

**Date: Friday, 05 October 2018**

**Democratic and Members' Services**

Fiona McMilan  
Deputy Monitoring Officer

**10:00hr**

and Governance

Shire Hall  
Castle Hill  
Cambridge  
CB3 0AP

**Kreis Viersen Room  
Shire Hall, Castle Hill, Cambridge, CB3 0AP**

**AGENDA**

1. **Election of Chairman / Chairwoman 2018-19**
2. **Election of Vice Chairman / Woman for 2018-19**
3. **Apologies for absence and declarations of interest**  
*Guidance on declaring interests is available at  
<http://tinyurl.com/ccc-conduct-code>*
4. **Minutes of the meeting on 6 July 2018** **3 - 12**
5. **Action Log** **13 - 14**
6. **Cambridgeshire 2019-20 Schools Funding Formula** **15 - 40**
7. **Dedicated Schools Grant Position 2018-19** **41 - 44**

8. **High Needs Block Pressures**  
Report to follow
9. **Central School Services Block and Retained Funding and De-Delegations** 45 - 56
10. **Growth Fund and New Schools Funding Criteria 2019-20** 57 - 66
11. **Agenda Plan** 67 - 68
12. **Date of Next Meeting**

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**CAMBRIDGESHIRE SCHOOLS FORUM: MINUTES**

**Date:** Friday 6 July 2018

**Time:** 10.05am – 12.00pm

**Place:** Kreis Viersen Room, Shire Hall, Cambridge

**Present:** P Hodgson (Chairman), Dr A Rodger (Vice Chairman), L Calow,  
S Connell, T Davies, J Digby, J Lancaster-Adlam, A Matthews, A Reeder,  
S Tinsley and R Waldau

**Observers**

Councillor S Bywater	Cambridgeshire County Council
G Fewtrell	Teachers' Union
Councillor P Downes	Cambridgeshire County Council
Councillor J Whitehead	Cambridgeshire County Council

**Officers**

J Lewis (until 10.55am), J Lee and R Greenhill (Clerk)

**Apologies:**

Forum Members: S Blyth – Maintained Primary  
A Goulding – Academy Secondary  
J North – Maintained Primary  
D Parfitt – Early Years Reference Group  
Dr K Taylor OBE – Academy Special  
M Woods – Academy Secondary

**57. CHAIRMAN'S ANNOUNCEMENTS**

The Chairman welcomed the members of the public and press in attendance and stated that they were welcome to film, take pictures, tweet or blog during the meeting.

**58. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies were noted as recorded above. There were no declarations of interest.

**59. MINUTES OF THE MEETING ON 20 APRIL 2018**

The minutes of the meeting on 20 April 2018 were approved as a correct record and signed by the Chairman.

**60. ACTION LOG**

The action log was reviewed and updates noted. The Clerk would seek further updates on those actions which remained outstanding.

## **61. SCHOOLS FORUM INITIATIVE FOR FAIR FUNDING OF CHILDREN'S EDUCATION**

The Chairman stated that he proposed to discuss the Schools Forum initiative on fair funding first before moving on to an update from officers on the 2019/20 Dedicated Schools Grant and National Funding Formula.

### Schools Forum Initiative for Fair Funding of Children's Education

The Head of Integrated Finance Services stated that the report provided an update on Working Group activity since the last meeting; a copy of the letter and enclosure sent by the Chairman and Vice Chairman on 14 May 2018 on behalf of the Forum to all Members of Parliament for Cambridgeshire and copied to the Secretary of State for Education; a copy of the response sent on behalf of the Forum to the Education Select Committee's call for evidence on school funding; a copy of Cambridgeshire County Council's response to the same Select Committee Inquiry; and a copy of the response to the Education Select Committee's Inquiry into support for children and young people with special educational needs and disabilities (SEND) sent on behalf of the County Council, Cambridgeshire's schools and Early Years Providers and independent support services for parents and carers. At the Chairman's request a copy of the response which he and the Vice Chairman had received from Lucy Frazer QC MP dated 29 June 2018 and containing a further response from Nick Gibb MP, the Minister of State for School Standards, was tabled on the grounds that it had been received too late to be included with the published report, but contained information which was material to the discussion.

The Vice Chairman stated that in addition to Ms Frazer's letter there had been an exchange of emails with Daniel Zeichner MP who was supportive of the Forum's position. He had also had discussions with Heidi Allen MP who was pressing the case within Government. He expressed disappointment at the content of the Minister of State's response which repeated what was already known and did not respond to the specific questions which the Forum had posed. The response to the Select Committee Inquiry into school funding reflected the general consensus of opinion within the Working Group, although some nuances from different members were acknowledged. The response had included the offer to give oral evidence to the Inquiry if required. It was proposed to issue a press release later in the day to share this information more widely. An on-line petition to Government had been submitted and would go live in about a week once approved. It had been written in a fairly generic style with a view to being shared with the f40 Group. Members were asked to cascade the information through schools and to encourage all parents and staff to sign the petition and pass it on as widely as possible amongst family and friends. The Vice Chairman stated that he proposed to respond to the Minister of State's letter and to copy this to the Secretary of State for Education to ensure the Forum's concerns were being heard at the highest levels. The Chairman expressed his thanks to all members of the Working Group for their contributions and in particular to the Vice Chairman for the significant amount of time he had given to collecting views and shaping and honing the various responses.

The following points were raised in discussion of the Schools Forum Initiative for Fair Funding of Children's Education and in response to questions:

- A Maintained Primary member commented that it was harder to get petition signatures than might be expected and suggested it would be better to postpone the proposed press release until the online petition went live so that it could make reference to this;

- An Observer commented that they felt the Forum's comments should include more positive observations about the state of education in Cambridgeshire to provide balance. Improvements had been made in recent years with the majority of schools in the county now rated as either good or outstanding, but these improvements were being put in jeopardy by the pressure on funding. Some specific areas like Fenland faced particular difficulties;
- The Service Director for Education stated that the impact of insufficient funding on children's outcomes was key and that Cambridgeshire's schools were losing out due to Government funding policies, not due to decisions being made at county level;
- A Maintained Primary member suggested postponing the launch of the initiative until September when families and staff would be fresh and focused. The Vice Chairman stated that this would be too late to inform the Treasury's budget planning process which was already beginning. To address this the initiative might be launched now as planned, but with a renewed push given again in September. A copy of the proposed press release would be circulated quickly to Forum members for comment with a view to it being issued early the following week;  
(**Action:** Communications and Marketing Manager)
- An Academy Secondary member stated that headteachers would be marching to Downing Street on 28 September 2018 to deliver a letter to the Prime Minister on school funding;
- The Trade Union Observer highlighted the concerns being expressed amongst union members;
- An Observer questioned the assertion in the Minister of State's letter that the sparsity factor was sufficient to meet the needs of small and rural schools. Officers stated that the Minister was mainly re-stating an explanation of what the Government had done, but they were unsure where the comment that the combined sparsity factor and lump sum of £110,00 being sufficient came from. It was noted that neither special schools nor maintained nursery schools would receive the £110,000 lump sum, contrary to the Minister's comment that this was received 'by every school';
- The Maintained Special School representative stated that the response to the Select Committee Inquiry into support for children and young people with SEND had been circulated in draft for comment and finalised by herself, the Academy Special School representative and the County Council's Head of SEND Services and Principal Educational Psychologist. The response had emphasised the support provided across all school phases and types, not just by special schools. Much excellent work was being done, but the funding available was simply not enough. All of Cambridgeshire's special schools were currently rated good or outstanding by Ofsted, but professionals were looking to deepen the interplay between social care and education. There was also a belief that health needs should be included more fully as this was not yet being seen in many Education, Health and Care Plans.
- The Maintained Special School representative noted that Dr Helen Phelan, the Head of Send Services, would shortly be leaving the Council to take up a new

post. On behalf of all of Cambridgeshire's Special School headteachers she expressed her thanks to Dr Phelan for the impact which she had achieved in a relatively short period in her current post. The sufficiency surveys which she had commissioned and her work in relation to students with particularly complex needs was highlighted for particular praise. There was some collective anxiety amongst Special School professionals about the need to maintain momentum following Dr Phelan's departure given that a number of posts within Specialist Services were currently vacant or held by interim appointees. These comments were seconded by the Academy Alternative Provision representative in relation to Dr Phelan's work for students with social, emotional and mental health needs;

The Service Director for Education stated that he was very mindful of what had been achieved and that he would be in touch regarding future arrangements and would keep schools briefed.

Summing up, the Chairman expressed disappointment at the letter from the Minister of State. He and the Vice Chairman had met with Nick Gibbs MP about three years ago and made an offer of support to schools in other local authorities which had not been taken up. The content of the letter suggested it was a standard response prepared by officials rather than a considered reply by the Minister to the specific issues raised.

#### 2019/20 Dedicated Schools Grant and National Funding Formula

The Head of Integrated Finance Services stated that officers had attended an information session held by the Department for Education (DfE) on 22 June 2018 about the 2019/20 Dedicated Schools Grant (DSG) and National Funding Formula (NFF). At the time of discussion no formal announcement had been made by the DfE therefore it was important to stress that the Government's policy had not yet been confirmed. The announcement was expected sometime in July 2018.

#### Schools Block

The NFF was likely to remain largely unchanged for 2019/20. The funding floor had increased to 1% and it was expected that indicative figures would be released alongside the announcement. The Premises Factor was still under review, but it was understood that it would remain the same for 2019/20. A new approach was expected in relation to the mobility factor, but not until 2020/21. The main change expected was a move to a more formulaic approach to the Growth Fund with a late lagged formula basis based on past pupil growth numbers. This would be significant in Cambridgeshire where some areas experienced high growth. A figure of £65,000 for new schools to support pre-opening costs had also been suggested, although no further detail was known at this stage. More information would be brought to the Forum's next meeting in October 2018.

#### High Needs Block

No information had been provided on the quantum of funding. Special Free Schools would be moved into the High Needs Block so care would be needed to see that the cost burden was not shifted to the local authority. A consultation would be carried out on hospital and outreach education. There would be a change to Post 16 funding arrangements which would be moved into the DSG, but the detail of this would not be known until the guidance was issued.

## Central Services Block

The allocation for 2019/20 would remain unchanged from 2018/19, but the DfE was looking to move to percentage reductions. There was a concern that some local authorities which were naturally unwinding their historic funding might get hit twice and officers were looking into this. Some elements such as Private Finance Initiative (PFI) costs would not decrease over time and this had been highlighted with officials.

The following points were made in discussion of the 2019/20 Dedicated Schools Grant and National Funding Formula and in response to questions:

- Officers stated that a briefing note would be provided to schools and academies to share with parents, governors and staff;
- The DfE had given no information on salary increases. The Trades Union Observer commented that the Trades Union Side was anticipating a settlement of 3.5%;
- An Academy Secondary member commented that their contacts in the DfE were not now expecting to move to a hard formula in a two year period as previously planned. Officers stated that they were still expecting the introduction of a hard formula and that there might be some clarification of the timing of the move in the DfE's July announcement;
- An Observer commented that the argument for additional funding was made more difficult by the number of schools which were holding significant reserves (minute 62 below also refers). Both the County Council's General Purposes Committee and Children and Young People Committee had previously raised this as an issue. An Academy Secondary member commented that a 3.5% pay rise would wipe out many schools' reserves;
- Officers stated that there had been no policy update in relation to maintained nursery schools. The Maintained Nursery representative commented that the National Association of Head Teachers had launched a campaign in support of maintained nursery schools, but expressed concern at the uncertainty of the situation going forward.

It was resolved to:

- a) note and consider the update provided from the working group; and
- b) consider any next steps for the Initiative for Fair Funding for Children's Education.

## **62. MAINTAINED SCHOOLS AND DEDICATED SCHOOLS GRANT FINANCIAL HEALTH**

The Head of Integrated Finance Services reported the rounded maintained school balances for each sector, noting a change of £0.7k from the original published balances and the figures which had been amended to reflect in-year academy conversions. Changes in individual school balances could be attributed to a variety of factors including delayed or cancelled spending decisions due to uncertainty about future funding, using balances to maintain current staffing levels and class structures or

reprioritising revenue resources to allow for the possibility of capitalisation in future years. The report contained headline figures, but more granular information could be brought back to a future meeting if members would find that useful. At present only two schools were reporting a deficit balance which implied good financial management in maintained schools. However, officers would remain in close contact with all schools under financial pressure. The Government was looking to review the Schools Financial Value Standards (SFVS) in the next few years and to introduce something similar for academies. The Dedicated Schools Grant (DSG) carry forward of a £720k deficit to 2018/19 related predominantly to pressures on the High Needs budget. This would be off-set in-year by some underspends and one-off mitigations, but if these were unavailable the following year there would be significant pressure on the High Needs Block in 2019/20. It was proposed to draft a consultation document to bring to the Forum's next meeting in October 2018 for comment before this was sent to schools.

The following points arose in discussion of the report and in response to questions:

- Paragraph 6.1: An Observer questioned the reference to 'recoupment' and asked for more information about what this meant in practice. Officers stated that that the table was in the format required by the DfE. The DfE recouped the money to go to academies after the funding formula had been applied. This was not a straightforward calculation and officers were prudent in producing the Council's estimates of the figures to ensure the best position. Officers would challenge the DfE figures if needed;
- The Vice Chairman noted that a transfer of £0.7m had been required from the Schools Block to the High Needs Block in 2017/18 to help meet the significant pressure which existed on High Needs provision. He questioned what would happen if an even larger sum was needed in the current financial year. There was a need to have an informed debate about the pressures being faced and how these could best be met. There needed to be a clear understanding that much of the High Needs budget went back to maintained schools to support their provision. Members needed to be as well informed as possible about the expected end of year position when the Forum met next in October and considered this issue in more detail;  
(**Action:** Head of Integrated Finance Services)
- Officers noted the concern expressed from some quarters in relation to the surplus revenue balances held by some schools. The report set out the challenge process which was followed where appropriate which included gaining a proper understanding of the issues faced by individual schools. In some cases funds might have been prudently set aside for example to fund capital projects, so it was important that each case was evaluated individually.

A Maintained Primary representative acknowledged the concerns about excessive surplus revenue balances, but commented that they were equally concerned about the larger number of schools with very low reserves. They questioned how these schools would manage if an unforeseen pressure should occur.

