

Friday, 15 July 2022

Democratic and Members' Services

Fiona McMillan
Monitoring Officer

10:00

New Shire Hall
Alconbury Weald
Huntingdon
PE28 4YE

**Virtual Meeting
[Venue Address]**

AGENDA

Open to Public and Press by appointment only

1. **Apologies for absence and declarations of interest and announcements**
Guidance on declaring interests is available at <http://tinyurl.com/ccc-conduct-code>
2. **Schools Forum Minutes 14 January 2022** **3 - 6**
3. **Review of Membership and Proportionality 2022** **7 - 12**
4. **Schools and Dedicated Schools Grant Financial Health** **13 - 28**
- 5a. **Safety Valve and Dedicated Schools Grant Financial Management** **29 - 32**
- 5b. **High Needs Block And Safety Valve Update – July 2022** **33 - 54**
6. **Schools Funding Formula Update – July 2022** **55 - 90**

7. Schools Forum Agenda Plan - July 2022

91 - 92

8. Any other business

Meetings of the Schools Forum will be held virtually for Committee members and for members of the public who wish to participate. These meetings will be held via Zoom and Microsoft Teams (for confidential or exempt items). For more information please contact the clerk for the meeting (details provided above).

Clerk Name:	Tamar Oviatt-Ham
Clerk Telephone:	01223 715668
Clerk Email:	tamar.oviatt-ham@cambridgeshire.gov.uk

Cambridgeshire Schools Forum – Minutes

Date: Friday 14 January 2022

Time: 2:30pm – 3:30pm

Venue: Virtual meeting

Present:

Academy Primary - Susannah Connell

Early Years Reference Group – Deborah Parfitt

Maintained Primary - Liz Bassett, and Guy Underwood

Maintained Nursery – Alex Pearson

Maintained Special School - Joanne Hardwick

Maintained Pupil Referral Unit – Leah Miller

Maintained Governor - Paul Stratford (Vice-Chairman)

Other Academy Sector Appointments – Adrian Ball, Christopher Bennett, Lesley Birch, Ryan Kelsall, John King, Richard Spencer, Duncan Ramsey, Carin Taylor, Mark Vickers, Alex Pearson and Jon Culpin (Chairman)

Cambridgeshire County Council - Councillors C Daunton, B Goodliffe and S Taylor.

Officers - Jonathan Lewis, Service Director Education, Michelle Rowe – Democratic Services Manager, Monika Balazs – Democratic Services Assistant and Martin Wade, Strategic Finance Business Partner.

14. Apologies for Absence and Declarations of Interest

Apologies received from Simon Bainbridge, Sasha Howard, Patsy Peres, Deborah Parfitt, Jon Duveen, Andrew Reed, Jeremy Lloyd and Rob Turner.

Apologies for lateness received from Councillor Bryony Goodliffe.

No declarations of interest received.

15. Schools Forum Minutes – 5 November 2021 and Action Log

The minutes of the meeting held on 5 November 2021 were approved as a correct record subject to the correction noting that Carin Taylor was present at the meeting.

The Forum noted the minute action log.

16. Proposed Future Schools Forum Dates 2022-23

The Forum received a report detailing the need to schedule future meetings from July 2022- July 2023 period.

It was resolved unanimously to:

Approve the dates for future forum meetings as set out section 3 of the report.

17. Schools Funding Update – January 2022

The Forum received a report and a presentation ([Appendix A](#)) detailing the Schools Funding Update. The report provided an update on the:

- Dedicated Schools Grant (DSG) and other funding
- Schools Block and local funding formula, as well as the illustrative school budget for each school
- High Needs Block, Notional SEN and Contingency proposals
- Central Schools Service Block
- Early Years Block funding proposals
- Next steps

Forum welcomed the plans to scale back the proposed Block Transfer and Growth Fund to meet the affordability gap and therefore fund schools at the

base National Funding Formula (NFF) rates without the need to apply a funding cap.

Members sought clarification on whether the Supplementary Grant of around £12m would be allocated to schools in addition to the DSG. The Strategic Finance Business Partner confirmed that it would be in addition.

