	244
% of Schools gaining less than £5k	0.8%	2.5%	0.8%	2.5%	1.6%	3.3%	52.5%	53.7%
% of school gaining between £5k and £20k	17.6%	15.6%	24.6%	23.0%	45.1%	42.2%	9.0%	7.8%
% of school gaining between £20k and £50k	38.1%	38.1%	33.6%	33.6%	18.0%	19.3%	6.6%	6.6%
% of school gaining between £50k and £100k	21.3%	21.7%	20.1%	20.1%	16.0%	16.0%	15.6%	15.6%
% of school gaining over £100k	22.1%	22.1%	20.9%	20.9%	19.3%	19.3%	16.4%	16.4%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

47. The overall impact of the options proposed demonstrate that the greater the level of funding transferred from the Schools Block, the lower the level of funding gains for the majority of schools. Key points to note from Table 5 are:
 - a) There is limited change to the numbers of schools that gain between the different levels of MFG being set within the formula, this is because the Minimum per Pupil Funding Levels (MPPFL) is uplifting school allocations leading to a reduced MFG requirement;
 - b) With option 1a (no transfer and an MFG of 1.84%) 82% of schools receive a funding gain of £20k or more. As the increase in the funding transfer from the Schools Block increases these percentages reduce. For option 4a (£6.5m transfer and an MFG of 1.84%) the respective figures for gains of £20k or more falls to 39%;

- c) Under all options 100% of schools do see an increase in funding due to the MPPFL and MFG;
- d) However the number of schools receiving funding gains of £5k or less is 0.8% in option 1a (no transfer and an MFG of 1.84%) compared to 52.5% for option 4a (£6.5m transfer and an MFG of 1.84%). Put differently the transfer of £6.5m means that over half of schools see a funding gain of £5k or less.

CONSULTATION QUESTIONS

48. We are seeking school's views on the questions in the following table.

Schools are asked to respond to this consultation by completing the Online Response Survey at the following link:

[Link to insert](#)

Responses should be submitted by 5pm on 10 December 2019.

1	<p>a) Do you agree with the introduction of the Mobility formula factor being introduced in the 2020-21 Cambridgeshire funding formula?</p> <p>b) If not please explain why?</p>
2	<p>a) Do you agree that the Authority should propose to the Schools Forum a transfer from the Schools Block to the High Needs Block to support the High Needs budget in 2020-21?</p> <p>b) Do you have an alternative proposal for how the local area should respond to the accumulated deficit on high needs, reaching a balanced position over the medium term of 3 years?</p> <p>c) If you do agree a transfer from the Schools Block should be proposed, at what level do you think the transfer should be at: 0.5% (£1.8m); 1.0% (£3.6m); 1.8% (£6.5m); or an amount in excess of 1.8%?</p> <p><i>(note the higher the percentage the less funding there is available for distribution through the schools funding formula for Cambridgeshire)</i></p>
3	<p>a) If a transfer is agreed to be made from the Schools Block to the High Needs Block at what level do you think the Minimum Funding Guarantee (MFG) should be set: 0.5%; 1.0%; 1.5%; 1.84%; or something different between 0.5% and 1.84%?</p> <p><i>(note the lower the percentage the less guaranteed funding gains will be under the formula)</i></p>

4	<p>a) If a transfer is agreed to be made from the Schools Block to the High Needs Block do you agree that a funding cap is used to balance the cost of the formula to the Schools Block funding available?</p> <p><i>(note the funding cap restricts the amount of any funding gains of those schools above the level at which the funding cap is set)</i></p> <p>b) If not how do you think the Schools Block should be balanced, for example reducing AWPU values, reducing other factors in the funding formula, or potentially requesting approval from the Secretary of State not to apply the Minimum per Pupil Funding Levels?</p>
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DRAFT

2020/21 Dedicated Schools Grant Funding

Schools Forum - November 2019

Introduction

The purpose of today's presentation is to share with Schools Forum the latest position on Schools and High Needs funding in relation to the 2020/21 budget setting round:

1. 20/21 School Funding Arrangements
2. Growth Funding / New Schools
3. Centrally Retained Funding and De-Delegations
4. High Needs Block
5. Consultation
6. Summary and Next Steps

2020/21 School Funding Arrangements

1. 2020-21 - Dedicated Schools Grant (DSG) Funding Announcement
2. To be aware..
3. 2020-21 Schools Block

20-21 Funding Announcement

Information has been published on the Department for Education (DfE) website and includes:

- **Indicative figures** for each school compared to their 2019-20 baseline formula allocations
- **Indicative DSG allocations** for 2020-21 based on October 2018 census (figures will be updated for the October 2019 census in December's final allocations)

20-21 Funding Announcement

Schools Block

- Extra funding is being allocated £2.6bn in 2020/21 (£4.8bn in 21/22 and £7.1b in 22/23) – a multi year settlement
- Based on per pupil minimum funding levels at £3,750 for Primary in 20/21 and £5,000 for Secondary in 20/21 (Primary increases to £4,000 in 2021/22)
- A further £1.5bn will be allocated to meet the additional Teacher's Pensions costs over a 3 year period – not clear if this is a separate grant that will cease or will be baselined into the DSG

20-21 Funding Announcement

- Teacher starting salaries to increase to £30,000 by 2022/23
- £400m will be allocated to 16 -19 education with a base rate of £4,188 per pupil – this is outside of the Schools Funding Formula and would go via the 16-19 team

Early Years Block

- An additional £66m has been announced to increase hourly rates to providers.

20-21 Funding Announcement

High Needs Block

- Extra £700m announced (final amount £780m) but includes the additional £125m of funding allocated in 2019/20 – therefore not all new money!
- To be allocated through the High Needs funding formula with floors, protections and caps – minimum uplift 8% and subject to a cap of 17%.

20-21 Funding Announcement

Central Schools Services Block

- Historic commitments reduced by 20% - DfE had previously stated this was the intention, but no details had been provided.
- This will impact on the combined budgets currently funded through this route

To be aware...

- It is **not** an additional £14bn per year for schools – it totals £7.1bn per year by 2022-23. The DfE said this uplift had to cover the following: Growth in pupil numbers (around £1bn)
- A real-terms protection of per-pupil funding (around £3bn)
- The cost of increases to teachers pay, including raising starting salaries for all new teachers to £30,000. Teachers pay grant and pension will continue to be funded separately.
- Expectation of schools receiving a 4% increase on their national formula allocations – but this is before any adjustment for local circumstances.

To be aware...

- Additional funding for pupils with high needs still short of what the education select committee says is needed to plug the deficit in high needs.
- The DfE has confirmed that local authorities will need to ensure they honour the minimum levels of funding for all schools but, beyond that, there are no signs that local flexibility will be further restricted.
- For maintained schools the financial year begins in April, and so they will receive their uplift of extra funding from April 2020. Academies will get the cash from September next year, when their financial year begins.

20-21 Schools Block

- DfE published illustrative figures state a **£17.9m (5.2%)** increase for Cambridgeshire (excluding growth funding)
- However, when compared to the actual amount received in 2019/20 the total increase is **£16.75m (4.8%)**
- Actual impact for individual schools will vary depending on individual circumstances. Final figures will be based upon data from the October 2019 census and will be subject to change – **be careful not to spend ahead of final budgets!**

20-21 Schools Block

- Minimum Per Pupil Guarantee (MPPG) is £3,750 Primary and £5,000 Secondary – **intention is to make this mandatory**
- MPPG for Primary will increase to £4,000 in 2021/22
- Funding Floor will be 1.84% - minimum increase based on individual school 2019/20 allocations
- Premises funding at 2019/20 levels based on actual; Public Finance Initiatives (PFI) attracts Retail Price Index (RPI) inflation.
- No national cap but Local Authorities (LAs) can still opt to use a local cap
- New mobility factor will be introduced but is optional
- Funding Floor Factor will be removed due to MPPG

20-21 Schools Block

- Minimum Funding Guarantee (MFG) can be set between +0.5% and +1.84% i.e. increase; LA decision **but should be included in the consultation**
- 0.5% limit remains on movements from Schools Block
- 80% must be delegated through pupil led factors
- The Income Deprivation Affecting Children Index (IDACI) data due to be published 26 Sept 2019 but won't be used until 2021/22

Required Actions

- *Schools Forum are asked to note and comment on the national funding announcements*

Growth Funding and New Schools

1. Growth Funding
2. Variation to Pupil Numbers
3. New Schools
4. Required Actions

Growth Funding

- As previously highlighted in 2019/20 the DfE moved Growth Funding allocations to the LA to a formulaic approach.
- In 2019/20 this resulted in a reduction of £1.7m, from £5m to £3.3m and a total subsidy by existing schools of over £2m.
- In 2019/20 the centrally retained Growth Fund (explicit growth) was £2.5m and guaranteed numbers (implicit growth) cost approximately £2.8m
- The 2020/21 Growth Fund allocation is yet to be confirmed.

Growth Funding cont..

- Following a meeting and comments from Primary and Secondary school representatives the following changes are proposed to the Growth Fund process for 2020/21:
 - Headteacher Representatives to sit on the Growth Fund panel
 - Where the LA has requested maintained schools to run an additional class and numbers do not materialise funding to recognise the difference will be provided to compensate for the 5/12th period April to August.
 - The level of balances for maintained schools and academies will be requested and considered as part of the application process.

Growth Funding cont..

- In instances where growth funding is allocated based on forecasts and numbers do not materialise the school will be required to provide evidence as to how the funding has been used to increase capacity. If sufficient evidence is not provided the LA reserve the right to clawback a proportion or all of the funding.

Growth Funding cont..

- Proposed funding rates per form of entry (FE):

Phase	Academic Year	Financial Year (7/12ths)
Primary (1FE)	£54,000 + £4,000	£31,500 + £4,000
Secondary (1FE)	£65,000* + £4,000	£37,917 + £4,000

***Please note:** The proposed Secondary rate has reduced from £85k following review of costs and other LA rates.

Growth Funding cont..

- Based on the latest available data and intelligence from the Place Planning Team, and allowing for changes in required Diseconomies funding the estimated centrally retained Growth Fund requirement for 2020/21 has reduced to £2m.
- This allows **£0.5m** to be returned to school budgets to support implicit growth for those new schools growing to capacity.
- The total cost of implicit growth will not be known until final pupil data is received from the ESFA in December. Initial estimates however, suggest it will be in the region of £2.4m.

Growth Funding cont..

	£m
Growth Funding Allocation from DfE	-TBC
Centrally Retained Growth Fund	2.00
Estimated Implicit Growth	2.40
Estimated required subsidy within the funding formula	TBC

Variation to Pupil Numbers Cambridgeshire County Council

School	Guaranteed Number 20/21 APT - April to Aug (5/12ths)	Guaranteed Number 20/21 APT - Sept to Mar (7/12ths)
Isle of Ely Primary	360	420
Trumpington Community College	480	540
Godmanchester Bridge Academy*	150	180
Ermine Street Primary*	180	210
Pathfinder Primary*	180	210
Trumpington Park Primary	210	270
Littleport Secondary	360	480
Wintringham Park	60	60
Northstowe Secondary	120	240
Cromwell Community College	0	30

****Disapplication required***

New School Funding

- There are no proposed changes to the funding for New Schools, other than the addition of diseconomies funding for all-through schools.

Required Actions

Schools Forum are asked to approve:

- 1) the revised growth fund criteria and funding rates for 2020/21*
- 2) the reduction of the centrally retained growth fund to £2m.*
- 3) the variation to pupil numbers for new schools.*

Centrally Retained Funding and De-Delegations

1. Central Schools Services Block (CSSB) Funding
2. Retained Duties Funding
3. Maintained De-delegations
4. Required Actions

CSSB Funding

- Reduction of **£1.109m** based on DfE published illustrative figures
- Includes 20% reduction on Historic Commitments to **£4.616m**

Historic Commitments	2019/20 Budget £'000
Contribution to Children's Services	£3,027
Early Intervention Family Workers	£733
Residual CPH Funds and other contracts	£52
Broadband Contract	£1,458
Transfer to High Needs Block	£500
Total	£5,770

CSSB Funding

- £1.5m of pressures funding assumed in Business Plan.
- Proposal to reduce contribution to combined budgets, increase transfer to High Needs Block (from £0.5m) and Schools to fund 20% of broadband contract:

Historic Commitments	Proposed 2020/21 Budget £'000
Contribution to Children's Services	£1,527
Early Intervention Family Workers	£733
Residual CPH Funds and other contracts	£52
Broadband Contract	£1,166
Transfer to High Needs Block	£1,138
Total	£4,616
Schools contribution to Broadband	£292

Retained Duties Funding

- For 2020/21 it is proposed to:
 - Continue to apply the retained duties funding received as per of the CSSB to support ongoing functions.
 - Continue to retain £10 per pupil from maintained schools for services specifically provided to maintained schools.