- An Observer commented that they knew nothing about the reserves held by secondary schools as they were all now academies. Officers stated the figures relating to academies were not straightforward as balances could quite properly be consolidated across schools within multi-academy trusts (MATs), and some MATs covered more than one local authority area. An Academy Secondary

representative commented that all academies were required to have their accounts audited and published on their schools' websites. Another Academy Secondary representative commented that details of individual academies' balances could be viewed online and undertook to provide members with details (Clerks' note: This information can be viewed at <https://schools-financial-benchmarking.service.gov.uk/>);

- A Maintained Primary representative commented that it might be helpful to get a sense of the surplus per pupil. An Observer commented that they would like to see the data relating to carry-forward in relation to Individual School Budgets (ISB) refined to give greater detail as it would be important to understand these sums in more detail when lobbying Government for additional funding. Officers stated that they would reflect on what information might be needed from schools to understand what elements of the surplus were grant funding, committed expenditure and uncommitted expenditure;
- A Maintained Primary representative commented that there were many positive aspects of the new Education, Health and Care Plans (EHCPs), but they clearly raised expectations about the type and level of support which would be provided. Several members commented that the detail and cost of those elements of an EHCP relating to health care were rarely included on the completed Plan. This represented a fundamental deficiency and raised questions about whether the cost of some health care needs was being met from the education budget.

It was resolved to:

- a) note the contents of the report and the proposed approach to managing the brought forward deficit on Dedicated Schools Grant (DSG) budgets.

## **63. REVIEW OF MEMBERSHIP AND PROPORTIONALITY**

The Chairman stated that he and the Vice Chairman would withdraw for discussion and voting on recommendation *d) to extend the three Academy member appointments due to end on 31 August 2018 until 31 December 2018 to maintain proportionate representation pending further elections and appointments* as this included their own appointments. It was agreed that Tony Davies, Maintained Primary representative, would take the Chair for discussion of this recommendation.

The Clerk stated national regulations governed the composition, constitution and procedures for schools forums and were set out in The Schools Forum Regulations (2012) (as amended). The Department for Education (DfE) also published and periodically updated the Schools Forum Operational and Good Practice Guide together with guidance on Schools Forums' structure, powers and responsibilities. Due to uncertainty around the future role of schools forums and difficulties revising the arrangements for the appointment of academies members it had been some time since the composition of the Cambridgeshire Schools Forum had been formally reviewed. As four appointments would come to an end in August 2018 it was timely to bring this issue back to the Forum now for consideration.

Schools Forums were made up of schools members (maintained schools), academies members and non-school members (for example, Post 16 providers and Independent or Voluntary Sector Early Years providers). Schools and academies members must together comprise at least two thirds of the membership of the Forum and the

Regulations stated that ‘...primary schools, secondary schools (that is, maintained schools) and Academies must be broadly proportionately represented on the forum,

having regard to the total number of pupils registered at them.’ The Operational and Good Practice Guide further stated that ‘The Schools Forum Regulations provide a framework for the appointment of members, but allow a considerable degree of discretion in order to accommodate local priorities and practice.’ The ratio of pupils in maintained schools to those in academies based on the January 2018 census data was 41.7% to 58.3%. On that basis it was recommended that with effect from 1 September 2018 membership of the Forum should be revised to eight Maintained representatives, twelve Academies representatives and two Non-School Members. Whilst the Forum would agree the number of Academy representatives to be appointed in accordance with the Regulations and Good Practice Guide it would be for Academy proprietors to determine the composition of their representation.

The following points were raised in discussion of the report or in response to questions:

- It was a requirement that at least one maintained School’s representative should represent governing bodies of maintained Schools and one should represent headteachers of such Schools;
- It would be important to ensure that all maintained Schools Governors were made aware of the vacancy and offered the opportunity to stand for election;
- Members welcomed the proposal to amend the Schools Forum Constitution to establish a process to address repeated non-attendance, but asked whether it would be possible for the Forum to terminate an appointment should this happen rather than asking the nominating group to do so. The Clerk undertook to find out;  
(**Action:** Democratic Services Officer)
- The academy proprietors’ group established by the Service Director for Education would offer a forum in which to discuss Academy representation;
- An Academy Primary representative expressed concern at the possible shape of Academy representation set out at paragraph 2.5.4 (four primary representatives, six secondary representatives plus one special school representative and one alternative provision representative as required in the Regulations) and commented that they felt strongly that there should be greater representation for primary academies. The Clerk stated that the figures in the report were based on pupil numbers in primary and secondary academies and showed how these sectors might be represented. However, there was no requirement within the Regulations for academies members to be split between primary and secondary representatives and the decision on this would be for Academy proprietors.

It was resolved to:

- a) revise Schools’ representation as follows with effect from 1 September 2018:

Schools Members (Maintained):

Nursery	1
Primary	4
Secondary	0

Special	1
Alternative Provision	1
Governor	1
	<hr/>
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- b) revise Academy representation to 12 members with effect from 1 September 2018;
- c) advise the Academy Proprietors Group of the number of places for Academy representatives from 1 September 2018 and for officers to discuss with them how they wish their representation to be shaped going forward;
- d) extend the three Academy member appointments due to end on 31 August 2018 until 31 December 2018 to maintain proportionate representation pending further elections and appointments;
- e) confirm Non-School Member representation should remain unchanged at two members: one representative of the Early Years Reference Group and one 16-19 education provider representative;
- f) amend the Schools Forum Constitution to establish a process to address repeated non-attendance as set out at paragraph 3.2 of the report;
- g) review the membership and composition of the Schools Forum annually in March/April;
- h) authorise the Clerk to amend the Schools Forum Constitution to reflect the changes agreed at the meeting and any consequential changes and to publish this on the County Council website.

#### **64. AGENDA PLAN**

The agenda plan was reviewed and noted.

#### **65. DATE OF NEXT MEETING**

The Forum is due to meet next on Friday 5 October 2018 at 10.00am in the Kreis Viersen Room, Shire Hall, Cambridge.

(Chairman/ Chairwoman)



**CAMBRIDGESHIRE  
SCHOOLS FORUM**

**Minutes - Action Log**



**Introduction:**

The Action Log captures the actions arising from meetings of the Cambridgeshire Schools Forum.  
This is the updated action log as at 02.07.18:

<b>Minutes of 13 December 2017</b>					
<b>26.</b>	<b>Growth Fund and Falling Rolls Criteria 2018/19</b>	<b>Hazel Belchamber/ Martin Wade/ Kerry Newson</b>	To look again at the question of establishing a Falling Rolls Fund in the light of the views expressed.	<p><u>11.01.18</u>: Officers meeting on 25 January to review this issue. An update to follow after that meeting and any follow-up work is completed.</p> <p><u>01.03.18</u>: Further discussions being arranged with the Place Planning team.</p> <p><u>27.06.18</u>: Revised pupil forecasts awaited to inform further work.</p> <p><u>17.09.18</u>: Initial work found that there was no evidence to suggest that any school would fall into the category of the falling roll criteria. The wider points raised will be reflected in the Growth Fund 2019/20 report.</p>	<b>Completed</b>

## Minutes of the meeting on 6 July 2018

61.	<b>Schools Forum Initiative for Fair Funding of Children's Education</b>	<b>Jo Dickson</b>	To circulate a copy of the proposed press release for comment.		<b>Completed</b>
62.	<b>Maintained Schools and Dedicated Schools Grant Financial Health</b>	<b>Jon Lee/ Martin Wade</b>	Officers were asked to ensure that members were as well informed as possible about the expected end of year position when the Forum met next in October and considered this issue in more detail.	<u>19.09.19</u> : This will be included in the Forum reports to the Forum on 5 October 2018.	<b>Completed</b>
63.	<b>Review of Membership and Proportionality</b>	<b>Richenda Greenhill</b>	To explore whether it would be possible for the Forum to decide to terminate an appointment in the event of a member's repeated non-attendance rather than asking the nominating group to do so.	<u>10.09.18</u> : Information received from Northamptonshire County Council. Further request posted on the ADSO website for comparison purposes.	<b>On-going</b>

**CAMBRIDGESHIRE 2019/20 FUNDING FORMULA**

*To:* Cambridgeshire Schools Forum  
*Date:* 5 October 2018  
*From:* Jon Lee – Head of Integrated Finance Services

**1.0 INTRODUCTION**

1.1 On July 24 2018 the DfE published details of the funding arrangements for 2019-20 for the Schools Block, Central Services Schools Block and the High Needs Block. Details in respect of the Early Years Block will be announced in the autumn. The main documents that have been published include:

- **Schools revenue funding 2019 to 2020: Operational Guide** – this document provides guidance to support local authorities and schools forums in planning for the 2019-20 financial year;
- **Schools Block and High Needs NFF Technical Note** – providing the details on the DfE calculations; and
- **Indicative allocations** at both local authority and school level – it is emphasised that these are only indicative as they will be updated to reflect the October 2018 census data and refreshed data sets as well as local decisions that may be required.

1.2 As in previous years there is the requirement to submit the Authority Pro-forma Tool (APT) with final budget figures to the Education and Skills Funding Agency (ESFA) in mid January.

1.3 The purpose of this report is to provide Schools Forum with an overview of the school funding arrangements for 2019-20 and to discuss the consultation requirements. Appendix 1 contains a briefing note that will be circulated to all schools on the Schools NFF announcements for 2019-20 providing a summary of the NFF arrangements for schools and high needs.

**2.0 THE NFF FOR HIGH NEEDS**

2.1 The High Needs NFF remains unchanged and is used to generate the High Needs funding allocations to local authorities on a standard formula. The High Needs funding allocation is made to local authorities based on this formula and the authority continue to operate its own local offer i.e. the local High Needs arrangements within the local authority area.

2.2 The NFF used to calculate the High Needs funding allocations for 2019-20 is set out below. The inclusion of the funding floor factor in the formula means that no authority will see a reduction in their High Needs allocation and the increased funding announced by the DfE will provide an uplift of 1% in 2019-20 compared to the 2017-18 baseline. In addition the gains cap for authorities will increase to 6% compared to the 2017-18 baselines i.e. a further 3% gain being factored into 2019-20 allocations.

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

- 2.3 The indicative High Needs allocations for Cambridgeshire are set out below. These will be updated in the final High Needs announcement to take account of movements in pupil numbers from the census and ILR data collection.

Cambridgeshire High Needs Allocations				
2017-18 Baseline	2018-19 Final		2019-20 Indicative	
<b>£64,768k</b>	<b>£65,730k</b>	<b>£962k</b> <b>(1.5%)</b> <b>increase to</b> <b>baseline</b>	<b>£66,674k</b>	<b>£1,906k</b> <b>(2.9%)</b> <b>increase to</b> <b>baseline</b>  <b>(1.4%)</b> <b>increase to</b> <b>2018-19</b>

- 2.4 The separate report on the 'DSG Position 2018-19' refers to an in year pressure of £3.9k for 2018-19. A number of factors related to High Needs are driving these pressures as set out in that report and include:

- A forecast pressure against the High Needs top-up budget of £1.5m as a result of increasing numbers of young people with Education Health and Care Plans (EHCP) in Secondary and Post-16 Further Education.
- It is estimated that the SEN Placements budget will have a pressure of £0.5m.
- It is estimated that the Out of School Tuition Budgets will have a pressure of £0.3m.
- There is a forecast pressure of £0.75m against the budget allocations to Special Schools. This is primarily as a result of an overall increase in commissioned places and actual pupils.
- Based on current commitments the High Needs Unit budget is showing a forecast pressure of £0.25m.

Work is ongoing to manage these pressures down in 2018-19 but it is likely that they will represent base budget pressures in the High Needs Block from 2019-20 onwards. In addition there is the risk that additional High Needs pressures arise during 2018-19 which are not yet included in the

forecast.

### 3.0 THE NFF FOR SCHOOLS AND THE CAMBRIDGESHIRE FORMULA 2019-20

- 3.1 The key points to note in respect of the NFF for schools and the arrangements for 2019-20 are discussed in this section.
- 3.2 The NFF is a standard formula that the DfE have now concluded on and which is being used to calculate funding at an individual school level. The individual school allocations are then used to generate the local authority allocation in aggregate for 2019-20. It is important for the Schools Forum and schools to note that the funding impact published by the DfE is only indicative because the allocations will be updated in December to take account of the latest pupil numbers and data sets from the October 2018 census.
- 3.3 The NFF continues to be implemented as a soft formula in 2019-20 and this will continue into 2020-21. This means that there continues to be local discretion as to how a local authority structures its local funding formula during this period.
- 3.4 The diagram below shows the overall DSG indicative allocations for Cambridgeshire as currently announced. It should be noted that further details are also awaited on Early Years and as such this figure has been maintained at the 2018-19 level for the purposes of this report.

Cambridgeshire 2018-19 Indicative DSG Allocation			
Schools Block	Central Services Schools Block	High Needs Block	Early Years Block (at 2018-19 level)
£346.5m	£8.1m	£66.7m	£35.9m
DSG Total £457.2m			

#### Transfers from the Schools Block

- 3.5 The Schools Block continues to be ring-fenced although some local flexibility continues allowing local authorities to transfer up to 0.5% from the Schools Block to other blocks. For Cambridgeshire this equates to £1.7m. Schools Forum should note that this would be a one off transfer only in 2019-20, all schools will need to be consulted on the transfer as per the Operational Guidance and the decision remains with the Schools Forum to agree any transfer up to 0.5%.
- 3.6 Given the High Needs pressures outlined above and in reports on other agenda items of this Schools Forum meeting it is proposed that the authority consults with schools on a transfer of up to £1.7m from the Schools Block to the High Needs Block. The outcome of this consultation with schools would be brought to the 30 November Schools Forum meeting to inform the decision as to whether the Schools Forum agree to the transfer between blocks.
- 3.7 ***A draft consultation document is provided at Appendix 2 for the Forum to discuss and comment on.***

#### Growth Funding

- 3.8 In 2018-19 Cambridgeshire maintained a Growth Fund of £2.5m, any increase required to the Growth Fund to meet commitments would require Schools Forum approval.
- 3.9 The basis of allocation for the Growth Fund to local authorities is being moved to a formulaic basis as set out in Appendix 1. This will mean that all local authorities will receive growth funding allocations based on lagged growth at middle layer super output areas (MSOA) with primary and secondary unit rates attached to each 'growth' pupil. In addition new schools that have opened in the previous year will also attract £65,000. It should be noted that again this is the basis on which

the DfE will allocate funding to local authorities. It is not expected that local authorities will fund growth in the same way to individual schools, therefore growth funding will continue to be allocated to schools based on the local growth fund criteria for Cambridgeshire.

