

2020/21 Dedicated Schools Grant Funding

Schools Forum - December 2019

Introduction

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

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

Consultation Events

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

Consultation Results

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

Consultation - Affordability



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

Consultation - Affordability

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

Consultation - Affordability

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

High Needs Update

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

High Needs Block

- 2019/20 High Needs Block:

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

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

Final Budget Proposals

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

Final Budget Proposals

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

Required Actions

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

Growth Fund Update

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

Growth Funding cont..

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

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

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

Growth Funding cont..

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

*₁ – Estimated based on draft census data

*₂ - Reduced from £2.5m in 2019/20

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

Required Actions

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

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

De-delegations

- Apply to maintained primary schools only:

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

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

De-delegations

Insurance

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

Required Actions cont..

- *Maintained Primary representatives on Schools Forum are asked to approve the continuation of de-delegations in respect of:*
 - 1) *Contingency*
 - 2) *Free School Meals Eligibility*
 - 3) *Insurance Catch-Up*
 - 4) *Maternity*
 - 5) *Trade Union Facilities Time*
- The main insurance de-delegation will be presented back to Schools Forum once the outcome of the recent DfE consultation has been published.

Central School Services

Block



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

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

Central School Services Block



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

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

Required Actions

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

Next Steps

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