In relation to the High Needs Block update the Chair informed the Forum that the establishment of the Sub-Group which was overseeing and monitoring the Invest to Transform Fund was underway with the following membership: Joanne Hardwick, Liz Bassett, Christopher Bennett and Adrian Ball. He thanked the above members for their participation and encouraged members from other sectors to join the Sub-Group in order to widen representation to all sectors. The Chair informed the Forum that the Invest to Transform Fund report would be presented at the Forum's March meeting to allow sufficient time for in-depth discussions to take place.

One question was raised regarding the decreased funding for the Admission Service. The Strategic Finance Business Partner advised that the published funding amount in Appendix A to the report for 2021/22 was incorrect and advised that the level of funding remained the same at £467k.

It was resolved unanimously to:

- a) comment on the local budget proposals as set out in the presentation.
- b) approve the planned Centrally Retained amounts for 2022/23 as set out in Appendix A to the report.

18. Schools Forum Agenda Plan Update – January 2022

The Democratic Services Manager confirmed that there were no additions to the Forward Plan since publication.

It was resolved to:

Note the agenda plan.

Review of Proportionality and Membership of Schools Forum

To: Cambridgeshire Schools Forum

Meeting Date: 15 July 2022

From: Tamar Oviatt-Ham – Democratic Services Officer

Purpose:

- To review proportionality on the Forum in relation to the latest data from the January 2022 census data.
- To assess whether any further changes are required regarding Forum seats allocated between the maintained and academies sector.
- To review the current vacancies and appointments identified for re-election and actions required.

Recommendation: Schools Forum is recommended to:

- a) Note and comment on the report.

Name: Tamar Oviatt-Ham

Post: Democratic Services Officer

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Tel: 01223 715668

1. Background

- 1.1 National regulations govern the composition, constitution and procedures for schools forums and are set out in [The Schools Forum Regulations \(2012\) \(as amended\)](#). The Department for Education (DfE) also publishes and periodically updates the [Schools Forum Operational and Good Practice Guide](#) together with guidance on Schools Forums' structure, powers and responsibilities.
- 1.2 Schools Forums are made up of school members (maintained schools), academies members and non-school members (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.
- 1.3 The Regulations state 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.' However, the Operational and Good Practice Guide also states 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.'
- 1.4 Whilst Schools Forum good practice guidance suggests a review is undertaken at every meeting, this is not practicable on what are four year appointments. Forum agreed at the July 2018 meeting that it should receive a report once a year reviewing the proportionality of Forum membership. This would be based on the most up to date pupil numbers provided by the Annual Census, and that if there were any significant changes to the pupil numbers split, to then consider if any further changes should be made to the allocation of seats.

2. Proportionality Review 2022

- 2.1 The figures for 2020, 2021 and the current figures for 2022 can be found below:

2021 figures with 2020 % in brackets
Total pupils across primary and secondary (maintained) = 28,175 / 34.4% (35%)
Total pupils across primary and secondary (academies) = 53,762 / 65.6% (65%)
- 2.2 Current figures as at January 2022 census are:
Total pupils across primary and secondary (maintained) = 27,635 / 33.34%
Total pupils across primary and secondary (academies) = 55,247 / 66.66%
- 2.3 Based on the current figures it is recommended that no further changes to proportionality are required at this present time.

3. Forum Appointments for Review

3.2 There are a number of appointments up for re-election as terms of office are coming to an end :

Maintained Appointments x 1

- 1 Maintained School Governor - Paul Stratford - Chair of Governors, Alderman Payne Primary School (Vice-Chairman)

Academy Appointments x 3

- Jon Culpin - Chief Executive Officer of Anglian Learning (Chairman)
- Richard Spencer - Principal, Ely College
- Patsy Peres - Principal, Ramsey Spinning Infant and Ramsey Junior

3.3 There is also one retirement in relation to the **Maintained Appointments**:

- Primary Head Teacher Liz Bassett - Headteacher, Ely St Johns Primary School

3.3 The full list of current voting and non- voting representatives can be found at appendix 1

3.4 Elections to fill the vacancy and appointments up for review will take place ahead of the November Schools Forum.

Appendix 1 - Current Schools Forum make up (Changes required highlighted in yellow)