### **The NFF Factors**

- 3.10 There are minimal changes to the NFF factors with the addition of one optional factor to enable authorities to apply a factor to ensure that there is a minimum 1% increase per pupil funding compared to the 2017-18 baseline. It is not proposed to introduce this funding factor into the Cambridgeshire formula on the basis that all other mandatory NFF factors are being applied including the minimum per pupil levels of funding.

### ***Schools Forum is asked to consider this approach and the use of the new optional factor.***

- 3.11 There is one change to the unit rates in the NFF, which is to reduce the Primary Low Prior Attainment unit rate from £1,050 per pupil to £1,022 per pupil in order to maintain the amount allocated through the NFF the same in the context of the increasing cohort resulting in the change in measurement to the Early Years Foundation Stage Profile.
- 3.12 The actual unit rates used in the Cambridgeshire formula compared to the published 2019-20 NFF are provided in Appendix 1 (note negative figures in brackets represent a reduction in the unit rate of the factor). This demonstrates that the Cambridgeshire formula is already aligned to the NFF following the work undertaken in the 2018-19 budget setting.
- 3.13 The minimum funding guarantee (MFG) is continuing under the arrangements for 2019-20. Therefore any redistribution within the formula will be limited to a reduction of minus 1.5% per pupil as in previous years. However there is the ability to include a higher level of protection by setting an MFG value of between plus 0.5% and minus 1.5%. It is proposed that the MFG for 2019/20 continues to be set at minus 1.5% in the Cambridgeshire formula. It is likely that a funding cap will also be required again in 2019-20 in order to reflect the cap of 3% in 2019-20 included in the DfE's arrangements (note the cap by the DfE has been included at 3% per annum for 2018-19 and 2019-20, so 6% cumulatively).
- 3.14 Detailed modelling using the APT will be undertaken to determine whether there is the potential for any headroom in the formula for Cambridgeshire in 2019-20. If this does happen to be the case the MFG and cap will be increased equally to offer more protection to those on the MFG and to lift the cap as high as possible.

### **Consultation Arrangements**

- 3.15 As the DfE has stated in their Operational Guidance "a local authority must engage in open and transparent consultation with all maintained schools and academies in the area, as well as with its schools forum, about any proposed changes to the local funding formula including the method, principles and rules adopted". There are no proposed changes being made to the Cambridgeshire funding formula for 2019-20 and therefore the requirement to consult is not triggered rather the unit rates may need to be varied in some instances, for example to move the Primary Low Prior Attainment rate from £1,050 per pupil to £1,022.
- 3.16 Based on the information contained in this report in the authority is planning to consult with schools on the proposal to transfer up to 0.5% (£1.7m) from the Schools Block to the High Needs Block in 2019-20, subject to the final position being confirmed at the December meeting in respect of the estimated High Needs pressure for 2019-20. A draft consultation document has therefore been produced which is included at Appendix 2 which is planned to be released to all schools following the Forum meeting.
- 3.17 Schools Forum are asked to discuss these proposals and approach to the 2019-20 formula as set out in this report and the draft Consultation document at Appendix 2.

## **4.0 ACTIONS AND RECOMMENDATIONS**

### **4.1 Schools Forum are asked to:**

- 1) Note the High Needs funding arrangements for 2019-20;**
- 2) Note the Schools funding arrangements for 2019-20; and**
- 3) Comment on the authority's proposals to consult with all schools on transferring up to 0.5% (£1.7m) from the Schools Block to the High Needs Block in 2019-20 if required.**

**Schools Forum are also asked for any comments and considerations on the Draft Consultation document to be issued to schools.**

## **Appendices**

Appendix 1 – Briefing Note on the NFF for Schools and High Needs 2019-20

Appendix 2 – Draft consultation document for the School Funding Arrangements 2019-20 for Cambridgeshire



## **Appendix 1**

# **The National Funding Formula for Schools and High Needs**

## **Briefing Note – September 2018**

### **LGSS Integrated Schools Finance**

#### **Introduction**

Following the introduction of the Schools National Funding Formula (NFF) in 2018-19 the Department for Education (DfE) has now published the NFF arrangements for schools and high needs for the 2019-20 financial year. This briefing note highlights the key issues for consideration by the LGSS authorities, their respective Schools Forums and the impact on our schools.

As is standard practice indicative allocations have been published for 2019-20 by the DfE, which supersede any previous indicative allocations that have been published. It must be emphasised that these are indicative numbers and will be updated in December following the updates to datasets and pupil numbers resulting from the October 2018 census. Further still the NFF for schools continues to be on a 'soft' formula for 2019-20, which means that there is still some local flexibility in terms of setting the funding formula locally, this will be discussed with the respective Schools Forums and where needed schools will be consulted.

The actual budget experiences of schools will be dependent on their individual circumstances (pupil numbers and characteristics as at the October 2018 census), and how the Schools Block is utilised locally. For example to fund growth and diseconomies in new and growing schools and whether there are any transfers from the Schools Block to other blocks within the Dedicated Schools Grant (DSG). Schools may therefore see some variation to the illustrative figures published by the DfE at this stage.

The tables at the end of this briefing note provide:

- Table 1 – the indicative local authority allocations by Block for the Schools Block, Central Services Schools Block and the High Needs Block;
- Table 2 – the list of funding factors for 2019-20, the values attached to them in the NFF and the rates that each LGSS authority currently use in 2018/19; and

The NFF for Schools is positive in terms of the LGSS authorities being expected to see further increases in their DSG allocations against the 2017/18 baseline position and compared to 2018/19 funding levels. For 2019/20 gains in the Schools Block allocations will be in the region of £3.0m for MKC, £5.0m for CCC and £5.4m for NCC compared to 2018/19. It should be noted that these allocations will change for the reasons set out above. Schools should also note that there will continue to be varying gains resulting from the NFF as which are driven by each individual school's circumstances. Consequently some schools may not see

significant increases in funding in 2019/20 compared to their 2018/19 funding levels. Detailed modelling work will be undertaken over the autumn and presented to the Schools Forum.

The Central Services Schools Block again shows modest increases for NCC and CCC whilst there is a small reduction for MKC in 2019/20, which will need to be managed.

The High Needs allocations present gains to all LGSS authorities of £0.7m for MKC, £0.9m for CCC and £2.8m for NCC. These increases are welcome although High Needs continues to be an area of significant financial pressure for all LGSS authorities and is also a national issue.

## **The 2019-20 NFF Headlines**

In July 2018 the DfE published details of school revenue funding for 2019-20 for the Schools Block, Central Schools Services Block and the High Needs Block (details of the Early Years Block will be published at a later date). As part of the announcement the DfE also published the Schools Revenue Funding 2019-20 technical guidance and indicative allocations. Links to the relevant documents and announcement are provided below:

[Schools Minister Announcement 24 July 2018](#)

[2019-20 NFF for Schools and High Needs](#)

[2019-20 Indicative Allocations and Technical Notes](#)

The changes to the funding system for 2019/20 are limited therefore providing a large amount of consistency in relation to the NFF arrangements introduced for 2018/19. The key points to note for 2019/20 are summarised below:

- a) A **soft schools formula** continues in 2019/20 and also 2020/21 enabling some flexibility for local authority formulae.
- b) Funding allocated through **pupil led factors in the NFF remains at 90.7%**, local authorities are required to allocate at least 80% of Schools Block funding through pupil led factors.
- c) Schools Block to provide for **minimum 1.0% per pupil increase compared to the 2017/18 baseline** - a new formula factor has been included which can be used at local authority discretion.
- d) Per pupil funding of **£4,800 for secondary school pupils** as a minimum will be included in the national formula with an equivalent figure of **£3,500 for primary school pupils**. Changes to the minimum per pupil funding level are also being introduced as follows:
  - Middle schools (increase the minimum for Key Stage 3 year groups to £4,600 per pupil);

- Key Stage 3 only schools (£4,600 per pupil); and
  - Key Stage 4 only schools (£5,100 per pupil).
- e) A further **gains cap of 3% per pupil** will be applied in 2019/20 – this is on top of the 3% gains cap applied by the DfE in 2018/19 meaning a 6% gains cap per pupil against the 2017/18 baseline.
- f) **Flexibility to the MFG** continues for 2019/20 so that the MFG (the per pupil funding protection) can be set between 0.5% and minus 1.5% per pupil. If the MFG was set at 0.5% this would mean per pupil funding would be guaranteed at this level which would need to be funded within the overall Schools Block.
- g) The **Schools Block continues to be ring-fenced**, with the ability to transfer 0.5% of the Schools Block to other Blocks if required and subject to consultation with schools and then with the Schools Forum approval. Again for 2019/20 given the High Needs pressures being experienced this is something that will need to be considered.
- h) The **Primary low prior attainment factor value** has been reduced from £1,050 per eligible pupil to £1,022 in 2019/20 to reflect increases in the cohort of pupils eligible due to the changes made to the Early Years Foundation Stage Profile (changes to assessment rather than underlying need). The overall proportion of spend has been maintained in the NFF arrangement for 2019/20.
- i) **Growth Funding** is being moved to a formulaic approach within the Schools Block allocations for each authority. This will be based on pupil data from one October to the next at what is called middle layer super output area (MSOA), which are smaller geographic areas with the intention of identifying pockets of growth within a local authority area.

Rates will then be applied to each primary 'growth' pupil at £1,370 and secondary 'growth' pupil at £2,050. In addition each brand new school opened in the previous year will receive £65,000. The DfE do not expect these rates to be used to fund growth locally, which will still be done based on the criteria agreed locally.

Any growth funding gains at local authority level will be provided to authorities in full up to 50% of the 2018/19 growth allocation. Any growth funding above 50% of the 2018/19 funding level will be scaled back by 50%. More details are to be provided by the DfE on growth allocations.

## The NFF for High Needs (HN) Headlines

The HN NFF is calculated at local authority level not individual setting level. The local HN offer continues to be for local authorities to determine. The High Needs NFF structure for 2019/20 remains unchanged as follows:

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

The HN funding arrangements for 2019/20 provide for an increased funding floor so that HN funding will increase by a minimum of 1% compared to 2017/18 baselines. Also the gains cap for authorities will increase to 6% compared to the 2017/18 baselines i.e. a further 3% gain being factored into 2019/20 allocations.

There are some other changes to the HN arrangements to be aware of as follows:

- a) **Special Free School Places** will be treated the same as Special Academies with funding being channelled through the HN NFF rather than a separate pot being maintained by the DfE. This is being done to simplify data collections and to bring the funding in line with local authorities' statutory duty to secure provision for SEN pupils and those who are disabled. Funding for Special Free School places will be included in the local authority HN allocations and the DfE has committed to making this cost neutral. More detail is still expected in this area.
- b) **Hospital Education funding** will be uplifted in 2019/20 by 1% compared to the 2017/18 baselines. Data from local authorities and the NHS will be combined in the future to develop a new formulaic approach to hospital education funding. Further consultation by the DfE will be undertaken in the autumn which may result in further

changes for 2019/20. However there will be no reductions compared to the provisional HN allocations for 2019/20.

- c) **Post 16 HN Funding** – the DfE are considering further changes in this area to enable local authorities more flexibility to develop bespoke arrangements with schools and colleges for funding students with special needs. More detail is expected in respect of this flexibility but any changed arrangement needs to be agreed with relevant schools, colleges and other institutions.

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**Table 1 – the indicative local authority allocations by Block for the Schools Block, Central Services Schools Block and the High Needs Block**

<b>2019/20 Indicative Allocations</b>									
	<b>2017/18 Baseline</b>	<b>2018/19 Actual Allocations</b>	<b>Actual Funding Growth, Premises, Mobility</b>	<b>CSSB Funding for Historical Commitments</b>	<b>Provisional NFF Allocation 2019/20</b>	<b>2019/20 Increase Compared to Baseline</b>		<b>2019/20 Increase Compared to 2018/19</b>	
						<b>£</b>	<b>%</b>	<b>£</b>	<b>%</b>
<b>Schools Block</b>									
Milton Keynes	£176,635,853	£184,489,286	£7,968,988		£187,498,925	£10,863,072	6.1%	£3,009,639	1.6%
Cambridgeshire	£329,208,904	£341,467,591	£9,999,958		£346,533,610	£17,324,706	5.3%	£5,066,020	1.5%
Northamptonshire	£437,559,063	£455,132,550	£9,706,346		£460,567,820	£23,008,758	5.3%	£5,435,270	1.2%
England Total	£32,608,871,017	£33,683,974,148	£944,823,053		£34,081,408,293	£1,472,537,276	4.5%	£397,434,145	1.2%
<b>CSSB Block</b>									
Milton Keynes	£1,492,000	£1,478,219		£0	£1,450,171	-£41,829	-2.8%	-£28,047	-1.9%
Cambridgeshire	£7,949,096	£8,034,402		£5,770,000	£8,083,439	£134,343	1.7%	£49,037	0.6%
Northamptonshire	£10,856,585	£10,984,954		£7,777,317	£11,054,193	£197,608	1.8%	£69,240	0.6%
England Total	£465,274,343	£468,611,604		£223,793,013	£468,582,032	£3,307,689	0.7%	-£29,572	0.0%
<b>High Needs Block</b>									
Milton Keynes	£38,524,172	£39,269,750			£39,964,137	£1,439,965	3.7%	£694,387	1.8%
Cambridgeshire	£64,768,219	£65,730,108			£66,673,506	£1,905,287	2.9%	£943,398	1.4%
Northamptonshire	£67,635,879	£70,155,289			£72,951,959	£5,316,080	7.9%	£2,796,670	4.0%
England Total	£5,844,252,863	£5,987,944,722			£6,106,530,662	£262,277,799	4.5%	£118,585,939	2.0%
<b>Combined Totals</b>									
Milton Keynes	£216,652,025	£225,237,254			£228,913,233	£12,261,208	5.7%	£3,675,979	1.6%
Cambridgeshire	£401,926,220	£415,232,101			£421,290,556	£19,364,336	4.8%	£6,058,454	1.5%
Northamptonshire	£516,051,526	£536,272,793			£544,573,973	£28,522,446	5.5%	£8,301,180	1.5%
England Total	£38,918,398,222	£40,140,530,475			£40,656,520,987	£1,738,122,764	4.5%	£515,990,512	1.3%