<u>Retained Duties Estimates</u>	2020/21 £000
Estimated Retained Duties - Applies to all Schools*	£1,438
Estimated Education Functions - £10 per pupil - Maintained Only*	£280
Estimated Total Retained Funding	£1,718

*Final amounts will be dependent on October 2019 pupil numbers and academy conversions.

De-delegations

- Apply to maintained primary schools only:

	Agreed 2019/20 Basis	Est. 2019/20 Amt. £'000	Proposed 2020/21 Basis	Est. 2020/21 Amt.
Contingency	£2.10 per pupil	£62k	£2.10 per pupil	£61k
Free School Meals	£4.65 per FSM child	£15k	£4.65 per FSM child	£15k
Insurance	<i>£19.22 per pupil</i>	<i>£572k</i>	<i>£25.55 per pupil</i>	<i>£748k</i>
Insurance (catch up)	n/a	n/a	£3.93 per pupil	£115k
Maternity	£5.00 per pupil	£149k	£5.00 per pupil	£146k
Trade Union Facilities Time	£1.10 per pupil	£33k	£1.10 per pupil	£32k
TOTAL		£832k		£1,117k

Please note: Final de-delegation amounts for 2020/21 will be updated on receipt of revised data from the ESFA and presented at the January meeting of Schools Forum. Although final amounts will change to reflect final pupil numbers and academy conversions the principles for de-delegation will remain as set out above.

De-delegations

Insurance

- Please note: The DfE has recently consulted on extending the risk protection arrangement (RPA) currently operational for academy trusts (ATs) to the local authority maintained school (LAMS) sector.
- If implemented it will be possible LAMS in a LA to join collectively by agreeing through the Schools Forum to de-delegate funding, as they currently can for purposes including insurance.
- The consultation closed on 4th November and a response is expected in December. As yet it is not clear, if implemented, when the new arrangements will start from. As such it is proposed that further details are presented back to Forum once available.

Required Actions

- ***Schools Forum are asked to approve:***
 - 1) the reduced Contribution to Combined Budgets into 2020/21 as set out in slide 27.***
 - 2) the continued use of the retained duties funding (adjusted for final pupil numbers) within the CSSB to support ongoing functions.***
 - 3) the continued retention of £10 per pupil from maintained schools for services specifically provided to maintained schools.***
- ***Schools Forum are asked to comment on:***
 - 1) the proposal for Schools to be charged for 20% of the current Broadband costs following the reduction in funding.***
 - 2) the increased transfer of £1,138k from the Central Schools Service Block (CSSB) to the High Needs Block.***

Required Actions cont..

- *Maintained Primary representatives on Schools Forum are asked to approve the continuation of de-delegations in respect of:*
 - 1) *Contingency*
 - 2) *Free School Meals Eligibility*
 - 3) *Insurance Catch-Up*
 - 4) *Maternity*
 - 5) *Trade Union Facilities Time*

- The main insurance de-delegation will be presented back to Schools Forum once the outcome of the recent DfE consultation has been published.

High Needs Block

1. High Needs Funding
2. High Needs Block Pressures
3. Proposed Block Transfers and Changes to Top-Up rates

How the High Needs Block is Funded

	Basic Entitlement (Area Cost Adjustment (ACA) weighted)
+	Historic Spend
+	Proxy Factors (ACA weighted) covering: <ul style="list-style-type: none"> • Population • Disability Living Allowance • Children in bad health • KS2 low attainment • KS4 low attainment • Free school meals • IDACI
+	Funding Floor Factor
+	Hospital Education Factor
+	Import / Export Adjustment (for pupils moving across LA boundaries)
=	High Needs NFF Allocation at LA level

High Needs Block

- 2019/20 High Needs Block:

Source of Funding	£m
DfE Allocation	£68.84m
Transfer from Schools Block	£1.7m
Transfer from CSSB	£0.5m
Total	£71.04m

- Total estimated spend for 19/20 = **£80m+**
- Adjusted Deficit b/fwd from 18/19 = £7.15m**
- Forecast Deficit to c/fwd to 20/21 = £16m+**

High Needs Block

- 2020/21 Illustrative High Needs Block = **£74.59m**
- Increase of £5.75m (8.4%)
- The majority of the budget (circa 70%) funds activities in schools and 14% funds out of county provision.
- Main pressures due to increasing numbers continue to be:
 - High Needs top-up budget
 - Out of School Tuition Budgets
 - Special Schools
 - High Needs Units
- **Basic HNB funding not sufficient to meet current commitments.**

High Needs Budget Proposals

- To transfer 1.8% from Schools Block to High Needs Block (1.3% increase compared to 2019/20) - £6.5m (£1.7m in 19/20)
- To increase transfer from CSSB to £1.1m (£0.5m in 19/20)

Source of Funding	£m
2019/20 High Needs Block (including block transfers)	£71.04m
2019/20 High Needs Block (excluding block transfers)	£68.84m
2020/21 illustrative HNB	£74.59m
Proposed Transfer from Schools Block (1.5%)	£6.5m
Proposed Transfer from CSSB	£1.14m
Total HNB (including proposed block transfers)	£82.23m

High Needs Budget Proposals

- Alongside the proposed block transfers there are a range of savings initiatives underway.
- These include a proposed reduction in Top-Up rates from September 2020:

Illustrative Impact	% Reduction	Estimated 12 month Saving £k	Estimated 20/21 Saving £k (7/12th)
Reduction in Mainstream Top-Up	10.00%	£1,091	£637
Reduction in Unit Top-Up	10.00%	£219	£128
Reduction in Behaviour Attendance Inclusion Partnership (BAIP) Funding	10.00%	£497	£290
Reduction in Special Top-Up	5.00%	£592	£345
Total		£2,400	£1,400

High Needs Budget Proposals

- Other workstreams being developed by the Special Educational Needs and Disability (SEND) Recovery Board include:
- Review of High Cost Placements
- Review of Out of School Tuition
- Review of Enhance Resource Centres/Bases
- Review of Alternative Provision
- SEND Service Review
- Quality Assurance Framework
- Performance Data
- Demand Management
- Invest to save options...

High Needs Budget Proposals

- Schools Forum are asked to note that a current DfE consultation proposes changing the DSG conditions of grant to make it clear that any deficit **must** be carried forward to the **schools budget** in future years. The local authority may **not** fund any part of the overspend from its general resources, unless it applies for and receives permission from the Secretary of State to do so.

High Needs Budget Proposals

- The High Needs Block **not only** needs to be sustainable on an ongoing basis, but the overall DSG will also need to **recover** the cumulative deficit.
- A cumulative deficit of £16m+ represents approximately **21%** of the total basic HNB and **4.4%** of the illustrative Schools Block allocation.
- As noted on previous slides, even with the proposed transfers between blocks funding levels will only be sufficient to meet current costs with limited resources for growth. As such it is imperative that significant additional savings are made in-year.

Required Actions

Schools Forum are asked to comment on High Needs Block proposals and potential impact for Cambridgeshire Schools

The Consultation

The schools funding formula continues to be a local authority (LA) decision in 2020-21.

As in prior years schools must be consulted on:

- a) Any changes to the formula being proposed; and
- b) Any transfer proposed from the Schools Block.

The consultation periods are having to be shorter due to the timing of announcements (October rather than July) which the DfE acknowledge.

The Consultation Process

- Main Funding Formula consultation to run from 11th November to 10th December 2019
- Consultation events –
 - 20th November CPDC,
 - 25th November Wood Green
- 18th December – Schools Forum to review final budget proposals
- 21st January – Children and Young People Committee to approve final budget proposals
- 21st January – submission of the Authority Proforma Tool (APT) to the Education & Skills Funding Agency (ESFA)
- Mid-Late January – High Needs Consultation to be launched.

The Consultation Proposal

1. A transfer from the Schools Block to the High Needs Block;
2. Proposed changes to the funding formula; and
3. The principles to adopt in order to ensure the overall affordability of the Schools Block for 2020-21.

The Proposal – Transfer to High Needs Block



- The High Needs deficit will be in excess of £16m by 31 March 2020
- The indicative High Needs funding settlement (increase of £5.75m) does not meet the current level of overspend
- The lead in time it will take for savings proposals to have an impact
- The expectation that High Needs growth will continue – increasing numbers and complexity

All of these factors combined mean that there continues to be a significant issue in respect of funding for High Needs pupils. For this reason the authority will be consulting on a transfer from the Schools Block to High Needs.

The Proposal – Transfer to High Needs Block



Due to the extent of the High Needs deficit the authority is proposing a transfer of 1.5%.

A transfer at this level will require Secretary of State approval.

A 1.5% transfer would equate to £5.4m (values based on the indicative £362.7m Schools Block value).

At this level it is likely to mean that the MPPG may not be achievable for Cambridgeshire's schools

The Proposal – Formula Changes

The Authority is required to consult on changes to the funding formula with all schools.

The intention since the DfE's introduction of the national funding formula (NFF) has been to match to the NFF as closely as possible taking into consideration the overall funding and affordability.

The Proposal – Formula Changes

As outlined previously there are some changes that have been introduced to the NFF, which are:

- The Minimum Per Pupil Guarantee (MPPG), this is mandatory and will have to be included;
- A revised Mobility formula factor which is optional; and
- Changes to the MFG and cap arrangements.

The Proposal - Affordability



As a result of:

- The proposed transfer to from the Schools Block to High Needs; and
- The cost of growth in the formula for guaranteed numbers for growing schools

The funding NFF will not be affordable for Cambridgeshire and will therefore have to be adjusted to remain within the Schools Block funding available for allocation.

The proposal is to reduce the AWPU for the transfer to the High Needs Block

The Proposal - Affordability

Beyond this any shortfall compared to the funding available will have to be met by:

1. Minimising the MFG value at +0.5% (instead of +1.84%);
2. Continuing to apply a funding cap (although one is not used in the NFF);
3. Reducing the rates applied to other formula factors e.g. AWPU, deprivation and so on; or
4. All of the above.

Modelling work is underway to determine the impact of each of these and any likely shortfall which will be included in the consultation at school level.

Required Actions

Schools Forum are asked to comment on the proposed consultation process and areas for consultation.

SCHOOLS FORUM MINUTES ACTION LOG

The Action Log updated as at 9th December 2019 captures the actions from meetings of the Cambridgeshire Schools Forum requiring a response / or the response undertaken and completed since the last Action Log update.