Voting Members:

7 Maintained Representatives

3 Maintained Primary Headteachers

- Sasha Howard – Headteacher, Meldreth Primary School
- Liz Bassett – Headteacher, Ely St Johns Primary School (Due to Retire)
- Guy Underwood – Headteacher, Great Abington Primary

1 Maintained Special School Representative

- Joanne Hardwick – Headteacher, Samuel Pepys Maintained Special School, St Neots

1 Maintained Nursery School Representative

- Alex Pearson - Headteacher Homerton Early Years Centre

1 Pupil Referral Unit Representative

- Leah Miller - Headteacher, Pilgrim Pathways School

1 Maintained School Governor

- Paul Stratford – Chair of Governors, Alderman Payne Primary School (Vice-Chairman)
(End of 4 year term)

13 Academies Representatives:

1 Academy Primary Representative

- Susannah Connell - Headteacher, Middlefield Academy and CEO Diamond Learning Partnership Trust

1 Academy Special School Representative

- Simon Bainbridge – Executive Headteacher, Highfield Ely Academy

1 Academy Alternative Provision

- Mark Vickers - CEO Olive Academies

General Academy Appointments

- Jon Culpin – Chief Executive Officer of Anglian Learning (Chairman) (End of 4 year term)
- Richard Spencer – Principal, Ely College (End of 4 year term)
- Patsy Peres – Principal, Ramsey Spinning Infant and Ramsey Junior (End of 4 year term)
- Adrian Ball – Chief Executive Officer, Diocese of Ely
- Christopher Bennett - Headteacher, St Peter's School, Huntingdon
- John King – Sir Harry Smith Community College
- Ryan Kelsall - Impington Village College
- Duncan Ramsey - CEO Aspire Learning Trust
- Lesley Birch - Executive Principal Cambridge Primary Education Trust
- Carin Taylor - Executive Headteacher Staploe Education Trust

Non-Voting Representatives

1 Representative of the Early Years Reference Group

- Deborah Parfitt – Nursery Manager, Nene Infants and Nursery School

1 Representative of Post 16 FE

- Jeremy Lloyd - Director of Supported Learning, Cambridge Regional College

Observers

1 Representative Diocese of Ely Board of Education

- Canon Andrew Read

1 Representative Roman Catholic Diocese of East Anglia

- Joe Mc Crossan - Head of St Albans School Cambridge

1 Teacher Union Membership Representative

- Jon Duveen

NonTeacher Union Membership Representative, non-teaching JCNG

- Rob Turner

Cambridgeshire County Council – three appointments made annually by Children and Young People Committee:

- Councillor Bryony Goodliffe
- Councillor Claire Daunton
- Councillor Simone Taylor

Schools and Dedicated Schools Grant Financial Health

To: Schools Forum

Meeting Date: 15 July 2022

From: Martin Wade - Strategic Finance Business Partner

Recommendation: Members of Schools Forum are asked to note and comment on the contents of the report.

Officer contact:

Name: Martin Wade

Post: Strategic Finance Business Partner

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Tel: 01223 699733

1. Background

- 1.1 This paper analyses the 2021/22 final closing balance position of maintained schools and the overall Dedicated Schools Grant (DSG) as at 31st March 2022.

Please note: the figures below are based on the year-end returns from maintained schools. However, following further validation of the Consistent Financial Reporting (CFR) returns the final information on Schools balances published by the DfE may differ slightly.

- 1.2 The balances for academies to 31st August 2021 have also been collated based on the latest information published by the DfE.

2. Maintained School Balances

- 2.1 The table below shows rounded revenue balances for each sector. The prior year is adjusted for academy conversions during 2021/22 to enable a like-for-like comparison to the year end position.