**Table 2 – the list of funding factors for 2019-20, the values attached to them in the NFF and the rates that each LGSS authority currently use in 2018/19.**

FUNDING FACTORS		FINAL NFF RATES as at July 2018			LGSS AUTHORITY 2018/19 RATES											
		UNIT VALUES	TOTAL FUNDING (INCLUDING ACA)	% OF CORE TOTAL	NORTHAMPTONSHIRE				CAMBRIDGESHIRE				MILTON KEYNES			
					UNIT VALUES	UNIT VALUES UPLIFTED BY ACA	TOTAL FUNDING	% OF CORE TOTAL	UNIT VALUES	UNIT VALUES UPLIFTED BY ACA	TOTAL FUNDING	% OF CORE TOTAL	UNIT VALUES	UNIT VALUES UPLIFTED BY ACA	TOTAL FUNDING	% OF CORE TOTAL
		£	£M	%	£	£	£M	%	£	£	£M	%	£	£	£M	%
<b>BASIC PER PUPIL FUNDING</b>			<b>24,525</b>	<b>73.1%</b>			<b>342.0</b>	<b>74.7%</b>			<b>262</b>	<b>76.4%</b>			<b>141.0</b>	<b>75.0%</b>
	AWPU: Primary	2,747	12,722	37.9%	2,747	2,756	182.2	39.8%	2,747	2,782	142	41.5%	2,747	2,824	76.9	40.9%
	AWPU: Secondary KS3	3,863	6,823	20.3%	3,863	3,875	94.4	20.6%	3,863	3,912	70	20.3%	3,863	3,972	37.6	0.2
	AWPU: Secondary KS4	4,386	4,793	14.3%	4,386	4,400	65.5	14.3%	4,386	4,441	50	14.6%	4,386	4,509	26.5	0.1
	Minimum per pupil funding	n/a	187	0.6%	-	-	-	-	-	-	-	-	-	-	-	-
<b>ADDITIONAL NEEDS FUNDING</b>			<b>5,922</b>	<b>17.6%</b>			<b>75.4</b>	<b>16.5%</b>			<b>49.1</b>	<b>14.3%</b>			<b>32.8</b>	<b>17.5%</b>
<b>Deprivation</b>			<b>3,022</b>	<b>9.0%</b>			<b>32.0</b>	<b>7.0%</b>			<b>17.7</b>	<b>5.2%</b>			<b>15.1</b>	<b>8.0%</b>
	Current FSM top up (pupils currently claiming FSM at the last census): Primary	440	287	0.9%	440	441	2.8	0.6%	440	446	2.3	0.7%	440	452	1.2	0.6%
	Current FSM top up (pupils currently claiming FSM at the last census): Secondary	440	171	0.5%	440	441	1.6	0.4%	440	446	1.2	0.3%	440	452	0.8	0.4%
	FSM 6 (any pupil that has ever claimed FSM in the past 6 years): Primary	540	608	1.8%	540	542	6.6	1.4%	540	547	4.8	1.4%	540	555	3.0	1.6%
	FSM 6 (any pupil that has ever claimed FSM in the past 6 years): Secondary	785	646	1.9%	785	788	7.0	1.5%	785	795	4.4	1.3%	785	807	3.3	1.7%
	IDACI band F: Primary	200	95	3.9%	200	201	1.1	3.0%	200	203	0.9	1.5%	200	206	0.8	3.6%
	IDACI band F: Secondary	290	82		290	291	0.9		290	294	0.7		290	298	0.6	
	IDACI band E: Primary	240	102		240	241	1.2		240	243	0.8		240	247	0.6	
	IDACI band E: Secondary	390	98		390	391	1.1		390	395	0.7		390	401	0.5	
	IDACI band D: Primary	360	131		360	361	1.9		360	365	0.6		360	370	0.6	
	IDACI band D: Secondary	515	110		515	517	1.6		515	521	0.4		515	529	0.5	
	IDACI band C: Primary	390	123		390	391	1.5		390	395	0.2		390	401	0.5	
	IDACI band C: Secondary	560	104		560	562	1.1		560	567	0.1		560	576	0.4	
	IDACI band B: Primary	420	166		420	421	1.3		420	425	0.3		420	432	1.0	
	IDACI band B: Secondary	600	139		600	602	1.0		600	608	0.2		600	617	0.8	
	IDACI band A: Primary	575	89		575	577	0.7		575	582	0.1		575	591	0.2	
	IDACI band A: Secondary	810	70		810	813	0.5		810	820	0.1		810	833	0.2	

Table 2 continued

FUNDING FACTORS		FINAL NFF RATES as at July 2018			LGSS AUTHORITY 2018/19 RATES											
		UNIT VALUES	TOTAL FUNDING (INCLUDING ACA)	% OF CORE TOTAL	NORTHAMPTONSHIRE				CAMBRIDGESHIRE				MILTON KEYNES			
					UNIT VALUES	UNIT VALUES UPLIFTED BY ACA	TOTAL FUNDING	% OF CORE TOTAL	UNIT VALUES	UNIT VALUES UPLIFTED BY ACA	TOTAL FUNDING	% OF CORE TOTAL	UNIT VALUES	UNIT VALUES UPLIFTED BY ACA	TOTAL FUNDING	% OF CORE TOTAL
		£	£M	%	1.00322				1.01259				1.02812			
		£	£M	%	£	£	£M	%	£	£	£M	%	£	£	£M	%
Low Prior Attainment			2,472	7.4%			38.3	8.4%			27.9	8.1%			14.4	7.6%
	Low prior attainment: Primary	1,022	1,548		1,050	1,053	23.8	5.2%	1,050	1,063	17.4	5.1%	1,050	1,080	9.2	4.9%
	Low prior attainment: Secondary	1,550	924		1,550	1,555	14.5	3.2%	1,550	1,570	10.4	3.0%	1,550	1,594	5.2	2.8%
English as an Additional Language			407	1.2%			5.2	1.1%			3.5	1.0%			3.3	1.8%
	EAL: Primary	515	301		515	517	3.6	0.8%	515	521	2.6	0.8%	515	529	2.5	1.4%
	EAL: Secondary	1,385	106		1,385	1,389	1.6	0.3%	1,385	1,402	0.9	0.2%	1,385	1,424	0.7	0.4%
Mobility			21	0.1%	-	-	-	-	-	-	-	-	-	-	0.1	0.0%
SCHOOL LED FUNDING			2,933	8.8%			40.0	8.8%			32.0	9.3%			14.1	7.5%
Lump Sum			2,266	6.8%			33.0	7.2%			26.8	7.8%			11.3	6.0%
	Lump Sum Primary	110,000	1,884	5.6%	110,000	110,000	33.0	7.2%	110,000	110,000	26.8	7.8%	110,000	110,000	11.3	6.0%
	Lump Sum Secondary	110,000	383	1.1%	110,000	110,000			110,000	110,000			110,000	110,000		
Sparsity			25	0.1%			0.2	0.1%			0.2	0.1%			0.0	0.0%
	Sparsity Primary	25,000	21	0.1%	25,000	25,000	0.2	0.1%	25,000	25,000	0.2	0.1%	25,000	25,000	0.0	0.0%
	Sparsity Secondary	65,000	5	0.0%	65,000	65,000			65,000	65,000			65,000	65,000		
Premises			641	1.9%			6.8	1.5%			5.0	1.4%			2.8	1.5%
Area Cost Adjustment (already included in each subtotal above)			831	-	-	-	-	-	-	-	-	-	-	-	-	-
CORE TOTAL PRE FUNDING FLOOR, MFG & CAP			33,380				457.5	100.0%			342.9	100.0%			188.0	100.0%
Funding Floor			681				0.4				0.1				0.0	
Minimum Funding Guarantee							1.0				0.5				0.9	
Funding Cap							-6.5				-5.3				-5.8	
TOTAL POST FUNDING FLOOR, MFG & CAP			34,061				452.3				338.3				183.1	

## Notes

1 Note - premises factor funding is included at historic values e.g. rates, split sites

**APPENDIX 2****School Funding Arrangements for  
2019-20****Cambridgeshire County Council  
Consultation with Primary and  
Secondary Schools****October 2018**

# Contents

## **PURPOSE**

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<b>CONTEXT</b>	<b>3</b>
<b>SCHOOLS NATIONAL FUNDING FORMULA 2019-20 OVERVIEW</b>	<b>5</b>
<b>HIGH NEEDS OVERVIEW 2019-20</b>	<b>7</b>
<b>CONSULTATION PROPOSALS</b>	<b>9</b>

## **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 2019-20. The principle consulted on and adopted in 2018-19 was to move as closely as possible to implementing the Department for Education's (DfE) national funding formula (NFF). This was achieved which means that for Cambridgeshire schools there will be very little change to the school funding formula for 2019-20.
2. The proposed areas of consultation have been discussed by Schools Forum at its meeting of 5 October 2018 prior to the release of this consultation document. The outcome of the consultation will be reported back to the Schools Forum at its meeting of 30 November 2018. The intention is to continue to support schools so that the movement to the NFF is undertaken in a managed way in readiness for the hard formula and through using the minimum funding guarantee (MFG) protection arrangements 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 2019-20;
  - 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 2019-20. The indicative figures are based on current information and have not been updated for the October 2018 pupil numbers or other datasets that are required for the calculation of the 2019-20 school budgets. Neither do they reflect any local decisions that may be required, any transfers between funding blocks or the growth fund. Any 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 2019-20 funding arrangements the timeframes imposed on the authority in terms of its deadlines to make submissions to the Education and Skills Funding Agency (ESFA) the deadline for responses to this consultation is 16 November 2018.
5. **To respond to this consultation, please complete the on-line response form by 16 November 2018 – the form is available via the following link:**  
**[http://www.](#) – links to be inserted**
6. Responses received will be analysed and shared with members of the Schools Forum at its meeting on 30 November 2018 prior to the Authority deciding on the final funding formula for use in 2019-20 to be submitted to the DfE in mid January 2019.

## CONTEXT

7. In July 2018 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 2019-20 will continue to allow some local discretion through what is termed a 'soft' funding formula, which is also being 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 Dedicated Schools Grant (DSG) continues to be ring-fenced. There are now four separate blocks as set out below with the introduction of the Central Services Schools Block in 2018-19. Also 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 with the agreement of the School's Forum.

**Figure 1 – the make up of the Dedicated Schools Grant**

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

## SCHOOLS NATIONAL FUNDING FORMULA 2019-20 OVERVIEW

10. The factors used in the 2018-19 Cambridgeshire school funding formula are set out in Table 1 alongside the factors in the 2019-20 NFF and the difference between them. As can be seen from the difference column Cambridgeshire has implemented the NFF in terms of the factors and rates used as demonstrated by the nil variances across most of this table.
11. The one area where there is a difference in rate is in the Primary Low Prior Attainment where the DfE have amended the unit value. This is due to the cohort eligible for this factor increasing as a result of the change in the basis of measurement using the Early Years Foundation Stage Profile (EYFSP). The DfE have therefore adjusted the unit rate down so that the funding allocated through the Primary Low Prior Attainment factor remains the same. This reduction in unit rate will be reflected in the 2019-20 Cambridgeshire formula.
12. There are some other minor changes to the funding arrangements for 2019-20 which are set out in the briefing note on the 2019-20 Schools Funding Arrangements at Appendix A. Other than the change to the Primary Low Prior Attainment unit rate there are no other changes proposed to the Cambridgeshire funding formula as this already reflects the NFF. The 'local' formula will continue to utilise the national primary and secondary minimum per pupil funding amounts which have increased as previously announced between 2018-19 and 2019-20.
13. The impact of the 2019-20 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 2018 census data as well as any decisions taken locally such as transfers between the blocks.

[Link to DfE School Level Impact \(refer to 'Impact of the schools NFF, 2019 to 2020' file\)](#)

**Table 1 – 2019-20 NFF factors and rates compared to current Cambridgeshire factors and rates**

NFF Factor		CCC Unit Rate 2018-19 (£)	NFF Unit Rates (£)	Difference CCC Rates to NFF Rates (£)
Basic per pupil entitlement (AWPU)	AWPU: Primary	2,747	2,747	0
	AWPU: Secondary KS3	3,863	3,863	0
	AWPU: Secondary KS4	4,386	4,386	0
	Minimum per pupil funding	As per NFF	As per NFF	-
Deprivation (based on ever 6 free school meal numbers)	FSM current - Primary	440	440	0
	FSM current – Secondary	440	440	0
	Ever6 FSM – Primary	540	540	0
	Ever6 FSM – Secondary	785	785	0
	IDACI Band F: Primary	200	200	0
	IDACI Band F: Secondary	290	290	0
	IDACI Band E: Primary	240	240	0
	IDACI Band E: Secondary	390	390	0
	IDACI Band D: Primary	360	360	0
	IDACI Band D: Secondary	515	515	0
	IDACI Band C: Primary	390	390	0
	IDACI Band C: Secondary	560	560	0
	IDACI Band B: Primary	420	420	0
	IDACI Band B: Secondary	600	600	0
	IDACI Band A: Primary	575	575	0
	IDACI Band A: Secondary	810	810	0
Low Prior Attainment	Primary	1,050	1,022	(28)
	Secondary	1,550	1,550	0
English as an Additional Language	Primary	515	515	0
	Secondary	1,385	1,385	0
Pupil Mobility	n/a	-	n/a	-
Lump Sum	Primary	110,000	110,000	0
	Secondary	110,000	110,000	0
Sparsity	Primary	25,000	25,000	0
	Secondary	65,000	65,000	0

**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 pupil mobility and the Premises factors which includes PFI, split site and rates for those schools affected
- The CCC unit rate figures are before the area cost adjustment for Cambridgeshire is applied

## HIGH NEEDS OVERVIEW 2019-20

14. Cambridgeshire continues to experience pressures on its High Needs budgets which is a trend that is being experienced nationally. The High Needs Block for Cambridgeshire funds the following services (as also set out in paragraph 9):
  - 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.
15. 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.
16. In 2018-19 however following consultation Cambridgeshire did transfer 0.21% (£0.7m) between the Schools and High Needs blocks.
17. Cambridgeshire's indicative allocation for High Needs has increased by £0.9m to a total High Needs allocation of £66.7m before recoupment. This is a welcome increase however it needs to be assessed in the context of the spending pressures being experienced in relation to High Needs budgets and the demographic growth / increase in high needs pupils that occurs each year.
18. There has been an increasing pressure on Cambridgeshire's High Needs budgets for a number of years. Until now the overspends have been managed through use of DSG carry forwards and management actions to reduce spend. The pressure on the high needs budgets over the last 4 years and the forecast for current year is set out in Table 2. The overspends have been the result of increasing numbers of Education, Health and Care Plans, increased costs relating to post 16 and further education provision and increasing demand in Special School numbers and top up payments.