MINUTES 14TH DECEMBER 2018

ITEM	MINUTE NUMBER AND REPORT TITLE	LEAD OFFICER	ACTION REQUIRED	RESPONSE	STATUS
1.	87. High Needs Block Funding – The Challenges for Cambridgeshire	Service Director of Education Jon Lewis	Work on looking at what efficiencies could be found and demand for high need services reduced would be undertaken by the Schools Forum Working Group. It was suggested that it would be helpful to see the alternatives devised by other authorities.	<p>This was ongoing work and would be the subject of reports back to Forum.</p> <p>A briefing on progress was provided following the close of the Formal Forum meeting in July.</p> <p>A High Needs Proposal and Consultations Report is scheduled to be included on the 17th January Forum meeting.</p>	Action Ongoing

MINUTES 12 TH JULY 2019					
ITEM	MINUTE NUMBER AND REPORT TITLE	LEAD OFFICER	ACTION REQUIRED	RESPONSE	STATUS
1.	120. Review of Maintained Nurseries	Jon Lewis Service Director of Education / Hazel Belchamber	Agreed an update report on the review would be presented to Forum and that no decision would be made before the beginning of 2020. An update as at 9 th December is now included in the next column.	Following the agreement by the Department for Education (DfE) to continue funding to Nursery Schools for a further year, officers continue to work with Nursery Heads and governors over the longer term future of the Nursery Schools. A report will be brought to Schools Forum when appropriate.	Action Ongoing
2.	121. Maintained Schools and Dedicated Schools Grant Financial Health (School Balances)	Jon Lewis / Martin Wade	Clarification was sought on how academy reserves would be broken down, given that they were pooled. The Service Director of Education advised that a letter would be circulated to Forum regarding the issue in August.	An appendix with a breakdown of the academy school balances was sent out separately to Forum the day before the November meeting. Balances for maintained schools and academies had previously been circulated.	Completed

MINUTES 8TH NOVEMBER 2019

MINUTES 8 TH NOVEMBER 2019					
ITEM	MINUTE NUMBER AND REPORT TITLE	LEAD OFFICER	ACTION REQUIRED	RESPONSE	STATUS
3A.	129. Schools Funding Update – November 2019 2020/21 School Funding Arrangements	Jon Lewis / Martin Wade	Consultation should include information on the changes the 2020/21 National Funding formula would have on nursery provision.	This was included in the budget briefing presentations delivered to governors and head teachers.	Completed
3B.	129. Schools Funding Update – November 2019 2020/21 School Funding Arrangements	Martin Wade	Provide more detail on the breakdown of the 19-25 education £5m deficit.	Analysis is ongoing and will be updated prior to meeting with the DfE in January. Will therefore be shared with Forum on completion.	Action Ongoing
3C.	129. Schools Funding Update – November 2019 2020/21 School Funding Arrangements	Jon Lewis / Martin Wade	Look at a Council in Dorset to see how they had proposed taking balances from schools.	Dorset has recently gone through a reorganisation to form Dorset Council and Dorset County Council. Papers on the Dorset Councils Schools Forum pages state: <i>“if the surplus balance is a sum greater than whichever is the greater of 5% of the previous year's budget share (secondary schools) or 8% (primary and special schools, and pupil referral units), or £30,000 (where that is greater than either percentage threshold) then the Authority may deduct from the current year's budget share an amount equal to the excess.”</i>	Completed

3D.	129. Schools Funding Update – November 2019 Growth Funding and New Schools	Jon Lewis	Consultation Events should help new schools understand how the Growth Funding changes would affect them over the next three years.	This was included in the budget briefing presentations delivered to governors and head teachers.	Completed
3E.	129. Schools Funding Update – November 2019 Centrally Retained Funding and De-Delegations – Central Schools Services Block (CSSB) Funding.	Jon Lewis	Update the Broadband presentation with the updated Broadband funding model and bring back to the Forum.	2020-21 Pricing: Primary 100Mb - £1,050 Secondary 1000Mb - £1,650 For the 20-21 financial year, any schools considering upgrading beyond the base offer, for example a primary requiring 200Mb, will be charged the 20% of the 100Mb circuit, plus the full difference between a 100Mb and 200Mb circuit.	Completed
3F.	129. Schools Funding Update – November 2019 Centrally Retained Funding and De-Delegations – Central Schools Services Block (CSSB) Funding.	Martin Wade	Find out more information regarding the 32% increase in the cost of insurance.	The catch-up and increase in per pupil cost for 20/21 are due to higher than anticipated increases in premiums, most notably in respect of material damage.	Completed
3G.	129. Schools Funding Update – November 2019 Centrally Retained Funding and De-Delegations – Central Schools Services Block (CSSB) Funding.	Martin Wade	Officers to bring back proposals on risk protection	The consultation ended on 4 November and the DfE had planned to publish the response in the first week of December. However, as a result of purdah, the publication of the government's response is expected to be in January 2020 and as such will be	Action Ongoing

				presented at the next meeting of Forum.	
3H.	129. Schools Funding Update – November 2019 Centrally Retained Funding and De-Delegations – Central Schools Services Block (CSSB) Funding.	Jon Lewis	Could put a question in the Consultation regarding whether to de-delegate insurance or suggest that schools buy their own insurance	See above. Not enough information available in respect of the proposed risk protection arrangements to include.	Completed
3I.	129. Schools Funding Update – November 2019 High Needs Block	Jon Lewis	Share the SEND review at a future meeting and in the SEND Working Group.	This is due to be published in the new year including the finalised Social, emotional and mental health (SEMH) needs review.	Action ongoing
3J.	129. Schools Funding Update – November 2019 High Needs Block	Jon Lewis	Explore the option of borrowing money to help fund the High Needs Block to stop children going out of County.	Officers will be seeking guidance from the DfE in their meeting with them in January when they are due to discuss the Local Authority's recovery plan. An update will be brought to School Forum following that meeting.	Action ongoing

SCHOOLS FUNDING UPDATE – DECEMBER 2019

To: Cambridgeshire Schools Forum

Date: 18 December 2019

**From: Jonathan Lewis – Service Director: Education
Martin Wade – Strategic Finance Business Partner**

Purpose: To provide Schools Forum with an update on the latest local funding formula proposals for the 2020/21 Schools budget setting round.

Recommendations:

2020/21 School Funding Arrangements

- 1) Schools Forum are asked to:**
- i) Comment on the local budget proposals**
 - ii) Vote on the proposed Schools Block to High Needs Block transfer**

Growth Funding

- 2) Following the approval in principle at the previous meeting of Forum, Schools Forum are asked to approve:**
- i) the revised growth fund rates for 2020/21**
 - ii) the reduction of the centrally retained growth fund to £2m.**

De-Delegations

- 3) Maintained Primary representatives on Schools Forum are asked to approve the continuation of de-delegations in respect of:**
- i) Contingency**
 - ii) Free School Meals Eligibility**
 - iii) Insurance Catch-Up**
 - iv) Maternity**
 - v) Trade Union Facilities Time**

Central Schools Services Block

- 4) Although approved in principle at the previous meeting Schools Forum are asked to approve the following on a line by line basis (as set out in slides 20 & 21):**
- i) Contribution to Combined Budgets**
 - ii) Capital Expenditure from Revenue**
 - iii) School Admissions**
 - iv) Serving of Schools Forum**
 - v) Retained duties funding**

1.0 CONTEXT

- 1.1** The presentation (appendix A) accompanying this report provides information to support the 2021 Schools budget setting process and will cover the following areas:

- Consultation
 - High Needs Update
 - Final Budget Proposals
 - Growth Fund Update
 - De-delegations Update
- Page 91 of 146

- Centrally Retained Funding
- Summary and Next Steps

- 1.2 **Please note:** Due to the timings of the closure of the consultation and publication dates of Forum papers the slides referring to the consultation results will be updated once the consultation has closed and further analysis has been undertaken. The full set of consultation responses will be collated and circulated as an additional appendix to this report once available. Appendix B provides a list of frequently asked questions which have been raised during the consultation period to date.
- 1.3 Also due to Education Skills & Funding Agency (ESFA) deadlines at the end of November, the LA have already had to submit a disapplication request to the Secretary of State in the event a transfer of up to 1.8% / £6.5m from the Schools Block to the High Needs Block is made. The submission and accompanying evidence can be viewed as appendix C to this report.
- 1.4 This submission is in no way meant to pre-empt the outcome of the consultation or Schools Forum vote, but is to meet the initial ESFA deadline of 28th November. The results of the consultation and Forum vote will then be fed back to the ESFA, and amended disapplication requests can still be made up to 16th January 2020.
- 1.5 During the presentation by Officers, Members of Schools Forum will have opportunity to comment on the content and where required will be asked to make decisions on a number of areas as set out in the recommendations.

Background Papers / source documents – as set out in Appendices 1-3

- 1.6 The table below shows the main decision making powers and responsibilities for items relevant at this meeting (other powers such as decisions in respect of deficits, contracts and changes to the Scheme of Financial Management do not apply to the items covered above.)

Function	Local education authority	Schools forum	DfE role
Formula change (including redistributions)	Proposes and decides	Must be consulted	Checks for compliance with regulations
Movement of up to 0.5% from the schools block to other blocks	Proposes	Decides	Adjudicates where schools forum does not agree local authority proposal
Minimum funding guarantee (MFG)	Proposes any exclusions from MFG for application to DfE	Gives a view	Approval to application for exclusions
De-delegation for mainstream maintained schools	Proposes	Maintained primary and secondary school member representatives	Will adjudicate where schools forum does not agree local authority proposal
General Duties for maintained schools - Contribution to responsibilities that local authorities hold for maintained schools	Proposes	Would be decided by the relevant maintained school members (primary, secondary, special and PRU).	Adjudicates where schools forum does not agree local authority proposal
Central spend on and the criteria for allocating funding from: <ul style="list-style-type: none"> Growth - pre-16 pupils, including new schools set up to meet basic need, whether maintained or academy Falling rolls - funding for good or outstanding schools with where growth in pupil numbers is expected within three years 	Proposes	Decides	Adjudicates where schools forum does not agree local authority proposal
Central spend on: <ul style="list-style-type: none"> high needs block provision central licences negotiated by the Secretary of State 	Decides	None, but good practice to inform forum	None

2020/21 Dedicated Schools Grant Funding

Schools Forum - December 2019

Introduction

The purpose of today's presentation is to update Schools Forum on the latest position in relation to the 2020/21 budget setting round:

1. Consultation
2. High Needs Update
3. Final Budget Proposals
4. Growth Fund Update
5. De-delegations Update
6. Centrally Retained Funding
7. Summary and Next Steps

Consultation Events

- Over 200 people attend the various consultation events held around the county.
- Alongside this officers have attend Cambridgeshire Primary Heads (CPH) and Cambridgeshire Secondary Head (CSH) to present and discuss the budget position for 2020/21.
- A Frequently asked questions document has been produced and circulated. A copy can be found as Appendix B to the covering report.

Consultation Results

- The consultation was extended to 5pm on 13th December 2019.
- As such at the time of writing the consultation is still open.
- A summary of the responses will be provided as soon as possible and all responses will be published on receipt.

Consultation - Affordability



- The most significant issue is the interaction between the nationally prescribed **mandatory** minimum per-pupil levels (MPPL) and the overall available resource.
- Those schools which have previously received less than the MPPL are now being funded up to this level. Where this is the case the funding will not change between the different scenarios.
- Whereas where schools already receive more than the MPPL, the gains are be capped to ensure overall affordability.
- The impact of this on more deprived schools has been raised by a number of individual schools and Trusts throughout the consultation period.

Consultation - Affordability

- Following discussions with Cambridgeshire Secondary Heads (CSH) on the 3rd December the LA contacted the ESFA to ask for clarification around the possibility to disapply the MPPL to mitigate the impact on the most deprived schools in the county.
- The ESFA have now confirmed that we are able submit a disapplication and it would be considered with a response issued prior to the APT deadline.
- Within the request we would need to include all the reasons why implementing the MPPL is unaffordable.

Consultation - Affordability

- Although the MPPL is affordable within the overall available resources – the impact on the more deprived schools, should a transfer between blocks be undertaken, does not appear equitable.
- Additional modelling will be shared with Schools Forum to show the potential impact of scaling down the MPPLs compared to the scenarios previously published.

High Needs Update

- Between April 2017 and April 2019 – statements/EHCP's increased by 22%. The High Needs Block allocation increased by only 7% between the 17/18 FY and 19/20 FY.
- Numbers of EHCPs continue to increase – 4,631 (as at 25/11) – a 9% increase since 1st April 2019 – 33% since April 2017.
- Even with the additional 8.4% uplift announced for 20/21 the total funding increase since 2017 will equal only 16% - less than half of the increase in EHCP's.
- Work ongoing to reduce in-year overspend – still anticipating cumulative DSG deficit of £16m+ at the end of 19/20.
- DfE now meeting with LA officers in January 2020.

High Needs Block

- 2019/20 High Needs Block:

Source of Funding	£m
DfE Allocation	£68.84m
Transfer from Schools Block	£1.7m
Transfer from CSSB	£0.5m
Total	£71.04m

- Total estimated spend for 19/20 = **£80m+**
- Adjusted Deficit b/fwd from 18/19 = £7.15m**
- Forecast Deficit to c/fwd to 20/21 = £16m+**

Final Budget Proposals

- Due to ESFA deadlines the LA have already had to submit a disapplication request to the Secretary of State in the event a transfer of up to 1.8% / £6.5m from the Schools Block to the High Needs Block is made. The initial submission and accompanying evidence can be viewed as Appendix C to the covering report.
- This submission is in no way meant to pre-empt the outcome of the consultation or Schools Forum vote, but is to meet the initial ESFA deadline of 28th November.
- The results of the consultation and Forum vote will then be fed back to the ESFA, and amended disapplication requests can still be made up to 16th January 2020.

Final Budget Proposals

- Consideration also to be given as to whether scaling down the MPPL is a preferred option **should** the block transfer be actioned.
- IF MPPLs are **not** reduced and the block transfer is actioned proposal would be for:
 - MFG to be set at +0.50% per pupil.
 - CAP to be applied to ensure overall affordability.