	31st March 2021 £m (original published balances)	31st March 2021 £m (amended for in-year academy conversions)	31st March 2022 £m	Change £m
Nursery Schools	0.6	0.6	0.4	-0.2
Primary Schools	14.1	14.0	14.0	0.0
Secondary Schools	0	0	0	0.0
Special Schools	0.9	0.9	1.1	0.2
Pupil Referral Units (PRUs)	0.1	0.1	0.2	0.1
Total	15.7	15.6	15.7	0.1

- 2.2 **Appendix A** provides the individual revenue balances as at 31st March 2022 for each maintained school. It must be noted that further to the DSG and other grants such as Pupil Premium, this year schools budgets also include additional Covid-19 related grants from the Education & Skills Funding Agency (ESFA). Schools that converted to Academy status prior to 31st March are no longer reported by the Local Authority and therefore are not included within the figures.

- 2.3 The change in individual school balances can be attributed to several reasons:

- Some schools will have delayed or cancelled spending decisions due to the uncertainty around future years funding amounts.
- Some schools have chosen to apply balances in 2022/23 to maintain current staffing levels and class structures.

- Due to the continuing pandemic, schools have been unable to spend elements of some ring-fenced grants.
- Pressures on capital funding have led some schools to reconsider and reprioritise revenue resources to allow for the possibility of capitalisation in future years.

2.4 The table below provides a summary of the value of **surplus** balances held by maintained schools as at 31st March 2022 (excluding academy convertors).

Revenue balances FD01/FD02

Surplus	Nursery	Primary	Secondary	Special	Total
£0k - £10k	0	2	0	0	2
£10k - £20k	0	5	0	0	5
£20k - £60k	1	24	0	0	25
£60k - £100k	2	25	0	0	27
£100k - £150k	0	23	0	0	23
£150k - £200k	2	5	0	0	7
£200k - £300k	0	14	0	1	15
£300k - £400k	0	3	0	1	4
£400k+	0	6	0	1	7

2.5 The table below shows the number and value of maintained schools that ended 2021/22 with a deficit revenue balance:

Deficit	Nursery	Primary	Special	Total
£100k+	0	1	0	1
£60k - £100k	2	2	0	4
£20k - £60k	0	3	0	3
£10k - £20k	0	1	0	1
£1k - £10k	0	4	0	4

3. Maintained Schools Balance Clawback Mechanism

3.1 Schools Forum previously agreed to a relaxation of the balance control mechanism for maintained schools. An excessive balance is therefore currently classed as:

- over 16% of ISB or £80,000 for maintained primary and special schools (30 maintained primary schools and 2 maintained special schools exceeded the 16% threshold to the end of the 2021/22 financial year)
- over 10% of ISB for maintained secondary schools (no longer any maintained secondary schools)

Or, where a school is below the national educational floor targets:

- over 8% of ISB or £40,000 for maintained primary and special schools (66 maintained primary schools and 2 maintained special schools exceeded the 8% threshold to the end of the 2021/22 financial year)
- over 5% of ISB for maintained secondary schools

3.2 Schools Forum are asked to consider the reintroduction of a more rigorous balance control mechanism for maintained schools. The funding for schools is generated by the children who attend the school mainly based upon on the October and January census. Good financial management means that schools should spend enough of this money on the children in the school at that time whilst retaining a sufficient level of balance to allow for investment and unexpected costs. Holding too high a level of reserves means children miss out on the funding intended for them. This needs to be considered when changing a balance control mechanism. It is noted that costs pressures are likely to increase but this balance needs to be drawn.

3.3 It is therefore proposed that where balances exceed the following thresholds:

- over 10% of ISB for maintained primary and special schools (59 maintained primary schools and 2 maintained special schools exceeded the 10% threshold to the end of the 2021/22 financial year)
- over 5% of ISB for maintained secondary schools

Schools will be required to provide details of planned expenditure, including any planned capital expenditure by means of completing a short survey. All supporting evidence should be retained in the school and would not be required to be submitted unless requested.

Any school that does not spend their excess on the stated purpose will need to produce documentation for a panel decision to determine whether the money can be kept by the school or be subject to claw back.

3.4 Where schools are categorised as requiring improvement or inadequate the Education directorate will discuss whether plans for using the excess balance will help to raise attainment and progress levels. Where categorised as inadequate, this intervention will be prior to conversion to academy status in consultation with the proposed academy sponsor.