**Table 2 – Prior Year High Needs Overspends**

Year	Overspend Value
2014-15	£1.3m
2015-16	£1.3m
2016-17	£2.7m
2017-18	£4.7m
2018-19	£3.3m

19. The £3.3m overspend that is forecast for 2018-19 was reported to Schools Forum on 5 October 2018 and the accompanying report can be found at the link below:

[Link to be inserted once published in final document]

In summary this report states that there is a £3.9m pressure on the DSG overall of which £0.6m relates to the deficit brought forward from 2017-18 with the remaining £3.3m being the result of:

- There is a forecast pressure against the High Needs top-up budget of £1.5m as a result of increasing numbers of young people with Education Health and Care Plans (EHCP) in Secondary and Post-16 Further Education.
  - It is estimated that the SEN Placements budget will have a pressure of £0.5m.
  - It is estimated that the Out of School Tuition Budgets will have a pressure of £0.3m.
  - There is a forecast pressure of £0.75m against the budget allocations to Special Schools. This is primarily as a result of an overall increase in commissioned places and actual pupils.
  - Based on current commitments the High Needs Unit budget is showing a forecast pressure of £0.25m.
20. There is a risk that the high needs budget overspend reported to Schools Forum could worsen by the end of the year as a result of increased demand for services and funding unless in year mitigations are undertaken. The position on the budgets will be reported to Schools Forum at future meetings.
21. It is important to note that any overspend on the High Needs Block would effectively force the DSG overall into an overspend position, which must be recovered. From 2019-20 the DfE are tightening the rules in respect of authorities going into deficit on their DSG funding. This is likely to require an authority to submit plans to the DfE where a deficit in excess of 1% of the DSG is incurred. It is not yet clear on what basis the 1% will be calculated but based on the total DSG for 2018-19 this would equate to £4.5m before academy recoupment and £2.3m after academy recoupment. Further information is expected sometime during the autumn on the arrangements.
22. Given the Authority's financial position and increasing savings requirements, any overspend would not be able to be met from local authority resources. Therefore this would likely result in 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.
23. In addition to the in year pressure on high needs in 2019-20 there will be additional high need pupil growth that will need to be funded. The increased funding allocations from the DfE in recent years have been used to help manage the growth in pupil numbers and increasing

demand for top up funding. However as Table 2 identifies the increases in funding have not been sufficient to meet all demands and costs being incurred by the High Needs Block.

24. 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 2019-20 high needs budget is as robust as possible and managed within the funding available. Consequently the Authority is consulting on a transfer in 2019-20 from the Schools Block to the High Needs Block as set out in the next Section. This will be in addition to mitigating actions to manage these overspends down, which have also been discussed at the Schools Forum (the report for which can be found at the following link: [High Needs Update Report 5 October 2018](#))

## CONSULTATION PROPOSAL

### SCHOOLS BLOCK TRANSFER TO THE HIGH NEEDS BLOCK

25. As outlined in paragraph 9 under the NFF arrangements in 2019-20 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 Cambridgeshire 0.5% of the Schools Block in 2019-20 equates to £1.7m. It should be noted that 0.21% (£0.7m) was transferred between the blocks in 2018-19, moving to the full 0.5% in 2019-20 is an increase of £1.0m compared to 2018-19.
26. The indicative High Needs allocation for Cambridgeshire is an increase in funding of £0.9m for 2019/20. It is clear that the current position is not sustainable with the forecast high needs overspend exceeding the funding increase by £2.4m. This is even before any demographic growth in High Needs pupils and further increases in demand are factored in. The authority does have to manage and plan for this high needs pressure for 2019-20.
27. It is therefore proposed that up to 0.5% (£1.7m) of the Schools Block funding be agreed to be transferred to support High Needs pressures.
28. The authority will only transfer the actual amount required to meet the high needs pressures after mitigating actions and savings are implemented. If this is less than 0.5% (£1.7m) the difference will remain within the Schools Block for distribution through the Schools funding formula.
29. Any transfer between the Schools Block and High Needs Block would only be for 2019-20. The authority does have to consult with schools for transfers between blocks in future years where the DfE maintain this flexibility.
30. Any additional transfer from the Schools Block (up to an additional £1.0m) will reduce funding, which will mean that the unit rates of the Schools funding formula will have to be reduced as set out in Table 3. The Authority is proposing that any transfer of funding from the Schools Block will be funded by a reduction to the basic entitlement (AWPU) across both the Primary and Secondary sectors. This means that all schools would be equally impacted by the transfer rather than reducing specific additional needs factors that would impact more significantly on those schools with such characteristics.

**Table 3 – Reductions in AWPUP value as a result of funding transferred to the High Needs Block**

Value of Transfer from the Schools Block	Estimated reduction in Primary AWPUP (£)	Estimated reduction in Secondary AWPUP KS3 (£)	Estimated reduction in Secondary AWPUP KS4 (£)
£0.5 million	5.31	7.47	8.48
£1.0 million	10.62	14.94	16.96
£2.2 million	12.75	17.92	20.35

31. If a transfer from the Schools Block to the High Needs block is required but not approved by the Schools Forum then the Authority would have to look at finding savings and efficiencies within the High Needs Block itself in order to manage within the DSG grant allocation. Such a scenario could potentially lead to reduced top up funding rates for schools with high needs pupils as well as the possibility of reductions to high needs support services from the Authority.

<b>Proposal</b>	
<b>Transferring up to 0.5% (£1.7m) from the Schools Block to the High Needs Block in 2019-20.</b>	
a	Do you agree with the authority's proposal to transfer up to £1.7m from the Schools Block to the High Needs Block to support the financial pressures being experienced in supporting pupils with high needs?  If not please explain why.
b	If you do NOT agree with the proposed transfer between blocks in a) above which high needs budget areas do you suggest should be reduced to find a £1.7m saving in 2019-20?
c	If a transfer is ultimately to be made between these blocks do you agree that the basic entitlement AWPUP rates should be reduced in order to fund this transfer?  If not please explain which factor within the Schools Block NFF you think should be reduced and why.

To respond to this consultation, please complete the on-line response form by 16 November 2018 – the form is available via the following link:

<http://www.> – links to be inserted

DRAFT



**DEDICATED SCHOOLS GRANT FINANCIAL POSITION 2018-19**

**To: Cambridgeshire Schools Forum**

**Date: 5 October 2018**

**From: Martin Wade – Strategic Finance Business Partner**

**Purpose: To provide Schools Forum with an update on the current in-year position for the Dedicated Schools Grant.**

**Recommendation:**

- a) Members of Schools Forum are asked to note the contents of the report and consider alongside the other papers in respect of the 2019/20 funding position.**

**1.0 INTRODUCTION**

- 1.1 This report provides a summary of the overall 2018-19 Dedicated Schools Grant (DSG) financial position to the end of August 2018.

**2.0 UPDATED 2018-19 DSG**

- 2.1 Following revised announcements to reflect in-year funding changes and recoupment for academies and High Needs Places the table below shows the revised level of DSG to be received in 2018-19:

	Revised 2018-19 DSG as at July 2018
<b>Schools Block DSG</b>	<b>£341,467,591</b>
<b>Central Schools Services Block</b>	<b>£8,034,402</b>
3&4 YO Early Years Block DSG Universal	£23,525,360
3&4 YO Early Years Block DSG Extended Entitlement	£7,589,647
Indicative Early Years Pupil Premium	£245,946
2YO Early Years Block DSG	£3,186,944
Disability Access Fund	£115,005
Maintained Nursery School Supplementary Funding	£1,257,697
<b>Total Estimated Early Years Block</b>	<b>£35,920,599</b>
High Needs Block (HNB) Baseline	£61,343,727
Headcount Adjustment	£4,878,381
Import/Export Adjustment	-£492,000
<b>Total High Needs Block</b>	<b>£65,730,108</b>
<b>Total Estimated DSG Pre-Recoupment</b>	<b>£451,152,699</b>
less High Needs Place Funding	-£10,323,650

less Academy Recoupment Estimate	-£212,629,269
<b>Estimated DSG</b>	<b>£228,199,780</b>
less Copyright Licence Adjustment	-£500,203
17/18 EY DSG Adjustment	-£1,068,791
<b>Estimated DSG to be received by LA*</b>	<b>£226,630,786</b>

\*Please note: The actual DSG to be received by the LA will be adjusted further to reflect in-year academy conversions

- 2.2 As previously reported to Schools Forum a deficit of £720k was carried forward on the overall DSG at the end of 2017/18. Following confirmation of final prior-year Early Years adjustments by the ESFA this figure has now decreased to £642k.
- 2.3 Based on the DSG conditions of grant there are 3 options when there is a DSG deficit:
- The local authority may decide to fund all the overspend from its general resources in the year in question.
  - The local authority may decide to fund part of the overspend from its general resources in the year in question and carry forward part to the schools budget in the next year or the year after that.
  - The local authority may decide not to fund any of the overspend from its general resources in the year in question and to carry forward all the overspend to the schools budget in the next year or the year after that.

A local authority needs to obtain the consent of the schools forum, or failing that the Secretary of State, to fund this deficit from the schools budget.

- 2.4 Given the current in-year position highlighted below it is likely consent will be sought from Schools Forum at the January meeting to carry forward the deficit to the following year as set out in the options within the DSG conditions of grant.

### 3.0 2018-19 IN-YEAR BUDGETARY CONTROL POSITION

- 3.1 At the end of August 2018, there is a forecast in-year pressure of **£3,951k** against available DSG allocations (including the £642k deficit brought forward from 2017/18.) The main pressures can be summarised as:

- There is a forecast pressure against the High Needs top-up budget of £1.5m as a result of increasing numbers of young people with Education Health and Care Plans (EHCP) in Secondary and Post-16 Further Education.
- It is estimated that the Special Education Needs (SEN) Placements budget will have a pressure of £518k.
- It is estimated that the Out of School Tuition Budgets will have a pressure of £291k
- Financing DSG includes the £642k deficit brought forward from 2017/18.
- There is a forecast pressure of £750k against the budget allocations to Special Schools. This is primarily as a result of an overall increase in commissioned places and actual pupils.
- Based on current commitments the High Needs Unit budget is showing a forecast pressure of £250k.

All of the above are subject to change as 2018/19 placements are finalised.

### 3.2 DSG BCR to the end of August 2018:

	Budget 2018/19	Outturn Forecast as at end of August 2018	
	£000's	£000's	%
<b>Director of Commissioning</b>			
<u>Childrens Commissioning</u>			
Commissioning Services	245	0	0.0%
Home to School Transport - Special	150	0	0.0%
<b>Director of Commissioning Total</b>	<b>395</b>	<b>0</b>	<b>0.0%</b>
<b>Director of Children &amp; Safeguarding</b>			
Support to Parents	733	0	0.0%
<u>District Delivery Service</u>			
Early Help District Delivery Service - North	220	0	0.0%
Early Help District Delivery Service - South	206	0	0.0%
<b>Director of Children &amp; Safeguarding Total</b>	<b>1,159</b>	<b>0</b>	<b>0.0%</b>
<b>Director of Education</b>			
Strategic Management - Education	27	0	0.0%
Early Years Service	612	0	0.0%
Schools Partnership Service	150	0	0.0%
Redundancy & Teachers Pensions	13	0	0.0%
SEND Specialist Services (0 - 25 years)			
SEND Specialist Services	7,314	0	0.0%
High Needs Top Up Funding	13,730	1,500	10.9%
SEN Placements	9,973	518	5.2%
Early Years Specialist Support	381	0	0.0%
Out of School Tuition	1,519	291	19.2%
<u>0-19 Place Planning &amp; Organisation Service</u>			
0-19 Organisation & Planning	3,034	0	0.0%
<b>Director of Education Total</b>	<b>36,752</b>	<b>2,309</b>	<b>6.3%</b>
<b>Financing</b>			
Financing DSG (Deficit b/fwd from 17/18)	0	642	0.0%
Contribution to Combined Budgets	<b>3,027</b>	<b>0</b>	<b>0.0%</b>
<b>Total</b>	<b>41,333</b>	<b>2,951</b>	<b>7.1%</b>
<b>Schools</b>			
Primary Schools	124,128	0	0.0%
Secondary Schools	1,511	0	0.0%
EOTAS Devolution	5,036	0	0.0%
Special Schools (including Outreach)	14,466	750	5.2%
Nursery Schools, Classes and PVI Providers	35,236	0	0.0%
High Needs Units	2,423	250	10.3%
PRUs	702	0	0.0%
Broadband & Copyright	1,876	0	0.0%
Pools and Contingencies (includes Retained Duties)	1,489	0	0.0%
<b>Schools Total</b>	<b>186,867</b>	<b>1,000</b>	<b>0.5%</b>
<b>Overall Total including Schools</b>	<b>228,200</b>	<b>3,951</b>	<b>1.7%</b>

## 4.0 NEXT STEPS

- 4.1 Based on current commitments and the likelihood of increased demand over the latter part of the year it is likely the DSG deficit will increase to £4m+ unless reductions in spend or one-off mitigations are identified.
- 4.2 A separate report will provide more details of the High Needs Block pressures which are contributing to the overall deficit, alongside supporting data and details of the mitigations and actions being developed to reduce spend.
- 4.3 Under the new national funding arrangements although the schools block will be ring-fenced from 2018 to 2019, local authorities will retain limited flexibility to transfer up to 0.5% of their schools block funding into another block, i.e. the High Needs Block, with the approval of their schools forum.
- 4.4 An updated report on the 2018/19 DSG financial position will be presented to Schools Forum at the January 2019 meeting.