Required Actions

- *Schools Forum are asked to:*
 - *Comment on the local budget proposals*
 - *Vote on the proposed Schools Block to High Needs Block transfer.*

Growth Fund Update

- As previously highlighted, in 2019/20 the growth funding received from the DfE was reduced from £5m to £3.3m, which resulted in a subsidy by existing schools of over £2m.
- Based on the draft October 2019 census received to date the estimated 2020/21 growth fund allocation to be received is £3.2m.

Growth Funding cont..

- Proposed funding rates per form of entry (FE):

Phase	Academic Year	Financial Year (7/12ths)
Primary (1FE)	£54,000 + £4,000	£31,500 + £4,000
Secondary (1FE)	£65,000* + £4,000	£37,917 + £4,000

***Please note:** The proposed Secondary rate has reduced from £85k following review of costs and other LA rates.

Growth Funding cont..

	£m
Growth Funding Allocation from DfE* ₁	-3.2
Centrally Retained Growth Fund * ₂	2.0
Estimated Implicit Growth * ₃	2.8
Estimated required subsidy within the funding formula	1.6

*₁ – Estimated based on draft census data

*₂ - Reduced from £2.5m in 2019/20

*₃ – Estimate based on current modelling and minimum per-pupil levels (MPPL)

Required Actions

*Although approved in principle at the previous meeting
Schools Forum are asked to confirm their approval of:*

- 1) the revised growth fund rates for 2020/21*
- 2) the reduction of the centrally retained growth fund to £2m.*

De-delegations

- Apply to maintained primary schools only:

	Agreed 2019/20 Basis	Est. 2019/20 Amt. £'000	Proposed 2020/21 Basis	Est. 2020/21 Amt.
Contingency	£2.10 per pupil	£62k	£2.10 per pupil	£61k
Free School Meals	£4.65 per FSM child	£15k	£4.65 per FSM child	£15k
Insurance	<i>£19.22 per pupil</i>	<i>£572k</i>	<i>£25.55 per pupil</i>	<i>£748k</i>
Insurance (catch up)	n/a	n/a	£3.93 per pupil	£115k
Maternity	£5.00 per pupil	£149k	£5.00 per pupil	£146k
Trade Union Facilities Time	£1.10 per pupil	£33k	£1.10 per pupil	£32k
TOTAL		£832k		£1,117k

Please note: Final de-delegation amounts for 2020/21 will be updated on receipt of revised data from the ESFA and presented at the January meeting of Schools Forum. Although final amounts will change to reflect final pupil numbers and academy conversions the principles for de-delegation will remain as set out above.

De-delegations

Insurance

- The catch-up and increase in per pupil cost for 20/21 are due to higher than anticipated increases in premiums - most notably in respect of material damage.
- As previously highlighted the DfE has recently consulted on extending the risk protection arrangement (RPA) currently operational for academy trusts (ATs) to the local authority maintained school (LAMS) sector.
- The consultation ended on 4 November and the DfE had planned to publish the response in the first week of December. However, as a result of purdah, the publication of the government's response is expected to be in January 2020.
- As such it is proposed that further details are presented back to Forum at the January meeting.

Required Actions cont..

- ***Maintained Primary representatives on Schools Forum are asked to approve the continuation of de-delegations in respect of:***
 - 1) Contingency***
 - 2) Free School Meals Eligibility***
 - 3) Insurance Catch-Up***
 - 4) Maternity***
 - 5) Trade Union Facilities Time***

- The main insurance de-delegation will be presented back to Schools Forum once the outcome of the recent DfE consultation has been published.

Central School Services

Block



- Reduced by **£1.109m** based on DfE illustrative figures, and includes 20% reduction on Historic Commitments.

S251 Budget Line	Historic Commitments	Actual 2019/20 Budget £'000	Proposed 2020/21 Budget £'000
Contribution to Combined Budgets	Contribution to Children's Services	£3,027	£1,527
	Early Intervention Family Workers	£733	£733
	Residual CPH Funds and other contracts	£52	£52
Capital Expenditure from Revenue (CERA)	Broadband Contract	£1,458	£1,166
Block Transfer	Transfer to High Needs Block	£500	£1,138
	Total Historic Commitments	£5,770	£4,616

Central School Services Block



Other retained duties	Actual 2019/20 Budget £'000	Proposed 2020/21 Budget £'000
School Admissions	£462	£462
Servicing of Schools Forum	£3	£3
Other items (Central Licences Arrangements) – set by DfE	£439	£439*
Retained Duties Funding	£1,436	£1,482*
Total Ongoing Responsibilities	£2,340	£2,386
Total Allocation of CSSB	£8,110	£7,002*

**Final figures to be update on receipt of revised allocations from the DfE*

Required Actions

- *Although approved in principle at the previous meeting Schools Forum are asked to approve the following on a line by line basis (as set out in slides 20 & 21):*
 - 1) *Contribution to Combined Budgets*
 - 2) *Capital Expenditure from Revenue (CERA)*
 - 3) *School Admissions*
 - 4) *Servicing of Schools Forum*
 - 5) *Retained duties funding – applies to all schools*
- *Approval is not required for the central licenses negotiated by the secretary of state.*
- *Maintained reps previously approved to continue to retain £10 per pupil from maintained schools for services specifically provided to maintained schools*

Next Steps

- Mid-December / Early January – ESFA to publish final DSG figures and revised Authority Proforma Tool (APT)
- 9th January 2020 – High Needs Block Forum Sub-Group Meeting
- 13th January 2020 – LA meeting with DfE
- 17th January 2020 – Schools Forum
- 21st January 2020 – Children and Young People Committee to approve final budget proposals
- 21st January 2020 – APT submission deadline to the ESFA
- End of January/early February – budgets to be issued to Primary and Secondary Schools (academy budgets will be illustrative only as final budgets will be confirmed by the ESFA).
- Spring 2020 – High Needs Consultation to be launched.

Schools Funding Consultation – November 2019 – Frequently Asked Questions

1. Why do the budget scenario amounts for my school not change regardless of the proposed block transfer and MFG amounts?

Due to the introduction of the minimum per-pupil levels (MPPL) (£3,750 for primary and £5,000 for secondary) those schools which have previously received less than this amount are now being funded up to this level. Where this is the case the funding will not change between the different scenarios as the overall affordability will be met by capping the gains of schools already receiving more than the MPPL.

2. Why do the budget scenario amounts for my school reduce?

As above, this is due to the introduction of the minimum per-pupil levels (MPPL) (£3,750 for primary and £5,000 for secondary). Where schools already receive more than these amounts as funding is transferred to the High Needs Block the gains will be capped to ensure overall affordability.

3. How is the £ per pupil in the Minimum Per Pupil Level (MPPL) calculated?

The per pupil funding level is calculated by taking the total pupil led funding factors and school led factors, including the lump sum and dividing by the total number of pupils. The only factors which are excluded from the calculation are premises specific such as rates, PFI, split sites and any exceptional premises factors.

Total Schools ISB (including Lump sum)	£2,036,000
Less Premises Factors (Rates, PFI, Split Sites, Exceptional Premises)	-£34,000
Total	£2,002,000
Pupil Number	530
Per Pupil Funding Level	£3,777

4. Has the lump sum been removed from the funding?

No – it remains in the formula and has been increased by 4% from the 2019/20 amount. However, as noted above the lump sum is included in the minimum per pupil level calculation which may impact on small schools where the lump sum is spread across less children.

5. Why are there differences between the published National Funding Formula (NFF) amount and the Local Base Position for 2020/21?

There are a number of minor differences between the figures due to differing baselines being applied. However, in some cases there are some material variations which are due to the Minimum Funding Guarantee (MFG) calculations. Effectively the published NFF figures have calculated levels of MFG protection we would not expect to see going forward. This is because the baseline date the DfE are comparing to is the October 2017 census, whereas the local modelling is based solely on the October 2018 census.

6. How is the new mobility factor calculated?

The mobility factor allocates funding to schools with a high proportion of pupils who join outside of a standard entry point. The new DfE methodology tracks individual pupils using their unique pupil ID through censuses from the past 3 years. If the first census when the pupil was in the school was a spring or summer census, they are a mobile pupil. This excludes reception pupils who start in January. This methodology also excludes pupils who joined in the summer term after the summer census, or pupils who joined in October before the autumn census.

To be eligible for mobility funding, the proportion of mobile pupils a school has must be above the threshold of 6%.

Based on the illustrative data published by the DfE the current profile of distribution is:

Illustrative Funding	Number of Primary Schools	Number of Secondary Schools
Above £30k	2	0
Between 20K and £29.9K	3	2
Between 10k and £19.9K	8	1
Between £1K and £9.9K	51	1
Between £33 and £999	12	1
Do not Qualify	134	29

7. Why has the High Needs budget not been recognised at a national level?

Additional funding is due to be received, based on recent announcements, although it is clear the current national formula for High Needs does not reflect the increasing need and costs within Cambridgeshire. There is a commitment to review SEND further – the scope of this can be found [here](#)

8. Was consideration given to staggering the proposed High Needs Block transfer?

Yes, but the current level of spend already exceeds the basic High Needs Block allocation for 2020/21. Without a transfer between blocks there would be a significant increase in the overall cumulative deficit which would have cash flow implications for the Local Authority.

9. Why is there such an unfairness in the current local formula?

We have to apply the funding formula as per national legislation. What makes it unfair is that there isn't sufficient funding in the system which results in varying impacts for different cohorts of schools.

10. What will happen if there is a change of government?

All the main parties' manifestos commit to high levels of funding for education. Treasury have set department budgets and therefore there is little prospect of funding change in 20/21, although this might increase in 21/22.

11. Will schools still receive a separate Teachers Pension Grant (TPEG) in addition to the illustrative ISB figures which have been published for 2020/21?

For 2020/21 we expect the grant to continue to be separately funded outside of the ISB. However, we do expect it to be baselined into the DSG at some stage in the next 3 years.

Extract from the DfE websites states the following:

"We will provide £1.5 billion per year to continue funding these additional pension costs from 2020 to 2021 through to 2022 to 2023. Schools and local authorities will be paid using the rates below for the period April to August 2020, and receive payments from the supplementary fund to cover this period. We will publish detailed allocations for April 2020 onward in due course."

The link with additional information on the grant can be found at the following:

<https://www.gov.uk/government/publications/teachers-pension-employer-contribution-grant-tpeg/pension-grant-methodology>

12. Why do some schools hold such high balances and can these be used to support the pressures on High Needs?

Schools hold balances for a number of reasons and it is prudent to do so given financial uncertainties and increasing costs. However it is recognised that there is an inequity in the levels being held by some schools. Although the Local Authority could enforce a mechanism to clawback excessive balances from maintained schools there is no similar mechanism for academies.

School level balances can be found in the following:

- Maintained balances can be found [here](#) (as at the 31st March 2019)
- Academy balances can be found [here](#) (as at the 31st August 2018)

13. Will the Central Schools Services Block funding continue to disappear?

Yes, we expect to see a continuing reduction in the Historic Commitment element of the CSSB. This has always been the intention set out by the DfE, although the rate of reduction is not clear. This reduction will have implications for the services and functions currently funded from this area.

14. *What is the charge for broadband likely to be in future years and how much will the upgrade to 200mb for primary schools cost?*

As noted above if the Historic Commitment element of the CSSB continues to reduce the additional costs associated to the current broadband contract would need to be passed on to schools. The actual cost would be dependent on the reduction in funding. The additional cost for primary schools to upgrade to 200mb will be based on individual circumstances.

15. *How are schools experiencing growth funded?*

New schools are funded based on agreed pupil number on an annual basis whilst they fill to capacity. Where existing schools are growing to meet basic need funding is allocated from the centrally retained growth fund subject to the criteria agreed by Schools Forum. A panel of officers and headteachers will meet to approve allocations for 2020/21.



School and Early Years Finance (England) Regulations

Local Authority Application to Disapply Regulations Form

Schools Block Movement

Please complete this form to apply to the Secretary of State for Education to disapply the School and Early Years Finance (England) Regulations, or to vary conditions in the Dedicated Schools Grant.

Please complete all fields. **If sections are not satisfactorily completed, we may request further information or REJECT YOUR REQUEST.**

Return the completed form along with any supporting documentation to LA.DISAPPLICATIONS@education.gov.uk

Any supporting documentation which is attached separately, for example spreadsheet calculations, should be referenced in the relevant box on the form.