Source Documents	Location
Dedicated schools grant (DSG): 2018 to 2019	<a href="https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2018-to-2019">https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2018-to-2019</a>

## **CENTRAL SCHOOL SERVICES BLOCK, RETAINED FUNDING AND DE-DELEGATIONS**

**To:** Cambridgeshire Schools Forum

**Date:** 5 October 2018

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

**Purpose:** To provide an update on the Central Services Schools Block and request approval from Schools Forum in respect of retained funding and de-delegation arrangements.

### **Recommendations:**

- a) Members of Schools Forum are asked to approve the continued transfer of £500k from the Central Schools Service Block (CSSB) to the High Needs Block.
- b) Members of Schools Forum are asked to approve the continuation of the £733k for Early Intervention Support Workers and £3,027k for other Historic Commitments to Contribution to Combined Budgets into 2019/20.
- c) Members of Schools Forum are asked to approve the continued use of the retained duties funding (adjusted for final pupil numbers) within the CSSB to support ongoing functions.
- d) Members of Schools Forum are asked to approve the continued retention of £10 per pupil from maintained schools for services specifically provided to maintained schools.
- e) Maintained Primary representatives on Schools Forum are asked to approve the continuation of de-delegations in respect of:
  - Contingency
  - Free School Meals Eligibility
  - Insurance
  - Maternity
  - Trade Union Facilities Time

## **1.0 INTRODUCTION**

- 1.1 Following its introduction on 2018/19, the central school services block (CSSB) will continue and includes funding for responsibilities previously within the Education Services Grant (ESG) and responsibilities previously funded through centrally retained Dedicated Schools Grant (DSG).
- 1.2 Alongside the CSSB local authorities (LAs) will be able to request an additional contribution from maintained schools to support the removal of the general duties funding.
- 1.3 Finally, the ability to de-delegate from maintained primary schools will continue into 2019/20.

1.4 The report below will therefore provide further information in respect of the:

- Mechanism for the CSSB, and contribution to combined budgets.
- Ongoing functions previously funded by the ESG.
- Proposed de-delegations for maintained primary schools.

## 2.0 CENTRAL SCHOOL SERVICES BLOCK (CSSB)

2.1 Based on the latest published illustrative figures for the CSSB Cambridgeshire will receive approximately £8,083k in 2019/20 against a 2018/19 baseline of £8,034k. Please note: The final figure to be received in 2019/20 will be adjusted based on the October 2018 census.

Illustrative CSSB Funding for 2019/20:

	2019/20 Illustrative	Description
<b>NFF Historic Commitments Funding Baseline</b>	<b>£5,770k</b>	As per DfE illustrative figures
<b>NFF Ongoing Commitments Funding</b>	<b>£2,582k</b>	As per DfE illustrative figures (pupil-led)
<b>NFF Central School Services Block Funding</b>	<b>£8,352k</b>	As per DfE illustrative figures
<b>Cap on Gains</b>	<b>-£269k</b>	As per DfE illustrative figures
<b>Revised NFF Central School Services Block Funding for 2019-20</b>	<b>£8,083k</b>	As per DfE illustrative figures

2.2 Revised 2018/19 CSSB allocation:

Budget Line	2018/19	Description
Contribution to combined budgets*	<b>£3,812k</b>	£3,027k – contribution to Children's Services £733k – Early Intervention Family Worker (previously Parental Support Advisors), £52k – Residual CPH Funds and Other Contracts
Capital expenditure from revenue (CERA)*	<b>£1,458k</b>	Cambridgeshire Public Services Network (CPSN) Broadband Contract
<b>Total Spend on Historic Commitments</b>	<b>£5,270k</b>	
School Admissions	<b>£396k</b>	Can be increased with Forum approval. (change in guidance for 2017/18)
Servicing of Schools Forum	<b>£3k</b>	No increase in expenditure allowed – unless disapplication approved by SoS
Other Items	<b>£417k</b>	National Copyright Licence arrangements – set by DfE

2018-19 Retained Duties Funding	<b>£1,448k</b>	As per DfE figures (pupil-led)
<b>Total Ongoing Responsibilities</b>	<b>£2,264k</b>	
<b>Total 2018/19 CSSB</b>	<b>£7,534k</b>	
High Needs Block	<b>£500k</b>	Movement to High Needs Block as approved by Schools Forum
<b>Total 2018/19 Allocation of CSSB</b>	<b>£8,034k</b>	

**\*Please note:** Contribution to Combined Budgets was reduced by over £350k in 2016/17 and a further £500k in 2018/19 (transferred to High Needs Block). CERA was reduced by £80k in 2017/18 to £1,458k.

- 2.3 As previously reported the expectation is that the historic commitments will unwind over time, for example because a contract has reached its end point. The DfE would therefore expect local authorities to reflect this in Section 251 returns and the ESFA will monitor historic spend year-on-year and will challenge LA's where spend is not reducing as expected. From 2020/21, the DfE expect to start to reduce the historic commitments element of the central school services funding block where authorities' expenditure has not reduced. They do not believe it is fair to maintain significant differences in funding indefinitely between local authorities, where these differences reflect historic decisions.
- 2.4 However, it is still not clear how funding recycled into other funding blocks, such as the £500k agreed in 2018/19 will be treated in future years. i.e. If funding is moved between blocks is there a danger it will be "lost" at the point hard funding rates are introduced in future years? Or as a result of the expectation that other historic commitments will reduce?
- 2.5 Currently £733k of the contribution to combined budgets supports the Early Intervention Family Workers as approved by Schools Forum. £52k supports residual Primary funding arrangements and other contractual arrangements and the remaining £3,027k notionally supports a number of services within the wider People and Communities (P&C) Directorate.
- 2.6 In the context of the wider Business Planning process for the County Council, further to the £176m of savings delivered over the last 5 years, total savings of £33m are required in 2019/20. Despite numerous savings and additional income already having been identified for next year there is still a significant gap to be funded. The latest position and draft business planning proposals will be presented to CYP Committee on the 9<sup>th</sup> October and a link to the full report will be provided to members of Schools Forum.
- 2.7 The current funding model assumes that the Early Intervention Support Workers - £733k will be approved on an ongoing basis, but the £3,027k is at risk and therefore if Schools Forum were **not** to approve the continued usage further savings would need to be found to offset the overall pressure. Education already has identified around £1m of savings to support the overall council position.
- 2.8 As previously discussed with Schools, other than for the Early Intervention Support Workers, due to the way in which the Business Planning process is undertaken and the contribution to combined budgets notionally allocated there is not a direct relationship between a reduction in funding and a potential reduction in service. i.e. If the funding is reduced it would not automatically result in a reduction in service for specific areas.
- 2.9 This has resulted in the majority of current proposals for delivery being transformational in

nature and any further savings required are likely to focus on areas such as:

- Early Help District Deliver Service - North
- Early Help District Deliver Service - South
- Schools Intervention Service - Safeguarding
- Schools Partnership Service – SEN
- Social work capacity
- Virtual School (ESLAC)
- Youth Service
- Preparing for Adulthood Additional Needs Team
- Occupational Therapists
- Educational Psychology

- 2.10 This funding has been historically retained by the LA and never formed part of the Schools budget. Any reduction would impact on services across both maintained and academy schools. The Local Authority would have to consider increasing charges to support current activities, impacting disproportionately on those
- 2.11 As schools will be aware MLL Telecom, a leading provider of secure managed network services for the UK public sector, has been awarded the EastNet contract to deliver a new Wide Area Network (WAN) solution and centralised services to Cambridgeshire County Council and the wider community served by EastNet. The new network framework, which will be effective for six years, will replace the legacy Cambridge Public Services Network (CPSN) Partnership. MLL Telecom aims to migrate all school sites in a phased approach to ensure the transition is completed effectively with minimal service disruption by December 2019.
- 2.12 Schools Forum have previously approved the £1.45m annual revenue contribution for CPSN as part of the Central Schools Services Block (CSSB) until the end of 2019. As previously reported these arrangements are only permitted for existing contracts entered into prior to April 2013 and as such we are currently exploring mechanisms as to how this will operate in future to minimise both risk and unnecessary administration costs.
- 2.13 The current pooled arrangement provides equity across Cambridgeshire schools and we believe a continuation of such an arrangement within the new contract will not only result in a significantly improved service, but will continue to deliver value for money compared to other providers. Further information on the implementation of EastNet and associated costs will be circulated to schools as soon as they are available.

### **3.0 RETAINED DUTIES FUNDING**

- 3.1 Since the cessation of the Education Services Grant (ESG) the duties it supported are funded by alternative mechanisms:
- The retained duties rate to fund services provided to all schools, including academies is now included in the CSSB Ongoing Commitments funding as set out in 2.1 above.
  - The general duties rate for services authorities provide to maintained schools but which academies must provide themselves - £10 per maintained pupil as agreed at the November 2017 Schools Forum meeting.
- 3.2 **Appendix A** shows the full list of central services that may be funded with agreement of

Schools Forum.

3.3 Following the cessation of the one-off transitional funding the overall reduction in ESG equivalent funding has been factored into the overall funding model. The LA has managed the £4m+ reduction over the past 3-4 years as part of the overall business planning process.

3.4 For 2019/20 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.

<b><u>Retained Duties Estimates</u></b>	<b>2019/20 £000</b>
<b>Estimated Retained Duties - Applies to all Schools*</b>	£1,448
<b>Estimated Education Functions - £10 per pupil - Maintained Only*</b>	£250
<b>Estimated Total Retained Funding</b>	<b>£1,698</b>

\*Final amounts will be dependent on October 2018 pupil numbers and academy conversions.

## 4.0 DE-DELEGATIONS

4.1 Maintained Primary representatives will be required to approve the de-delegations methodology and proposed approach for 2019-20 which apply to maintained primary schools only and cover:

1. Contingency
2. Free School Meals Eligibility
3. Insurance (Material Damage, Theft, Public Liability)
4. Maternity Cover
5. Trade Union Facilities Time

4.2 The current basis, total de-delegation for 2018/19 and proposals for 2019/20 are set out below:

	<b>Agreed 2018/19 Basis</b>	<b>Est. 2018/19 Amt. £'000</b>	<b>Proposed 2019/20 Basis</b>	<b>Est. 2019/20 Amt.</b>
<b>Contingency</b>	£2.10 per pupil	£69k	£2.10 per pupil	£68k
<b>Free School Meals</b>	£4.65 per FSM child	£14k	£4.65 per FSM child	£14k
<b>Insurance</b>	£19.22 per pupil	£628k	£19.22 per pupil	£619k
<b>Maternity</b>	£5.00 per pupil	£163k	£5.00 per pupil	£161k
<b>Trade Union Facilities Time</b>	£1.10 per pupil	£36k	£1.10 per pupil	£35k
<b>TOTAL</b>		<b>£910k</b>		<b>£897k</b>

- 4.3 Final de-delegation amounts for 2019/20 will be updated on receipt of revised data from the ESFA and presented at the January meeting of Schools Forum.

**Please note:** Although final amounts will change to reflect final pupil numbers and academy conversions the principles for de-delegation will remain as set within this section.

- 4.4 **Contingency** – No proposed change to de-delegation rate for 2019/20.

- 4.5 **Free School Meals Eligibility** – No proposed change to de-delegation rate for 2019/20.

- 4.6 **Insurance** – Awaiting final details of cost for 2019/20. Final per pupil amount will be updated to reflect any changes in overall cost.

- 4.7 **Maternity** – No proposed change to de-delegation rate for 2019/20.

- 4.8 **Trade Union Facilities Time** – This de-delegation provides approximately half of the funding used to provide payments for the 6 county secretaries either to schools where union secretaries are taking time off for duties, or payments directly to union secretaries where they are no longer working directly for schools (i.e. they are retired). The viability of this funding arrangement is dependent on the continued buy-in from a large proportion of academies. It is proposed to keep this de-delegation amount the same as in previous years.

Source Documents	Location
<i>National funding formula tables for schools and high needs: 2019 to 2020</i>	<a href="https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2019-to-2020">https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2019-to-2020</a>
<i>Schools Revenue Funding 2019 to 2020: Operational Guidance</i>	<a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/730636/Operational_guide_2019_to_2020.docx">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/730636/Operational_guide_2019_to_2020.docx</a>

## **Appendix A - Central services that may be funded with agreement of schools forums**

### **Statutory and regulatory duties**

<b>Responsibilities held for all schools</b>	<b>Responsibilities held for maintained schools only</b>
<ul style="list-style-type: none"> <li>• Director of children's services and personal staff for director (Sch 2, 15a)</li> <li>• Planning for the education service as a whole (Sch 2, 15b)</li> <li>• Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 2, 22)</li> <li>• Authorisation and monitoring of expenditure not met from schools' budget shares (Sch 2, 15c)</li> <li>• Formulation and review of local authority schools funding formula (Sch 2, 15d)</li> <li>• Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 except duties specifically related to maintained schools (Sch 2, 15e)</li> <li>• Consultation costs relating to non-staffing issues (Sch 2, 19)</li> <li>• Plans involving collaboration with other LA services or public or voluntary bodies (Sch 2, 15f)</li> <li>• Standing Advisory Committees for Religious Education (SACREs) (Sch 2, 17)</li> <li>• Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21)</li> </ul>	<ul style="list-style-type: none"> <li>• Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 2, 57)</li> <li>• Budgeting and accounting functions relating to maintained schools (Sch 2, 74)</li> <li>• Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2, 58)</li> <li>• Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 59)</li> <li>• Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 for maintained schools (Sch 2, 60)</li> <li>• Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 61)</li> <li>• Investigations of employees or potential employees, with or without remuneration to work at or for schools under the direct management of the headteacher or governing body (Sch 2, 62)</li> <li>• Functions related to local government pensions and administration of teachers' pensions in relation to staff working at maintained schools under the direct management of the headteacher or governing body (Sch 2, 73)</li> </ul>