Local Authority number	873
Local Authority	Cambridgeshire
Funding year request relates to	2020/21
Type of request	SCHOOLS BLOCK MOVEMENT

What percent of the provisional schools block allocation are you requesting to transfer?	1.80%
What is the cash value you are requesting to move? (please specify if this is an estimate in the any further information box below)	£6.5m
Would you like the request to be based on the percentage or fixed cash value above?	Percentage
Where do you propose to transfer funding to? <small>(High needs block, CSS block)</small>	High Needs Block
What do you propose setting your minimum funding guarantee (MFG) at if the transfer is allowed?	TBC

Once actual DSG figures are released in December, the cash value of a given percentage will likely change. Therefore please specify whether you wish the cash value or the percentage to be fixed.

DSG forecast carry forward to 2020/21. Deficits to be shown as a negative value/surplus as a positive	-£16,000,000
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Has the schools forum been consulted?	Yes
Does the schools forum agree with this request?	
Was the meeting quorate?	
What was the date of the schools forum meeting?	
Please provide link(s) to the minutes showing schools forum agreement, or details of where this can be found in attached documentation.	
If this has not yet been discussed with Schools forum, what date will this be?	Discussed at meeting dated 8th November. Views being sought from all schools as part of wider consultation which closes on 13th December 2019

Have all maintained schools and academies been consulted?	Yes
What was the response rate of the consultation?	Consultation closes 13th December 2019
What was the outcome of the consultation?	

Local authorities must consult with all local maintained schools and academies if they propose to allocate schools block money to other items. The schools forum must take into account the outcome of that consultation before deciding whether to give their consent (DSG conditions of grant)

Assessment of the equalities implication

Please provide us with your detailed equality analysis demonstrating your compliance with the public sector equality duty in s.149 of the Equality Act 2010 in relation to your request.
If attached separately, please provide details of where this can be found in supporting documentation.
Should we consider your analysis to be inadequate we may request further information or REJECT YOUR REQUEST.
Stating that there are no equality implications will generally be deemed to be inadequate.
[Section 149](#)
Attached

Please complete the table below to provide evidence for your request.
If evidence is attached separately, please provide details of where this can be found in supporting documentation.

Category	Description	Details/documents
Previous block movement	Details of all previous movements between blocks (including those that did not require a disapplication request) and what pressures those movements covered. Include details of why those transfers have not been adequate to counter the new cost pressures.	In 2017/18 - £667k was transferred from the Schools Block to the High Needs Block. The number of EHCPs increased from 3,444 as at 27/03/2017 to 3,843 as at 26/03/2018, an increase of 11.58%. Actual spend on the High Needs Block increased from £65.7m in 2016/17 to £70m at the end of 2017/18. In 2018/19 - £700k was transferred from the Schools Block and £500k from the CSSB to the High Needs Block. The number of EHCPs increased from 3,843 as at 26/03/2018 to 4,262 as at 01/04/2019, an increase of 10.9%. Actual spend on the High Needs Block increased from £70m in 2017/18 to £75.96m at the end of 2018/19.
2019/20 block movement request	Was there a request for 2019/20? If so, please provide details of this: What was the value of the request? Was it approved? How much (cash and % value) was transferred following the decision? Also provide details if this request represents a longer term plan agreed previously, details of any consultation with schools and voting.	In 2019/20 - £1.7m was transferred from the Schools Block and £500k from the CSSB to the High Needs Block. This year to date, from 1st April to 18th November 2019 the number of EHCPs has increased from 4,262 to 4,621 - 8.42%. Current high needs costs are forecast to be in the region of £80m+ by the end of the year.
Breakdown of specific budget pressures that led to the need to transfer	A full breakdown of the specific budget pressures that have led to the requirement for a transfer. This would include the changes in demand for special provision over the last 3 years, and how the LA has met that demand by commissioning places in all sectors. It is particularly important that any changes in the provision for mainstream school pupils with high needs are highlighted so those schools can understand both why a transfer of funds from the schools block might be needed, and how future transfers might be avoided.	The main budget pressures at the end of 2018/19 were in respect of the following areas: 1) Top-up funding in mainstream schools and FE colleges - £4.8m - this is as a result of the continuing increase in numbers as set out above. Within the FE sector the increase in commissioned places and overall costs over the last 3 years has been significant, and has not been adequately recognised in the funding uplifts received. 2) Special School and High Needs Units - £2.6m - The number of commissioned places within Special Schools and Units has also increased to meet the increasing complexity of need across the county. Between October 2017 and October 2019 we have seen an increase in special school places of 200+. 3) Education Placements - £0.5m - Despite additional funding being targeted towards this area there are a continuing increase in numbers and costs for learners in external placements due to lack of capacity in internal provision. 4) Out of School Tuition - £1m - There has been a continuing increase in the number of children with an EHCPs who are awaiting a permanent school placement. Every effort is being made to place these in mainstream schools, but there is insufficient capacity and expertise in schools to meet their needs.

<p>Strategic Financial Plan (A) – Balancing and Sustaining the High Needs Block</p>	<p>The local authority should demonstrate an assessment and understanding of why the high needs costs are at a level that exceeds the expected final high needs funding allocation, and that plans are in place to change the pattern of provision where this is necessary, as well as to achieve greater efficiency in other ways.</p>	<p>As noted above there has been a continuing significant increase in the overall number of EHCP's since 2015. What we have also seen during this time is both an increase in the age profile of those learners with EHCPs due to the legislative changes introduced in 2014 and a significant increase in those attending special schools. This has particularly impacted on Cambridgeshire because of the historic low baseline prior to the national funding changes. The original 50% historic funding factor was set at a time when overall numbers and need were significantly lower than they are now and the increase in the other funding factors have not adequately kept pace. Appendix 1 contains graphical representation of some of the challenges being faced. As part of our recovery plan, we have established an SEND recovery board which is focussing on a number of workstreams to build and develop understanding across the organisation, and work with key stakeholders to deliver a sustainable approach to High Needs Funding going forward. Appendix 2 - Overview of workstreams provides a summary of the main areas being developed. Appendix 3 provides a synopsis of the ongoing work around demand management which underpins the other workstreams and is vital to overall delivery.</p>
<p>Strategic Financial Plan (B) – DSG Recovery and Schools' Forum</p>	<p>The local authority should give details of whether the cost pressure is such that they would anticipate the need to seek schools forum approval for a transfer in subsequent years, and how they are planning ahead to avoid such transfers in the longer term. (Note that the schools forum can only give approval for a one-off transfer of funding out of the 2020/21 schools block.) The local authority should also include here the forecasted DSG brought forward figure for the next 3 years. Finally the local authority must provide updated recovery plans following the additional high need funding announced on 30 August 2019.</p>	<p>The requirement to seek approval for block transfers in subsequent years will be dependent on a number of factors, most significantly the level of continuing increase in demand and the future funding settlements once the national High Needs distribution formula has been reviewed and updated. To the end of 2019/20 a cumulative DSG deficit of £16m+ is currently being forecast. As a result of the additional funding allocation for 2020/21, proposed block transfer and planned savings set against the continuing increase in numbers and complexity of need it is anticipated that the High Needs Block will balance in-year resulting in a similar deficit of circa £16m at the end of 2020/21. It is then anticipated that the deficit will begin to reduce in subsequent years. The attached updated recovery plan template (Appendix 4) reflects these assumptions for future years, including a similar funding uplift in 2021/22. Since the summer we have requested a meeting with the DfE to discuss the details of our recovery plan. Until now a date has not been forthcoming, but we are now due to meet with DfE officials in January and our plan will be updated further following this discussion.</p>
<p>Strategic Financial Plan (C) – Collaborative Planning and Partnership working</p>	<p>We expect evidence of effective partnership between the local authority, those institutions offering special and alternative provision (including mainstream schools), and parents; and between the local authority and neighbouring authorities.</p>	<p>Our SEND Ofsted inspection stated the following: <i>"Leaders consult with, and work alongside, parents and carers to co-produce a range of services, advice and guidance."</i> and <i>"Senior leaders in the local area are working well together to improve services for children and young people who have special educational needs and/or disabilities."</i> We have strong working relationships with all of our providers for SEND and alternative provision.</p>
<p>Health and social care budget</p>	<p>Details and evidence of any contributions coming from the health and social care budgets towards the cost of specialist places.</p>	<p>A new SEND Board chaired by the Executive Director for People and Communities has been established and one of its key focusses is consider how Education, Health and Social Care can work together more closely. Of the current 260 external education placement, only 30 are split funded between the various partners in differing proportions based on agreed need. The average total cost of each of these 30 placements is £226k per annum, with approximately 1/3 being charged to the Education element (although individual proportions do vary). Significant challenge goes into all placements which are not education driven and one of the workstreams in appendix 2 is in respect of reviewing our panel processes.</p>
<p>Funding HN pupils in mainstream provision</p>	<p>Details of how any additional high needs funding would be targeted to good and outstanding mainstream primary and secondary schools that provide an excellent education for a larger than average number of pupils with high needs, or to support the inclusion of children with special educational needs in mainstream schools. Examples that illustrate how the LA would support such inclusive practice are also useful.</p>	<p>The funding is to support existing placements which sit across all schools in the county. We do not differentiate our support on the basis of the quality of the school. Our recovery plan will focus on working with the most appropriate education providers to deliver to children in their local communities.</p>
<p>Impact of transfer on Schools block</p>	<p>Details of the impact of the proposed transfer on individual schools' budgets as a result of the reduction in the available funding to be distributed through the local schools funding formula.</p>	<p>A 1.8% transfer from the Schools Block to High Needs Block would result in a cap on gains needing to be applied to ensure overall affordability within the available resources. This would therefore limit the gains of those schools who already receive more than £3,750 primary and £5,000 secondary minimum per pupil levels. Those schools previously in receipt of funding below this level would see increases up to a minimum of this level.</p>

Any further information about the request not included above.

For any references made to documents supplied separately, please provide details (e.g. page numbers) of where relevant information can be found within the supporting documentation.

Name of requestor	Jonathan Lewis
Job Title	Service Director: Education
Telephone number	
Email address	jonathan.lewis@cambridgeshire.gov.uk
Date	28th November 2019

Equality Impact Assessment For employees and/or communities

This EIA form will assist you to ensure we meet our duties under the Equality Act 2010 to take account of the needs and impacts of the proposal or function in relation to people with protected characteristics. Please note, this is an ongoing duty. This means you must keep this EIA under review and update it as necessary to ensure its continued effectiveness.

Section 1: Proposal details

Directorate / Service Area:		Person undertaking the assessment:	
Finance		Name:	1. Jon Lee 2. Martin Wade
Proposal being assessed:		Job Title:	1. Head of Integrated Finance 2. Strategic Finance Business Partner
2020/21 Schools Block Funding		Contact details:	1. 07921 940444 2. 07917 596176
Business Plan Proposal Number: (if relevant)	N/a	Date commenced:	28 November 2019
		Date completed:	
Key service delivery objectives:			
<p><i>Include a brief summary of the current service or arrangements in this area to meet these objectives, to allow reviewers to understand context.</i></p> <p>Each year the authority receives Dedicated Schools Grant funding – a ring fenced grant from central government to fund schools and early years. The DSG is provided in 4 blocks:</p> <ul style="list-style-type: none"> • Schools Block – the schools funding formula which funds individual school budgets and the growth fund for new and growing schools under certain criteria; • Central Schools Services Block – funds historic commitments previously agreed between the Schools Forum and the authority and ongoing responsibilities that the authority has in respect of education; • High Needs Block – provides the funding to support pupils with high needs in various high need settings such as special schools, out of county placements, alternative provision, special education needs units and top up funding for pupils in mainstream schools that need additional support. This block also funds teams within the authority that support the high needs sector to meet the needs of high needs pupils; and • Early Years Block – funds all settings providing early years places in respect of 2 years olds, and 3 - 4 year olds with an element of the block funding teams within the authority to manage and administer the early years arrangements. 			

Equality Impact Assessment For employees and/or communities

This EIA is concerned only with the Schools Block funding and the local schools funding formula for Cambridgeshire. This remains a local authority decision despite the DfE implementing their national funding formula. The local schools funding formula is the mechanism by which all maintained schools and academies (excluding Nursery Schools and Special Schools) receive their individual budget share from the Schools Block within the DSG.

Key service outcomes:

Describe the outcomes the service is working to achieve

Schools as individual educational establishments provide education for 5 to 16 years olds. The service outcome aspired to is to ensure that schools have the maximum amount of funding available to educate their pupils and raise attainment levels in education across the county.