Responsibilities held for all schools	Responsibilities held for maintained schools only
	<ul style="list-style-type: none"> <li>• Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 76)</li> <li>• HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition or organisation of staff (Sch 2, 64); determination of conditions of service for non-teaching staff (Sch 2, 65); appointment or dismissal of employee functions (Sch 2, 66)</li> <li>• Consultation costs relating to staffing (Sch 2, 67)</li> <li>• Compliance with duties under Health and Safety at Work Act (Sch 2, 68)</li> <li>• Provision of information to or at the request of the Crown relating to schools (Sch 2, 69)</li> <li>• School companies (Sch 2, 70)</li> <li>• Functions under the Equality Act 2010 (Sch 2, 71)</li> <li>• Establish and maintaining computer systems, including data storage (Sch 2, 72)</li> <li>• Appointment of governors and payment of governor expenses (Sch 2, 73)</li> </ul>

**Table 9a: Central services responsibilities held by local authorities (statutory and regulatory duties)**

### Education Welfare

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> <li>• Functions in relation to the exclusion of</li> </ul>	<ul style="list-style-type: none"> <li>• Inspection of attendance registers (Sch 2,</li> </ul>

Responsibilities held for all schools	Responsibilities held for maintained schools only
<p>pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20)</p> <ul style="list-style-type: none"> <li>School attendance (Sch 2, 16)</li> <li>Responsibilities regarding the employment of children (Sch 2, 18)</li> </ul>	79)

**Table 9b: Central services responsibilities held by local authorities (education welfare)**

**Asset Management**

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> <li>Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions (Sch 2, 14a)</li> <li>General landlord duties for all buildings owned by the local authority, including those leased to academies (Sch 2, 14b)</li> </ul>	<ul style="list-style-type: none"> <li>General landlord duties for all maintained schools (Sch 2, 77a &amp; b (section 542(2)) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have: <ul style="list-style-type: none"> <li>appropriate facilities for pupils and staff (including medical and accommodation)</li> <li>the ability to sustain appropriate loads</li> <li>reasonable weather resistance</li> <li>safe escape routes</li> <li>appropriate acoustic levels</li> <li>lighting, heating and ventilation which meets the required standards</li> <li>adequate water supplies and drainage</li> <li>playing fields of the appropriate standards</li> </ul> </li> <li>General health and safety duty as an employer for employees and others who</li> </ul>

Responsibilities held for all schools	Responsibilities held for maintained schools only
	<p>may be affected (Health and Safety at Work etc. Act 1974)</p> <ul style="list-style-type: none"> <li>• Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012)</li> </ul>

**Table 9c: Central services responsibilities held by local authorities (asset management)**

**Central support services**

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> <li>• No functions</li> </ul>	<ul style="list-style-type: none"> <li>• Clothing grants (Sch 2, 53)</li> <li>• Provision of tuition in music, or on other music-related activities (Sch 2, 54)</li> <li>• Visual, creative and performing arts (Sch 2, 55)</li> <li>• Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 56)</li> </ul>

**Table 9d: Central services responsibilities held by local authorities (central support services)**

**Premature retirement and redundancy**

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> <li>• No functions</li> </ul>	<ul style="list-style-type: none"> <li>• Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 2, 78)</li> </ul>

**Table 9e: Central services responsibilities held by local authorities (premature retirement and redundancy)**

**Monitoring national curriculum assessment**

Responsibilities held for all schools	Responsibilities held for maintained schools only

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> <li>No functions</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring of National Curriculum assessments (Sch 2, 75)</li> </ul>

**Table 9f: Central services responsibilities held by local authorities (monitoring national curriculum assessment)**

### Therapies

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> <li>No functions</li> </ul>	<ul style="list-style-type: none"> <li>This is now covered in the high needs section of the regulations and does not require schools forum approval</li> </ul>

**Table 9g: Central services responsibilities held by local authorities (therapies)**

### Other ongoing duties

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> <li>Licences negotiated centrally by the Secretary of State for all publicly funded schools (Sch 2, 8); this does not require schools forum approval</li> <li>Admissions (Sch 2, 9)</li> <li>Places in independent schools for non-SEN pupils (Sch 2, 10)</li> <li>Remission of boarding fees at maintained schools and academies (Sch 2, 11)</li> <li>Servicing of schools forums (Sch 2, 12)</li> <li>Back-pay for equal pay claims (Sch 2, 13)</li> <li>Writing to parents of year 9 pupils about schools with an atypical age of admission, such as UTCs and studio schools, within a reasonable travelling distance <sup>1</sup> (Sch 2, 23)</li> </ul>	<ul style="list-style-type: none"> <li>No functions</li> </ul>

**Table 9h: Central services responsibilities held by local authorities (other ongoing duties)**

**Historic commitments**

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> <li>• Capital expenditure funded from revenue (Sch 2, 1)</li> <li>• Prudential borrowing costs (Sch 2, 2(a))</li> <li>• Termination of employment costs (Sch 2, 2(b))</li> <li>• Contribution to combined budgets (Sch 2, 2(c))</li> </ul>	<ul style="list-style-type: none"> <li>• No functions</li> </ul>

**Table 9i: Central services responsibilities held by local authorities (historic commitments)**

**GROWTH FUND AND NEW SCHOOLS FUNDING CRITERIA 2019/20**

*To:* **Cambridgeshire Schools Forum**

*Date:* **5 October 2018**

*From:* **Hazel Belchamber/Clare Buckingham  
Martin Wade – Strategic Finance Business Partner**

*Purpose:* **To provide Schools Forum with the proposed criteria for the Growth Fund and New Schools Funding to be applied from April 2019.**

**Recommendation:**

- a) Schools Forum are asked to approve the increase of the Growth Fund to £3m for 2019/20 – dependent on confirmation of the final allocation within the Schools Block.**
- b) Schools Forum are asked to approve the criteria in sections 3.0-3.3 to be applied from April 2019 subject to Education and Skills Funding Agency (ESFA) approval.**
- c) Schools Forum are asked to approve the amounts for pre-opening and post-opening diseconomies funding as set out in Appendix C to be applied in 2019/20.**

**1.0 INTRODUCTION**

- 1.1** The following report provides details of national changes to the allocation of funding for Growth to Local Authorities (LAs) alongside the proposed methodology for the local distribution for growth and new schools.
- 1.2** Following national changes to the allocation of the Dedicated Schools Grant (DSG) funding blocks, growth funding is now within the LA Schools Block allocation. For 2019 to 2020, growth funding will be allocated to local authorities using a new formulaic method based on lagged growth data. Further details of the new formula for growth can be seen in **Appendix A**. At this stage the Education and Skills Funding Agency (ESFA) are yet to publish illustrative or actual allocations and as such it is not clear how much funding will be received.
- 1.3** The change in the method of funding LAs has not changed the way in which authorities can allocate funding locally.
  - As it's within the Schools Block, a movement of funding from the Schools formula into the Growth Fund would **not** be treated as a transfer between blocks.

- Schools Forum still needs to agree the total Growth Fund.

#### 1.4 The Growth Fund can only be used to:

- support growth in pre-16 pupil numbers to meet basic need
- support additional classes needed to meet the infant class size legislation. (Please note: The growth fund is not used for this purpose within Cambridgeshire due to the overall cost.)
- meet the cost of new schools. (Pre-opening and diseconomies funding as prescribed in the New Schools Funding Policy.)

The Growth Fund **may not** be used to support schools in financial difficulty.

- 1.5 The Growth Fund will need to be ring-fenced so that it is only used for the purposes of supporting growth in pupil numbers to meet **basic need** in both maintained schools and Academies. Any growth or expansion due to parental preference/popularity will **not** be eligible to be funded from the growth fund.
- 1.6 LAs are required to propose the criteria on which any growth funding is to be allocated to Schools Forum for approval. The criteria should both set out the circumstances in which a payment could be made and provide a basis for calculating the sum to be paid. The LA will also need to consult Schools Forum on the total sum to be retained and must update Schools Forum on the use of the funding. It is essential that the use of the Growth Fund is entirely transparent and solely for the purposes of supporting growth in pupil numbers.
- 1.7 Further guidance states that the growth fund should **not** be used to support schools which are undergoing reorganisations to change the age range and /or admitting additional year groups. In these instances LAs should request a variation to pupil numbers to reflect the change in all relevant formula factors and not just a marginal cost or Age Weighted Pupil Units (AWPU) only allocation.
- 1.8 In 2018/19 the growth fund remained at **£2.5m**, with total commitments to date in the region of **£2.4m** (allowing for academy adjustments). A further review to be undertaken on receipt of the October 2018 census is likely to result in further allocations.
- 1.9 Forecasts for 2019/20 suggest the need to increase the growth fund to **£3m**. This reflects not only the continued increase in overall numbers, but the larger primary cohorts now transferring through into the secondary phase, alongside the cumulative impact of diseconomies funding for new schools whilst they fill to capacity.
- 1.10 As noted above the actual Growth Funding allocation within the Schools Block is yet to be confirmed, however due to the proposed approach it is anticipated it will be affordable within available funding.

## 2.0 FALLING ROLLS FUND

- 2.1 LAs may also create a small fund to support schools with falling rolls where local planning data show that the surplus places will be needed in the near future. However as there is

a mandatory requirement that “*Support is available only for schools judged Good or Outstanding at their last Ofsted inspection*”, Forum have previously taken the view that it was not appropriate to apply such a factor.

- 2.2 Based on previous analysis only one Cambridgeshire school would meet the criteria for falling rolls funding. This will be kept under review on receipt of revised October census information and forecast data, but at this time there is insufficient supporting evidence to justify creating a Falling Rolls Fund in 2019/20.

### 3.0 GROWTH FUND CRITERIA 2019/20

- 3.1 As agreed by Schools Forum for 2018/19 it is proposed to continue with same criteria in 2019/20 where a school is growing or expanding to meet basic need in their area:
- Where the predicted numbers for a **Primary** School (excluding nursery classes) for the following September show an increase, due to basic need, requiring the running of additional classes or significant restructure they **may be** able to access additional funding.
  - Where the predicted numbers within the LA's planning area as agreed with the DfE (for the purposes of calculating its basic need funding allocation) for a **Secondary** School for the following September show an increase (excluding Post-16), requiring the School to run one or more additional classes and/or undertake a significant restructure they **may be** able to access additional funding.
  - Where schools have chosen to admit above their Published Admissions Number (PAN) to meet parental preference from outside of their agreed planning area and **not** basic need they will **not** be eligible to receive funding from the Growth Fund in recognition that the LA could have secured places for the children concerned at other schools.
  - Where schools take the decision to extend their admission arrangements to give priority to children attending or in the catchment area of an out-of-county or out-of-area school, they will not be eligible to receive Growth Funding for the pupils concerned.
  - In instances where the LA has specifically requested a school to expand to take an additional class to create capacity, but the forecast numbers do not represent the need for an additional class, schools may be able to claim additional funding. The funding will only be payable if the school is unable to reorganise its class teaching structure to meet the request.
  - Where the LA has not specifically requested a school to operate an additional class, the school will be required to provide evidence that an additional class or tutor group and/or significant restructure would be required to meet basic need. (Views will also be sought from relevant officers in the Education Directorate and Finance.)

- A class is defined as “additional” if it requires a change in the school’s current or historical class organisation or number of classes. In Primary schools this may result in mixed year teaching where numbers dictate and this is seen as the most prudent option for the organisation of the school as a whole.
- Schools that have historically operated mixed-age classes or have a PAN in a multiple of less than 20 would be normally expected to operate some mixed-age classes. (The Growth Fund cannot be used to reduce class sizes.)
- Should additional pupils be admitted following successful appeals, the expectation is that the school would be able to accommodate these without the need to reorganise or employ an additional teacher.
- The requirement for additional classes or forms of entry will be reviewed on a case-by-case basis. Funding will be allocated based on the requirement for additional support / classes / forms of entry.
- Allocations will be calculated at the following rates:

Phase	Academic Year	Financial Year (7/12ths)
Primary (0.5FE)	£27,000 + £2,000	£15,750 + £2,000
Primary (1FE)	£54,000 + £4,000	£31,500 + £4,000
Secondary (0.5FE)	£42,500 + £2,000	£24,792 + £2,000
Secondary (1FE)	£85,000 + £4,000	£49,583 + £4,000

- **Please note:** The allocations include a £4,000 (pro-rata) allowance towards the cost of resourcing a new classroom. Once agreed these amounts are guaranteed irrespective of actual pupil numbers to allow schools to staff appropriately.
- Initial growth funding requests will be evaluated using Admissions data and demographic forecasts to aid schools with budget setting. Where there is uncertainty or disagreement around the predicted pupil numbers, funding will not be allocated until receipt of the actual October Census data.
- In instances where actual growth was at lower levels than original estimates, schools will **not** be subject to claw-back on any funding already allocated.
- No funding adjustments will be made in respect of “missing” pupils in Key Stage 1.

## 3.2

### **Other Considerations**

- Any school with a revenue balance deemed as excessive would **not** be permitted

to claim the full value of the additional growth funding. These instances will be reviewed on a case-by-case basis.

- Given that the funding formula now allocates an equal lump sum to all schools regardless of size no further additional funding will be provided to support any changes in leadership structure.
- Where schools are in areas of high growth, support may be provided to allow schools to maintain class structures where there is uncertainty over timescales for the completion and occupation of new housing developments. As these arise, they will be addressed on an individual basis and will be funded using estimates of the number of places required to meet demand from the local planning area as determined by the LA.
- Where the LA supports a school's decision to extend its age range, additional support will be made available subject to meeting the criteria in 3.1 above.
- All maintained schools funding is only guaranteed for the financial year to which it relates. Future years funding will be assessed annually during the budget setting process.

3.3 **Academies** will take account of the additional guidance in **Appendix B** and be subject to the same criteria as above with the following additions and amendments:

- Where an academy is expanding due to parental preference rather than basic need the academy can bid directly to the ESFA, rather than being funded from the LA Growth Fund.
- Any funding allocated would be for the full academic year as original funding is based on the previous October Census. This would be subject to confirmation of actual funded numbers from the ESFA and would be calculated on receipt of the October Census at the start of the new academic year.

DfE additional guidance states:

*“Where academies are funded on estimates, however, there is no need for them to access the growth fund for this purpose. This is because they will receive additional funding through a pupil number adjustment for actual numbers. We will identify academies funded on estimates in the January edition of the APT. Around 90% of former non-recoupment academies are funded on estimates.”*

#### 4.0 **NEW SCHOOL FUNDING CRITERIA 2019/20**

- 4.1 Where a new school is due to open, the regulations require that local authorities should estimate the pupil numbers expected to join the school in September and fund accordingly, explaining the rationale underpinning the estimates. Under these regulations, local authorities should estimate pupil numbers for all schools and academies, including free schools, where they have opened in the previous seven years, and are still adding year groups. Local authorities can adjust estimates each year, to take

account of the actual pupil numbers in the previous funding period. For academies an allocation of funding is recouped from each LA and following formula replication by the EFSA an annual grant allocated.