What is the proposal?

Describe what is changing and why

In July 2019 central government announced significant levels of investment in schools. £2.6 billion being made available in 2020/21 to boost school funding. Indicative figures published by the DfE set out an increase of £17.9m for Cambridgeshire schools. This will be updated in December to take account of the latest pupil numbers from the October 2019 census and therefore is indicative at this stage.

Alongside the announcement the DfE has made changes to their national funding formula (NFF) most notably by introducing a Minimum Per Pupil Guarantee (MPPG). The MPPG means that for 2020/21 all primary age pupils will be funded at a minimum of £3,750 and all secondary age pupils at £5,000. The MPPG is also mandatory under the DfE NFF and has to be applied.

The announcement and the MPPG is a positive development for school level funding in Cambridgeshire. However the High Needs Block within the DSG is under extreme financial pressure overspending by £8.8 million in 2018/19 with a similar level of overspend forecast for the 2019/20 financial year. This means that total deficit on the High Needs Block will be in the order of £16m by the end of the current financial year. The DfE expect that the deficit is recovered and the High Needs Block is brought into a balanced position. This is a significant challenge given the continued increase in demand for support for pupils with high needs. The statutory requirements of the authority to support these pupils means any changes need to be managed carefully and typically have a lengthy lead in time.

Within the NFF arrangements the DfE does allow authorities to transfer up to 0.5% of their Schools Block funding to other blocks. For Cambridgeshire this equates to £1.8m. Any transfer from the Schools Block up to 0.5% must be approved by the Cambridgeshire Schools Forum. Further still transfers above 0.5% can be made but this can only be done if the Authority applies to the Secretary of State for approval.

Equality Impact Assessment For employees and/or communities

Due to the High Needs deficit that Cambridgeshire will have by the end of the financial year, the Authority is currently consulting with schools and academies to potentially transfer 1.8% of the Schools Block to High Needs. This equates to £6.5m.

Ultimately this means that of the £17.9m funding increase for Cambridgeshire schools, £6.5m of it would not be used to fund increases in school budgets. Instead it would be used to support the High Needs budget for 2020/21.

What information did you use to assess who would be affected by this proposal?

For example, statistics, consultation documents, studies, research, customer feedback, briefings, comparative policies etc.

In order to submit school budgets to the DfE, the ESFA provide a modelling tool called the Authority Pro-forma Tool (APT). The APT is provided by the DfE and contains all the underlying data sets at an individual school level for the local schools formula to be calculated.

The APT has been used to model the baseline position for schools as to what their estimated budget would be for 2020/21 based on the NFF and for different scenarios. The scenarios that have been modelled include:

- Different MFG levels within the allowable range of +0.5% and +1.84%; and
- Different levels of transfer from the Schools Block to the High Needs Block as follows: 0%, 0.5%, 1.0% and 1.8%.

The data used for the modelling is currently based on the October 2018 school census for pupil numbers and 2018 data sets. Once the DfE confirmed the census and data sets based on October 2019 numbers, they will issue the final APT. This will enable the final school budget modelling to be undertaken.

A lookup tool has been provided with the consultation so that schools can see the impact of these funding scenarios on their individual budgets.

Are there any gaps in the information you used to assess who would be affected by this proposal?

If yes, what steps did you take to resolve them?

All of the information used to assess the impact of the proposals is based on government policy and requirements around the NFF for schools.

As stated above the data and modelling tool has been provided by the DfE which has been used to model the effect for Cambridgeshire schools.

The final school budgets will need to be updated for the October 2019 census when the DfE provide that information to the Authority through the 2020/21 APT.

Equality Impact Assessment For employees and/or communities

Who will be affected by this proposal?

A proposal may affect everyone in the local authority area / working for the local authority or alternatively it might affect specific groups or communities. Describe:

- *If the proposal covers all staff/the county, or specific teams/geographical areas;*
- *Which particular employee groups / service user groups would be affected;*
- *If minority/disadvantaged groups would be over/under-represented in affected groups.*

Consider the following:

- *What is the significance of the impact on affected persons?*
- *Does the proposal relate to services that have been identified as being important to people with particular protected characteristics / who are rurally isolated or experiencing poverty?*
- *Does the proposal relate to an area with known inequalities?*
- *Does the proposal relate to the equality objectives set by the Council's Single Equality Strategy?*

The proposal affects:

- All children of school age in the county as this is related to the funding that schools will receive to provide education;
- High Needs pupils if a funding transfer is not ultimately made from the Schools Block to the High Needs because additional budget savings would have to be found directly within the High Needs Block. Reducing support for high needs children may impact on all children if schools need to re-direct resources to support high needs provision.
- Analysis indicates that due to the way that the formula works that the schools that will see the greatest gains from the NFF and the additional funding are those with higher levels of deprivation and additional needs. However if a transfer from the Schools Block is made, the gains received by these schools will have to be significantly capped to remain within the funding available; and
- The capping of gains on less deprived schools is much less as they are typically not gaining as much funding through the NFF and in many instances are being 'topped up' so that they are funded at the MPPG level.

Equality Impact Assessment For employees and/or communities

Section 2: Scope of Equality Impact Assessment

Scope of Equality Impact Assessment					
Check the boxes to show which group(s) is/are considered in this assessment. Note: * = protected characteristic under the Equality Act 2010.					
*	Age	<input checked="" type="checkbox"/>	*	Disability	<input checked="" type="checkbox"/>
*	Gender reassignment	<input type="checkbox"/>	*	Marriage and civil partnership	<input type="checkbox"/>
*	Pregnancy and maternity	<input type="checkbox"/>	*	Race	<input type="checkbox"/>
*	Religion or belief (including no belief)	<input type="checkbox"/>	*	Sex	<input type="checkbox"/>
*	Sexual orientation	<input type="checkbox"/>			
	Rural isolation	<input type="checkbox"/>			Deprivation

Section 3: Equality Impact Assessment

The Equality Act requires us to meet the following duties:

Duty of all employers and service providers:

- *Not to directly discriminate and/or indirectly discriminate against people with protected characteristics.*
- *Not to carry out / allow other specified kinds of discrimination against these groups, including discrimination by association and failing to make reasonable adjustments for disabled people.*
- *Not to allow/support the harassment and/or victimization of people with protected characteristics.*

Duty of public sector organisations:

- *To advance equality of opportunity and foster good relations between people with protected characteristics and others.*
- *To eliminate discrimination*

For full details see the [Equality Act 2010](#).

We will also work to reduce social deprivation via procurement choices.

Research, data and/or statistical evidence
List evidence sources, research, statistics etc., used. State when this was gathered / dates from. State which potentially affected groups were considered. Append data, evidence or equivalent.
2020/21 indicative DSG allocations from the DfE (October 2019): https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2020-to-2021
2020/21 guidance on the NFF issued by the DfE (October 2019)

Equality Impact Assessment For employees and/or communities

Authority Pro-Forma Tool provided by the DfE which includes the data sets was used to undertake modelling (October 2019)

DSG High Needs budget position for Cambridgeshire (monitored monthly within the Finance team)

Consultation evidence

State who was consulted and when (e.g. internal/external people and whether they included members of the affected groups). State which potentially affected groups were considered. Append consultation questions and responses or equivalent.

All Cambridgeshire schools and academies (mainstream schools) have been consulted. The consultation was released on 12 November 2019 and is open until 13th December 2019.

As the consultation is with schools and academies this represents stakeholders that are both internal and external to the Authority.

The consultation is a requirement of DfE regulations in order to transfer any funding from the Schools Block. The regulations also refer to the consultation being with schools. Therefore consultation is not open to the wider public or other stakeholders, affected groups.

The potentially affected groups are represented by the schools being consulted.

A consultation document has been produced and was released to schools along with a look up tool that demonstrates the impact on every individual school to inform their response.

In addition the Schools Forum were consulted at their meeting on 8 November 2019 to inform the draft consultation document before release.

The CYP Committee received a report on the 12 November 2019 updating them on the funding, implications and consultation approach.

The results of the consultation will be presented to the Schools Forum at their meeting on the 18 December 2019 to inform their vote whether to transfer funding from the Schools Block or not.

Following that the CYP Committee will meet in January to make the final decision on the local Cambridgeshire schools funding formula for 2020/21.

Equality Impact Assessment For employees and/or communities

Based on consultation evidence or similar, what positive impacts are anticipated from this proposal?

This includes impacts retained from any previous arrangements. Use the evidence you described above to support your answer.

- Due to the significant investment by the DfE into Education funding, with a transfer at the highest level proposed in the consultation document, no school will receive a funding reduction in 2020/21 compared to their 2019/20 budget (except where the number on roll may have fallen).
- All schools will receive a Minimum Per Pupil Guarantee (MPPG) level of funding of at least £3,750 per pupil for primary schools and £5,000 for secondary schools.
- If no transfer is made from the Schools Block and the Minimum Funding Guarantee (MFG) is set at the maximum amount of 1.84%, then 81.5% of schools will see a funding increase of £20k or more with 22.1% receiving a funding gain in excess of £100k.
- If a transfer of £6.5m is made then the equivalent figures in respect of the bullet point above are 38.6% of schools receiving a funding increase of £20k or more and 16.4% receiving a funding gain in excess of £100k or.
- The proportion of funding between Primary and Secondary schools in the baseline position is 55% Primary and 45% Secondary. With the transfer of £6.5m and the interplay between the different formula elements, the ratio moves to 50% Primary and 50% Secondary. This therefore positively impacts on the Secondary sector and children aged 11 to 16.
- Secondary schools gain the most funding due to the introduction of the £5,000 MPPG. This is the result of the uplift in the per pupil minimum and the numbers on roll that secondary schools have.
- The transfer of £6.5m will provide funding to support those pupils with high needs. Without this funding further savings will be required within the high needs block.
- **Additional comments and feedback to be added on receipt of all consultation responses**

Based on consultation evidence or similar, what negative impacts are anticipated from this proposal?

This includes impacts retained from any previous arrangements. Use the evidence you described above to support your answer.

- The full amount of the DfE investment into school funding is not being passed on to schools.

Equality Impact Assessment For employees and/or communities

- The inclusion of the MPPG has a disproportionate impact depending on a schools baseline funding position. For those schools with low levels of additional needs (deprivation, English as an additional language, low prior attainment, mobility) their funding in previous years has been below the MPPG level. Therefore schools in this funding position are being topped up to the MPPG and therefore not subject to the funding cap on their funding.

Whilst this is positive for the schools in this position there is a disproportionate impact on schools that under the NFF have higher levels of additional needs. These are typically schools in deprived areas where the NFF allocates greater funding to them due to the additional needs. As a consequence schools in this situation under the NFF generate potentially large gains but are negatively impacted through the funding cap required to keep the funding formula within the funding available. This means that these schools have any funding gains under the NFF capped, and in some cases schools are significantly capped, as the NFF allocates them far more than the MPPG. There is a negative impact on schools in deprived areas or with high levels of additional needs.

- Small schools are adversely affected by the NFF and the MPPG although this is not directly linked to the Authority's consultation proposal. The DfE's NFF and calculation of the MPPG takes into account the lump sum of £114,400 for 2020/21. For small schools this means the lump sum is spread across fewer pupils and they are either above the MPPG and receive no MPPG top up, or they receive smaller amounts of top up funding to the MPPG.
- The proportion of funding between Primary and Secondary schools in the baseline position is 55% Primary and 45% Secondary. With the transfer of £6.5m and the interplay between the different formula elements, the ratio moves to 50% Primary and 50% Secondary. This therefore negatively impacts on the Primary sector and children aged 5 to 11.
- Whilst the secondary schools are the schools that gain the most due to the MPPG and the numbers they have on roll, where they are subject to the funding cap they are negatively impacted on the most by having larger amounts of funding withheld to remain affordable.
- **Additional comments and feedback to be added on receipt of all consultation responses**

Equality Impact Assessment For employees and/or communities

How will the process of change be managed?

Poorly managed change processes can cause stress / distress, even when the outcome is expected to be an improvement. How will you involve people with protected characteristics / at risk of deprivation/isolation in the change process to ensure distress / stress is kept to a minimum? This is particularly important where they may need different or extra support, accessible information etc.

The results of the consultation will be presented to the Schools Forum at their meeting on the 18 December 2019 to inform their vote whether to transfer funding from the Schools Block or not.

Following that the CYP Committee will meet in January to make the final decision on the local Cambridgeshire schools funding formula for 2020/21.

Once the final decision is made schools will be made aware of the final position and final school budgets will be issued as soon as possible to enable schools to begin budget planning for 2020/21.

The schools are the direct providers of education and therefore will plan their budgets based on the levels of funding that are ultimately issued. The Schools Financial Advisors will support maintained schools in setting their budgets.

If the final decision is not to transfer the £6.5m to High Needs then there will need to be a separate set of proposals for budget savings in relation to these budgets which will be supported by equality impact assessments.

Based on the final outcome, this section will need to be updated

How will the impacts during the change process be monitored and improvements made (where required)?

How will you confirm that the process of change is not leading to excessive stress/distress to people with protected characteristics / at risk of isolation/deprivation, compared to other people impacted by the change? What will you do if it is discovered such groups are being less well supported than others?

The consultation feedback will be analysed and any alternative proposals considered. This may involve approaching the Secretary of State to dis-apply the MPPG so that all schools share more equally in the impact of transferring £6.5m from the Schools Block to High Needs.

Equality Impact Assessment For employees and/or communities

Section 4: Equality Impact Assessment - Action plan

See notes at the end of this form for advice on completing this table.

Details of disproportionate negative impact (e.g. worse treatment / outcomes)	Group(s) affected	Severity of impact (L/M/H)	Action to mitigate impact with reasons / evidence to support this or Justification for retaining negative impact	Who by	When by	Date completed
Table to be completed based on final decision following consultation						

Section 5: Approval

Name of person who completed this EIA:	1. Jon Lee 2. Martin Wade	Name of person who approves this EIA:	Jon Lewis
Signature:		Signature:	
Job title:	1. Head of Integrated Finance	Job title:	

Equality Impact Assessment For employees and/or communities

	2. Strategic Finance Business Partner	<i>Must be Head of Service (or equivalent) or higher, and at least one level higher than officer completing EIA.</i>	
Date:	28 Nov 2019	Date:	

Guidance on completing the Action Plan

If our EIA shows that people with protected characteristics and/or those at risk of isolation/deprivation will be negatively affected more than other people by this proposal, complete this action plan to identify what we will do to prevent/mitigate this.

Severity of impact

To rate severity of impact, follow the column from the top and row from the side and the impact level is where they meet.

		Severity of impact				Priority and response based on impact rating		
		Minor	Moderate	Serious	Major	High	Medium	Low
Likelihood of impact	Inevitable	M	H	H	H	<i>Amend design, methodology etc. and do not start or continue work until relevant control measures are in place. Or justify retaining high impact</i>	<i>Introduce measures to control/reduce impact. Ensure control measures are in use and working. Or justify retaining medium impact</i>	<i>Impact may be acceptable without changes or lower priority action required. Or justify retaining low impact</i>
	More than likely	M	M	H	H			
	Less than likely	L	M	M	H			
	Unlikely	L	L	M	M			

Actions to mitigate impact will meet the following standards:

- Where the Equality Act applies: achieve legal compliance or better, unless justifiable.
- Where the Equality Act does not apply: remove / reduce impact to an acceptably low level.

Equality Impact Assessment For employees and/or communities

Justification of retaining negative impact to groups with protected characteristics:

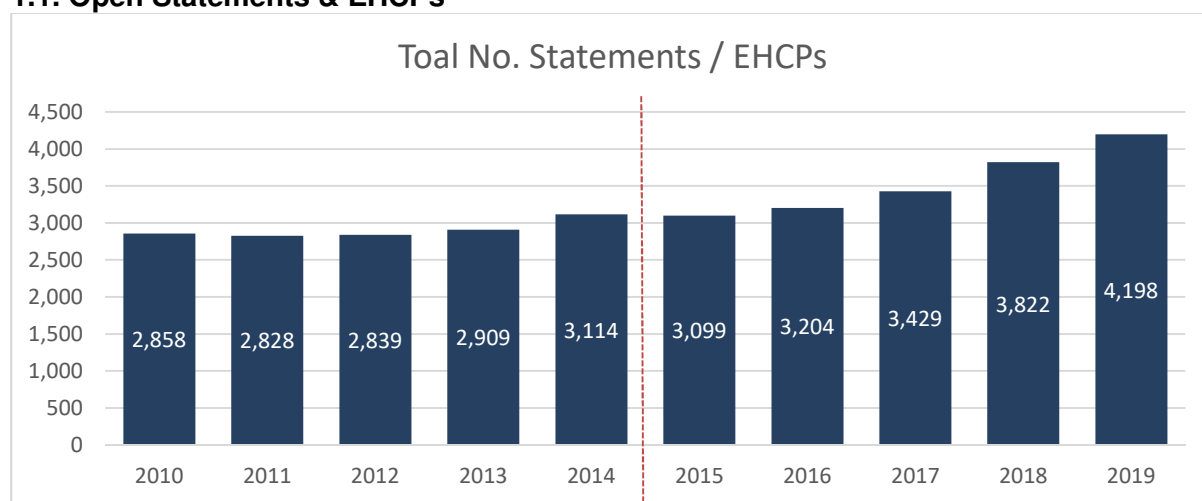
There will be some situations where it is justifiable to treat protected groups less favourably. Where retaining a negative impact to a protected group is justifiable, give details of the justification for this. For example, if employees have to be clean shaven to safely use safety face masks, this will have a negative impact on people who have a beard for religious reason e.g. Sikhism. The impact is justifiable because a beard makes the mask less effective, impacting the person's safety. You should still reduce impact from a higher to a lower level if possible, e.g. allocating work tasks to avoid Sikhs doing tasks requiring face masks if this is possible instead of not employing Sikhs.

DRAFT

Appendix 1 – SEND data analysis

- EHCPs supported by CCC have increased from around 3,000 open on census day prior to the reforms to nearly 4,200 in Jan 2019 – and still increasing since then to 4,500 now
- There has been a significant growth in the number of children / young people with an EHCP who are attending a special school or a post 16 provision over the last 3 years
- The majority of the growth in the number of EHCPs is in post 16. There are approximately 1,000 more CYP with EHCPs who are 16 and over than in 2014, whereas the number under this age has only increased by 109 in the same period.
- Growth has been particularly quick in primary needs of Autistic Spectrum Disorder, Soc, Em Mental Health, and Physical Disability since 2014. Although there are not many CYP with primary need of Profound and Multiple Learning Difficulties, comparing 2019 to 2014 there has been a 61% growth.

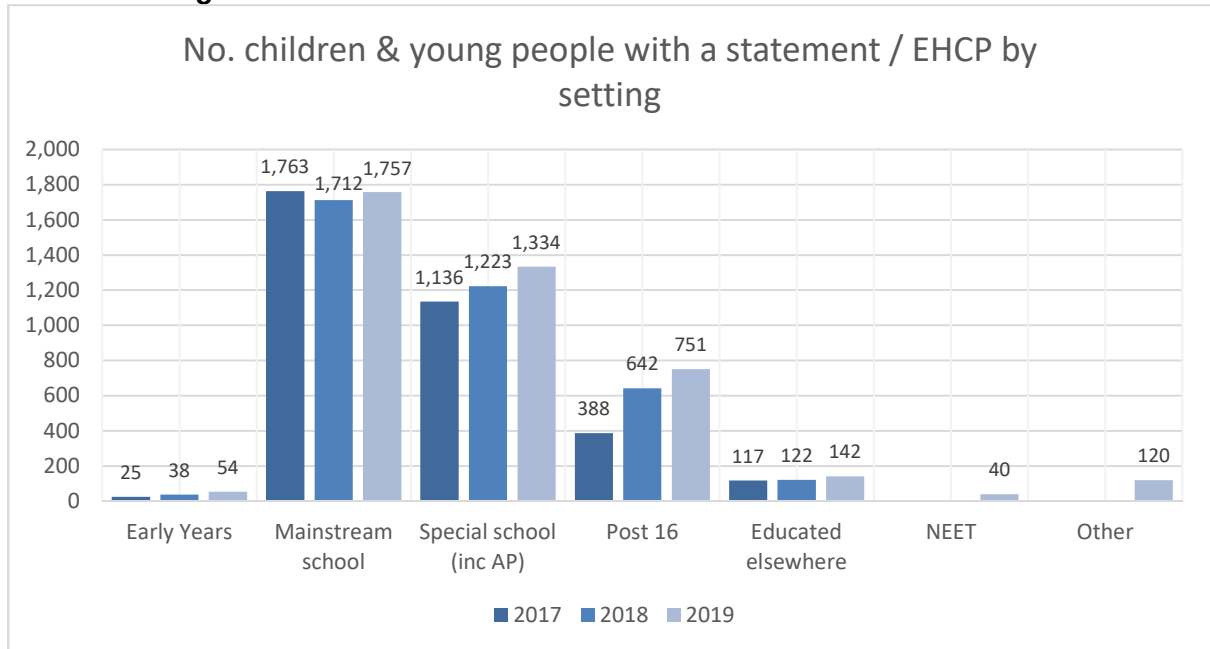
1.1. Open Statements & EHCPs



Source: SEN2 return SFR, Table 1

Analysis of the nationally published SEN2 return data shows that the number of children / young people in Cambridgeshire with an open SEN statement / EHCP has increased significantly since the change in legislation introduced in 2014 (by 35%).

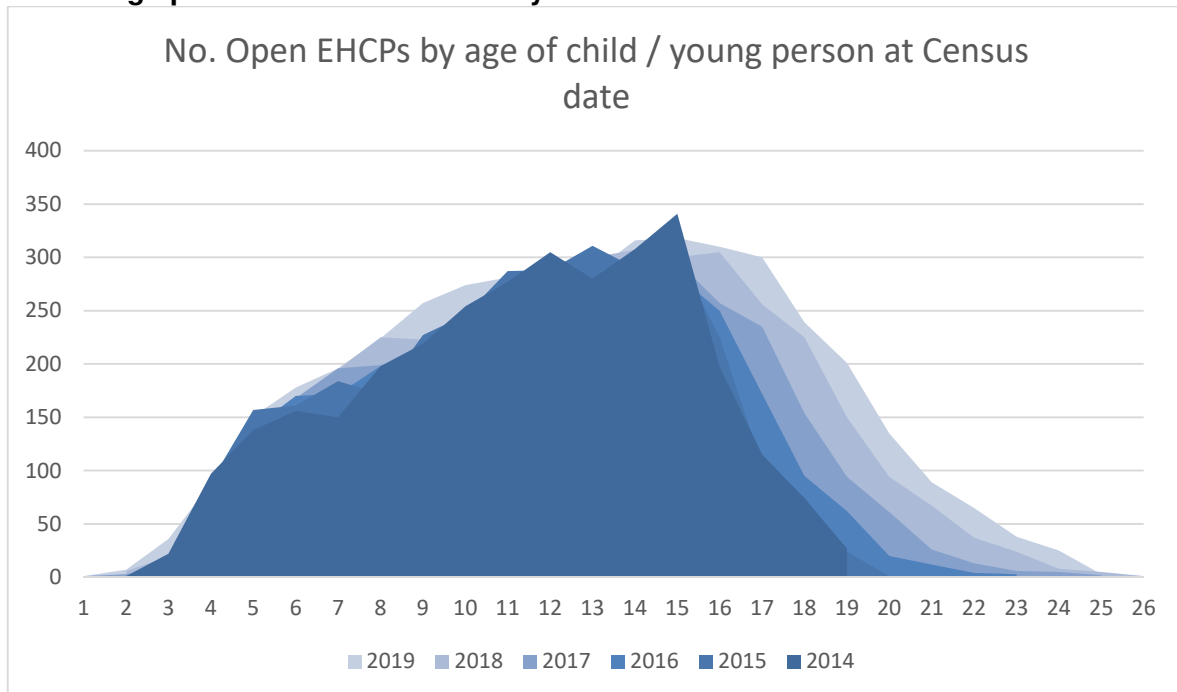
1.2. Settings



Source: SEN2 return SFR, Table 5b (used three years only because categories changed)

Analysis of the settings data reported in the SEN2 return shows that there has been a significant growth in the number of children / young people with an EHCP who are attending a special school or a post 16 provision.