- 4.2 Pre-opening costs and diseconomies funding in respect of new basic need academies is also payable from the Growth Fund. Details of the current amounts payable can be found in the New Schools Funding Policy (**Appendix C**), which is also subject to approval on an annual basis.
- 4.3 This funding must be made available to new basic need academies on the same basis as maintained schools, including those funded on estimates – the only exception is that the ESFA will continue to fund start-up and diseconomy costs for new free schools where they are not being opened to meet the need for a new school as referred to in section 6A of the Education and Inspections Act 2006.
- 4.4 The table at **Appendix D** below shows proposed estimates for new school funding for the 2019/20 financial year to be submitted as part of the budget submission to the ESFA in January. **Please note:** All of these figures are to be confirmed on receipt of the October 2018 census and forecast data.
- 5.0 AMENDMENTS TO FUNDING CRITERIA**
- 5.1 It is possible to amend the above Growth Fund criteria during the year where this becomes necessary; however the revised criteria must be submitted to the ESFA for compliance checking and must also be approved by Schools Forum before the revised criteria can be implemented.

Source Documents	Location
<i>National Funding Formula for Schools and High Needs: 2019 to 2020</i>	<a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/728273/National_funding_formula_policy_document_-_2019_to_2020_-_BRANDED.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/728273/National_funding_formula_policy_document_-_2019_to_2020_-_BRANDED.pdf</a>
<i>Schools Revenue Funding 2019 to 2020: Operational Guidance</i>	<a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/730636/Operational_guide_2019_to_2020.docx">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/730636/Operational_guide_2019_to_2020.docx</a>

## Appendix A – ESFA Growth Funding Formula 2019-20

The ESFA will allocate funding to local authorities based on the actual growth in pupil numbers they experienced the previous year. This will ensure that over time local authorities are funded on the basis of the actual growth they experience (albeit on a lagged basis), rather than historic spending decisions.

Growth will be measured within local authorities at middle layer super output area (MSOA) level. We are using MSOAs as these are small enough geographical areas to detect 'pockets' of growth within local authorities. The increase in pupil numbers in each MSOA in the local authority will be calculated between the two most recent October censuses. Only positive increases in pupil numbers will be included, so a local authority with positive growth in one area, and negative growth in another, will not be denied growth funding.

### Allocating funding for growth

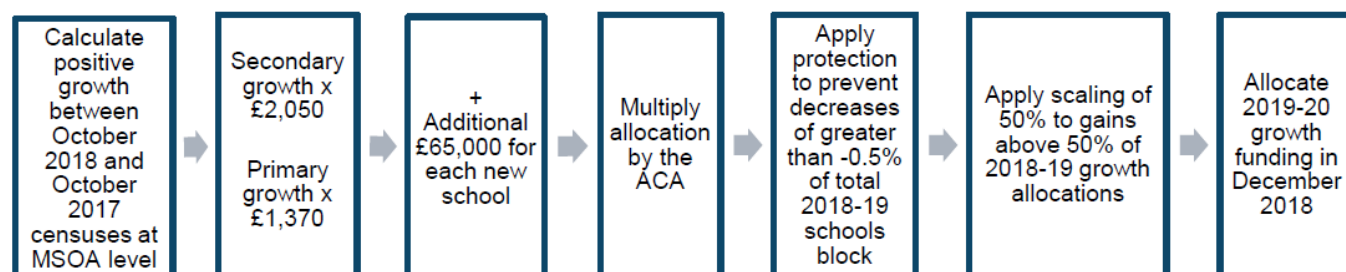
For each local authority, the growth factor will allocate:

- £1,370 for each primary 'growth' pupil,
- £2,050 for each secondary 'growth' pupil, and
- £65,000 for each brand new school that opened in the previous year (that is, any school not appearing on the October 2017 census but appearing on the October 2018 census)

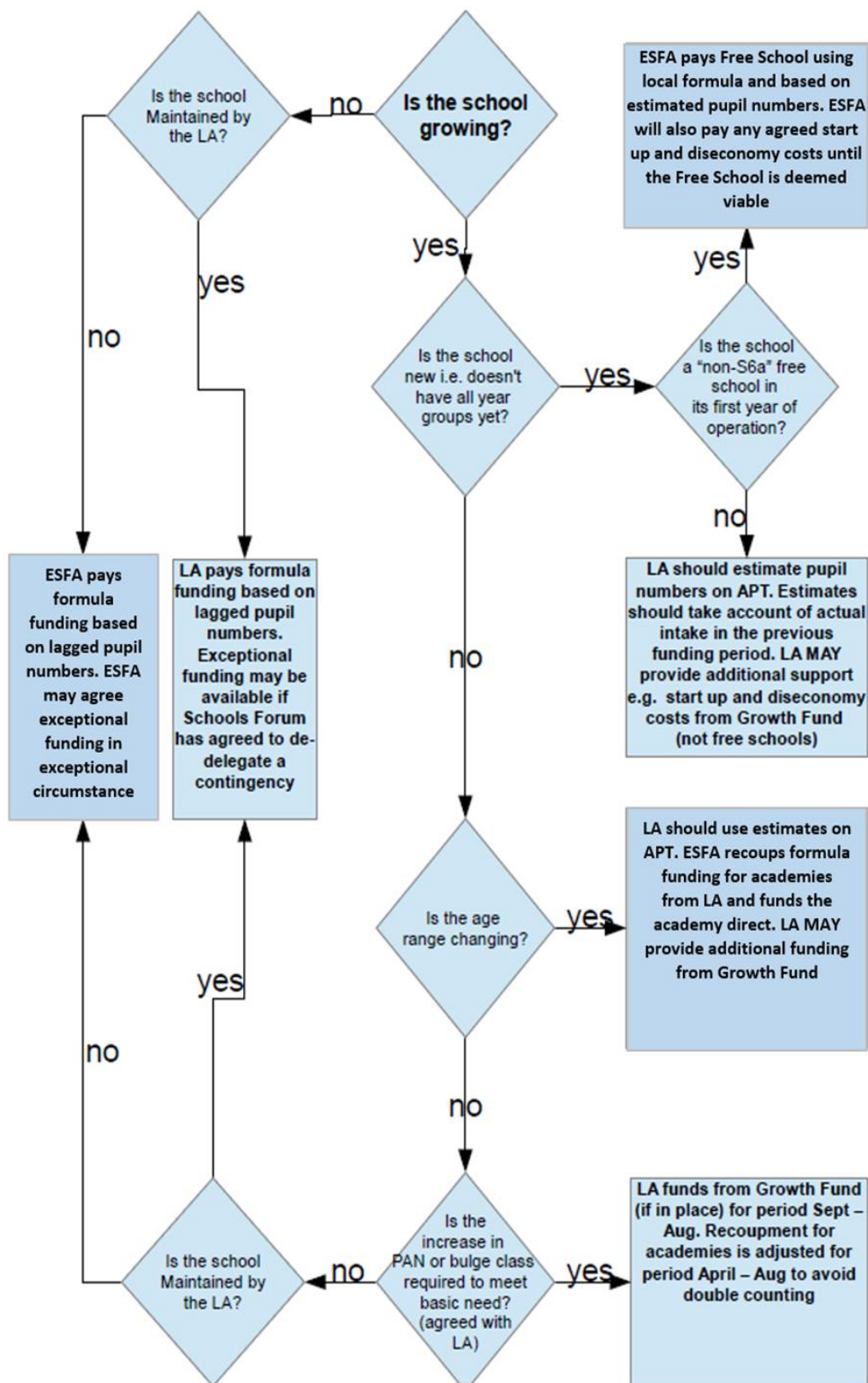
These values were set by looking at the amount spent on growth across all local authorities in 2017-18.

The ESFA do not expect local authorities to use these rates in their local arrangements for funding growth. Local authorities will generally allocate growth funding for a smaller number of pupils (where additional pupils have required an additional class), and will use higher factor values. The growth factor in the national funding formula is a proxy for overall growth costs at local authority level, and not at the level of individual schools.

Equally, they are not illustrating allocations of growth at school level and do not expect local authorities to necessarily use this methodology to decide how much growth funding to allocate to individual schools. Local authorities should continue to make decisions about growth funding locally as they do now. Finally, they not do anticipate that local authorities' spending on growth will necessarily match precisely the sum allocated to them for growth, and they will continue to have the ability to 'top slice' their overall schools block funding to fund pupil number growth.



## Appendix B – Funding Flow Chart for Growing Schools (from EFSA Guidance)



## Appendix C – New School Funding

### Pre-Opening Funding for New Schools

The pre-opening funding is intended to cover all revenue costs up to the opening of the school. Capital costs to secure and develop the school's site, and ICT to support the curriculum, are funded separately for the LA's five year rolling programme of capital investment. Books and other curriculum materials may be purchased before opening, using an advance of the post-opening diseconomies funding.

The pre-opening funding is to cover:

- project management (support to coordinate all work leading to the development of the school);
- staff recruitment (including the head teacher/principal);
- salary costs (which often include the head teacher/principal, finance/business manager and administrative support in advance of opening);
- office costs;

Primary Schools - funding is calculated on the basis of 1 term prior to the date of opening.

Secondary Schools - funding is calculated on the basis of 2 terms prior to the date of opening.

Special Schools - funding is calculated on the basis of 2 terms prior to the date of opening.

In all instances the funding can be accessed earlier, but the total amount to be received remains as detailed below.

<b>Primary</b>	<b>£50,000</b>
<b>Secondary</b>	<b>£150,000</b>
<b>Special</b>	<b>£130,000</b>

### Post-Opening Diseconomies Funding

#### Resources –

Paid annually as the school builds up to capacity –

- £125 for each new mainstream place created in the primary phase (years R to 6)
- £500 for each new mainstream place created in the secondary phase (years 7 to 13)

New places will be calculated annually based on the increases in roll from year to year.

#### Leadership –

Paid annually based on the number of year-groups that the school will ultimately have. The amount paid to mainstream schools with pupils aged 4 – 15 each year is set out below:

<b>Year</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>Total</b>
Primary	£40,250	£33,750	£27,000	£20,250	£13,500	£6,250	<b>£141,500</b>
Secondary			£125,000	£93,500	£62,500	£31,000	<b>£312,000</b>

**Please note:** *Diseconomies funding for all-through schools serving the 4-15 age range will be considered as and when the situation arises.*

**Appendix D - Estimated Pupil Number Adjustments for New Schools 2019/20 – Subject to change on receipt of October census.**

<b>School</b>	<b>Year Opened</b>	<b>Estimated Numbers to be funded - April to Aug (5/12ths)</b>	<b>Estimated Numbers to be funded - Sept to Mar (7/12ths)</b>	<b>Total Estimated Numbers to be Funded</b>	<b>Comments</b>
The Shade Primary School	Sep-13	210.00	240.00	227.50	
Chesterton Primary	Sep-13	180.00	210.00	197.50	
Isle of Ely Primary	Sep-14	300.00	360.00	335.00	
University of Cambridge Primary	Sep-15	390.00	480.00	442.50	
Trumpington Community College	Sep-15	360.00	450.00	412.50	
Godmanchester Bridge Academy	Sep-16	120.00	150.00	137.50	Pupils in each year group - Disapplication request required.
Ermine Street Primary	Sep-16	120.00	150.00	137.50	Pupils in each year group - Disapplication request required.
Pathfinder Primary	Sep-17	90.00	120.00	107.50	Pupils in each year group - Disapplication request required.
Trumpington Park Primary	Sep-17	150.00	210.00	185.00	
Littleport Secondary	Sep-17	240.00	360.00	310.00	
Hardwick Primary School	n/a	680.00	680.00	680.00	School is split site. Need to confirm arrangements for 19/20. Disapplication request required.
Wintringham Park	Sep-18	60	60	60	

**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.  
Correct as at 26.09.18.

			Reports due to reach Democratic Services by:
<b>Friday 9 November 2018</b> (reserve meeting date)			<b>Tuesday 30 October 2018</b>
<b>Friday 30 November 2018</b>	Apologies for absence and declarations of interest	<i>verbal</i>	
	Minutes of the Meeting on 9 March 2018	<b>Rob Sanderson</b>	
	Action Log	<b>Rob Sanderson</b>	
	Agenda Plan	<b>Rob Sanderson</b>	
	Date of Next Meeting	<i>Verbal</i>	
			Reports due to reach Democratic Services by:
<b>Friday 18 January 2019</b>	Apologies for absence and declarations of interest	<i>verbal</i>	<b>Tuesday 8 January 2019</b>
	Minutes of the Meeting on 9 March 2018	<b>Rob Sanderson</b>	
	Action Log	<b>Rob Sanderson</b>	
	Agenda Plan	<b>Rob Sanderson</b>	
	Date of Next Meeting	<i>Verbal</i>	
			Reports due to reach Democratic Services by:
<b>Friday 29 March 2019</b>	Apologies for absence and declarations of interest	<i>verbal</i>	<b>Tuesday 19 March 2019</b>
	Minutes of the Meeting on 9 March 2018	<b>Rob Sanderson</b>	

	Action Log	<b>Rob Sanderson</b>	
	Agenda Plan	<b>Rob Sanderson</b>	
	Date of Next Meeting	<i>Verbal</i>	
			Reports due to reach Democratic Services by:
<b>Friday 17 May 2019</b> <i>(reserve meeting date)</i>			<b>Tuesday 7 May 2019</b>
			Reports due to reach Democratic Services by:
<b>Friday 12 July 2019</b>	Election of the Chairman/woman and Vice Chairman/woman	<i>verbal</i>	<b>Tuesday 2 July 2019</b>
	Apologies for absence and declarations of interest	<i>verbal</i>	
	Minutes of the Meeting on 9 March 2018	<b>Rob Sanderson</b>	
	Action Log	<b>Rob Sanderson</b>	
	Agenda Plan	<b>Rob Sanderson</b>	
	Date of Next Meeting	<i>Verbal</i>	