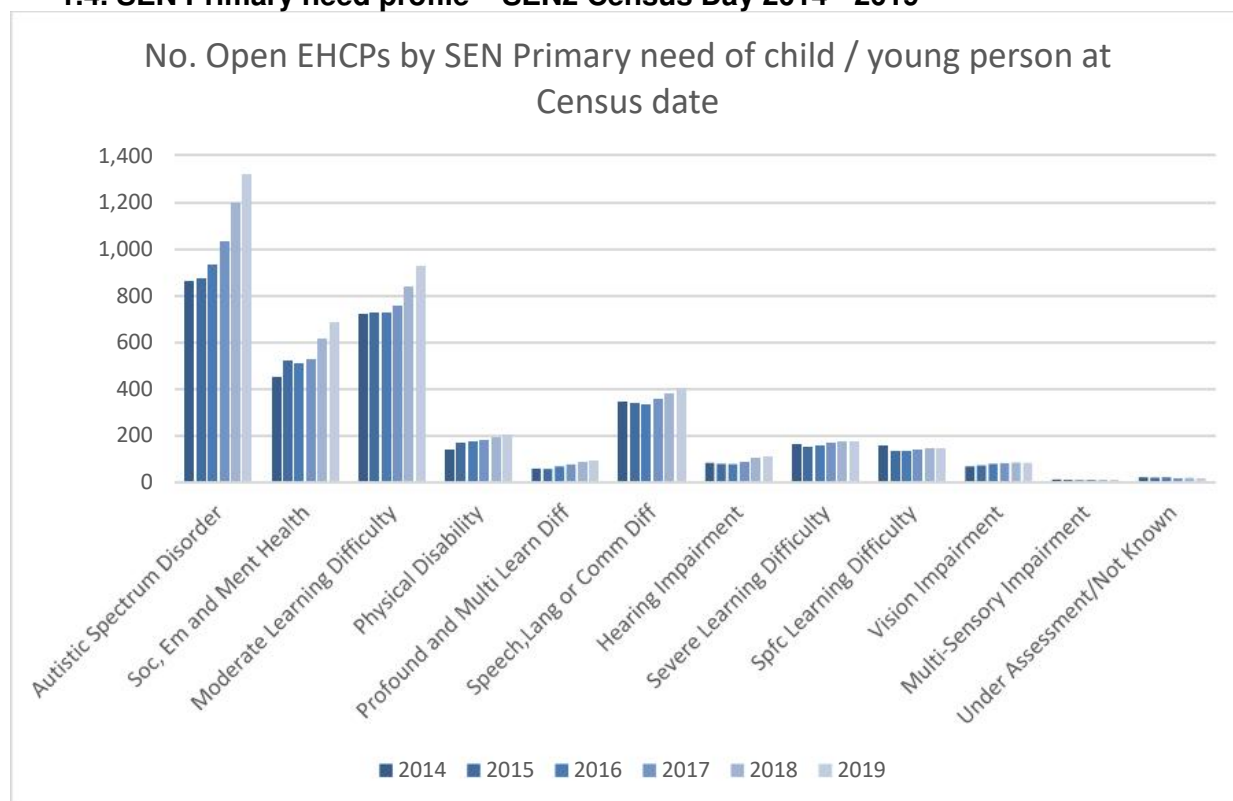
1.3. Age profile – SEN2 Census Day 2014 - 2019



Source: MI Statemented Pupils with Open Involvement report

Analysis of the SEND data held on the Capita One system shows that the number of young people aged 16+ with an open EHCP are growing, in line with the legislative changes introduced in 2014.

1.4. SEN Primary need profile – SEN2 Census Day 2014 - 2019



Analysis of the SEN Primary need data held on the Capita One system shows that the three of the four most common SEN need types (ASD, SEMH, MLD) also experienced the fastest level of growth over the past 6 years.

SEND Strategy

- SEND is everybody's business
- Identify and Respond to needs early
- Deliver in the right place at the right time

12

Demand Management and Invest to Save opportunities

13

Journey



IAG

Early
Intervention
/ Early Years

Preventing
exclusions

EHCP
requests
& panels

SEND Support
inc. in
mainstream

Special &
AP settings

Preparing
for
Adulthood

11

Home to
School
Transport

5

Top Up Fees

6

RAIISE

6

High cost top up review

7

Enhanced
Resource
Centres /
Bases

8

Out of
School
Tuition

9

Alternative
Provision

11

Home to School Transport

Enablers

2

Business Process Mapping

3

Quality Assurance Framework and Process

4

Performance Data (inc. Management System and SEND Sufficiency Review)

10

SEND Service Delivery Review

Page 142 of 146
Communications and the Local Offer

Appendix 3 – Demand Management in SEND

There are fourteen main work streams identified in the SEND Recovery Plan, one of which is Demand Management.

It has been identified that alongside the changes to process and procedure, there is value in understanding the strengths based and outcomes focused approach of practitioners and how this informs the CCC and partner response to children, young people and their families. Demand for high needs support is primarily driven by services outside the direct control of CCC and requires the ability to influence and work effectively with a range of partners. CCC are planning to undertake work to develop effectively identify the current behaviours (and drivers of behaviour) in the system, basing subsequent interventions on jointly owned challenges and opportunities.

It is crucial that any approach to change strengths-based working is system wide, spanning education, social care and health. Successful delivery will positively shift how the system feels, thinks and behaves.

Undertaking robust and targeted qualitative analysis such as case reviews, surveys, interviews and observations will allow us to assess where there are opportunities to further embed strengths-based practice, supporting improved independence and outcomes for young people. Subsequently we will be able to identify, develop and test opportunities for different ways of working to positively influence demand and will develop recommendations and opportunities for CCC and partners to effectively and sustainably respond to demand and system pressures over the longer term.

Dependent on the findings of the demand analysis and the opportunities developed, opportunities to be delivered and tested could include:

- Introducing a changing the conversation workforce development approach (behavioural science led framework) by delivering workshops on strengths based practice and behavioural science techniques with specific CCC and partner staff. This will develop strengths based practice at key interaction points across a family and child's journey, building positive relationships and identifying appropriate support and independence focused outcomes for children and young people
- Reviews of higher cost placements, using strength-based conversations and a tool to codify needs, to ensure provision is appropriately matched to needs and consider where changes to existing placements and support could better meet outcomes at lower cost. This will link closely with the RAIISE project (work stream in the SEND Recovery Plan) already underway
- Using behavioural science techniques to design and trial changes to decision-making processes around EHCP requests, approvals and plans and panel processes. This will ensure these are robust and transparent to parents/carers and professionals, contain appropriate needs based and outcomes focused challenge prompted through chair and attendee prompts, and that plans are the best way forward to appropriately meet a child or young person's needs

The overall outcome is to deliver and demonstrate positive impact on the DSG deficit through reduced demand and cost, highlight the positive outcomes delivered, and build confidence in the demand management approach. At this stage the level of savings that will be directly deliverable from this work are unclear, however projects of this sort undertaken at other local authorities have resulted in cashable savings.

DSG Deficit Recovery Plan

Ref.	Block	Type of provision e.g. special schools	Action e.g. increasing special school places	Year 1 Year 2 Year 3			
				2018-19	2019-20	2020-21	2021-22
				£	£	£	£
DSG Balance b/f					7,171,000	16,029,095	16,081,095
Savings (figures should be entered as negative values)							
S1	High Needs	Top-Up Rates	Active engagement of local schools and colleges in designing services and provision		0	(851,667)	(608,333)
S2	High Needs	High Needs Units	Active engagement of local schools and colleges in designing services and provision		(50,000)	(200,000)	(50,000)
S3	High Needs	SEND Placements	Active engagement of local schools and colleges in designing services and provision		(583,333)	(416,667)	(350,000)
S4	High Needs	Out of School Tuition	Active engagement of local schools and colleges in designing services and provision		0	(291,667)	(208,333)
S5	High Needs	Alternative Provision	Active engagement of local schools and colleges in designing services and provision		0	(291,667)	(208,333)
S6	High Needs	Other	Active engagement of local schools and colleges in designing services and provision		(291,667)	(208,333)	(150,000)
S7	High Needs	16-25 Funding	Other				
Total savings				0	(925,000)	(2,260,000)	(1,575,000)
Pressures (figures should be entered as positive values)							
P1	High Needs	Mainstream Schools - Top-Up	Increase in the number of EHC Plans	1,977,000	2,500,000	3,500,000	1,500,000
P2	High Needs	Special Schools & Units	Pressure on maintained special school capacity	2,677,000	3,500,000	3,500,000	1,500,000
P3	High Needs	FE Places	Post-16 responsibilities	2,900,000	4,500,000	2,500,000	1,500,000
P4	High Needs	Out of School Tuition	High rates of exclusions and use of AP	1,026,000	2,000,000	2,500,000	1,000,000
P5	High Needs	SEND Placements	Increased use of INMSS or out of area placements	181,000	1,000,000	1,500,000	500,000
Additional Pressures (figures should be entered as positive values)				8,761,000	13,500,000	13,500,000	6,000,000
Cost reductions from impact of recovery plan				8,761,000	12,575,000	11,240,000	4,425,000
Total DSG forecast overspend							
Net in year impact on High Needs DSG				8,761,000	12,575,000	11,240,000	4,425,000
Estimated High Needs Block change (additional grant)					(2,801,012)	(5,750,000)	(5,750,000)
Approved transfer of schools block to HN block					(1,000,000)	(5,438,000)	0
Other adjustments				(1,590,000)	84,107	0	0
Net in year Forecast Outturn Variance				7,171,000	8,858,095	52,000	(1,325,000)
DSG Balance – show a deficit as a positive value				7,171,000	16,029,095	16,081,095	14,756,095
				DEFICIT	DEFICIT	DEFICIT	DEFICIT

Key
User entry required

Education, Health and Care Plans

	Number of CYP with Statements/ EHCPs	Total HNB	Outturn	Cumulative
2016	3204	£63,001	£65,701	
2017	3429	£65,251	£69,999	
2018	3822	£67,110	£75,958	
2019	4198	£70,729	£80,000+	Forecast
2020				
2021				

	2016	% against total	2017	% against total	2018	% against total	2019	% against total	2020	% against total	2021	% against total
Under Age 5	134	4%	127	4%	157	4%	192	5%		-		-
Aged 5-10	1119	35%	1129	33%	1192	31%	1304	31%		-		-
Aged 11-15	1443	45%	1424	42%	1408	37%	1419	34%		-		-
Aged 16-19	484	15%	671	20%	871	23%	1001	24%		-		-
Aged 20-25	24	1%	78	2%	194	5%	282	7%		-		-
Total	3204	100%	3429	100%	3822	100%	4198	100%	0	0%	0	0%

CAMBRIDGESHIRE SCHOOLS FORUM – FORWARD AGENDA PLAN

All meetings will be held at 10.00am in the Kreis Viersen Room, Shire Hall, Cambridge CB3 0AP unless otherwise specified.

Date of meeting	Agenda Item	Report author	Reports due to reach Democratic Services by:
10 a.m. Wednesday 18th December (KV Room Shire Hall)	Schools Funding Formula 2020-21 including a	J Lewis Martin Wade	Thursday 5th December
	Summary of the Response to the Consultation.	J Lewis Martin Wade	
			Reports due to reach Democratic Services by:
10 a.m. Friday 17th January 2020 (Council Chamber Shire Hall)	Schools Funding Formula 2020-21	J Lewis / M Wade	Monday 6th January 2020
	New Dates for Forum beyond July 2020	Rob Sanderson	
			Reports due to reach Democratic Services by:
10 am Friday 28th February (KV Room Shire Hall)	Review of the terms of reference of Schools Forum	Jon Lewis	Monday 17th February 2020
This meeting replaced the 27th March meeting.	High Needs Proposals and Consultation	J Lewis / M Cullen	
	Early Years Funding Update including any further update on Maintained Nurseries	John Lewis Hazel Belchamber (with input from Graham Arnold Alastair Hale)	

			Reports due to reach Democratic Services by:
10 a.m. Friday 15th May 2020 (KV Room Shire Hall- needs to end at 12.30 p.m. as room required)	Maintained Schools and Dedicated Schools Grant (DSG) Financial Health (Schools Balances) Originally scheduled for the 27 th March meeting	Jon Lewis / M Wade	Tuesday 5th May 2020
	Proportionality Review and notification of changes to appointments to Forum	T Oviatt-Ham / J Lewis	
			Reports due to reach Democratic Services by:
10 a.m. Friday 17th July 2020 (KV Room Shire Hal needs to end at 12.30 p.m. as room required)			Monday 6th July 2020

To be scheduled: Review of Nursery Schools Funding - John Lewis, Hazel Belchamber (with input from Graham Arnold and Alastair Hale)