3.5 If adopted it is proposed to have a sub-group of Schools Forum (consisting of maintained representatives) to review the balances in more detail, decide on the appropriate action and manage any subsequent appeals.

4. Maintained Schools In or Facing Financial Difficulty

4.1 The number of schools reporting a deficit revenue position at the end of 2021/22 has increased when compared to previous years (a total of 13, compared to 5 at the end 2020/21 and 10 at the end of 2019/20).

4.2 As part of the 2022/23 budget setting process 6 maintained schools have submitted deficit budgets which will require a detailed licensed deficit application. Where a school does apply

for a deficit licence, the application must include a multi-year recovery plan, detailing actions the school will be taking to repay the accumulated deficit.

- 4.3 Alongside those schools reporting a deficit position there are a number of schools where either a significant proportion of surplus balances have been used during 2021/22 or where the 2022/23 is reliant on balances to be applied to meet ongoing running costs. Work is ongoing with these schools to monitor the in-year position and to support sustainable longer-term budget setting.

5. Schools Financial Value Standard (SFVS)

- 5.1 Local authority maintained schools were required to submit a completed SFVS statement to the local authority (LA) by 31st March 2022, with the LA required to submit an assurance statement to the ESFA by 31st May 2022.
- 5.2 At the time of submission of the LA assurance statement 126 of the 129 maintained school and PRU's had submitted completed SFVS statements. Of the 3 non-submissions, 1 school was exempt, with the remaining 2 being addressed separately.
- 5.3 Schools are reminded that the majority of the SFVS return can be completed at any time during the financial year and as such we would encourage schools to complete and submit earlier in the year where possible.

6. Internal Audit Programme

- 6.1 To provide assurance regarding the efficacy of financial management in schools, Cambridgeshire County Council Internal Audit undertook a programme of visits to 14 local schools in 2021/22, aiming to provide assurance over the operation and compliance with local financial management and governance controls in these settings.
- 6.2 A letter detailing the key findings and areas of good practice has recently been circulated to all schools for information.
- 6.3 As a result of the audit findings the Schools Finance Team will be updating a number of the key guidance documents and regulations over the coming months which will be shared with schools. Alongside this, model internal financial policies are to be developed for schools to adopt covering some of the key areas of weakness identified in the audit.

7. Academy Balances

- 7.1 Although the LA do not collect information on academy revenue balances we have collated the latest information from the Academy Accounts Returns which the DfE publish at: <https://schools-financial-benchmarking.service.gov.uk/Help/DataSources>
- 7.2 This information can be viewed at **Appendix B**, although it must be noted that this is based solely on the published information and as such has not been verified by the LA. Likewise, a growing number of academy trusts are reporting balances at a consolidated level and have therefore not submitted school level balances.

8. Overall DSG Position

- 8.1 As part of the final notes to the accounts there is a requirement to report the overall DSG position as at the end of 2021/22 and the total amount to be carried forward to 2022/23. For DSG purposes, grant allocated to the Individual Schools Budget (ISB) is taken to have been spent as soon as it is deployed – i.e. passed to schools' budget shares. There is no requirement to track DSG through the ISB to its use by individual schools, and changes in balances held by schools are not to be recorded in this note.

	Central expenditure £000	Individual schools budget £000	Total £000
Final DSG for 2021-22 before Academy recoupment			536,577
Academy figure recouped for 2021-22			-292,364
Total DSG after Academy recoupment for 2021-22			244,213
Agreed initial budgeted distribution in 2021-22	47,005	197,208	244,213
In year adjustments	-467	-3,687	-4,154
Final budget distribution for 2021-22	46,537	193,521	240,059
Less: Actual central expenditure	60,501		
Less: Actual ISB deployed to schools		192,460	
In-Year Carryforward to 2022-23	-13,963	1,062	-12,902
Balance Brought Forward			-26,362
Carryforward to 2022-23			-39,264

Please note: The in-year adjustments relate to Early Years funding which is amended retrospectively.

- 8.2 Due to the continuing increase in the number of children and young people with an EHCP, and the complexity of need of these young people, the overall spend on the High Needs Block element of the DSG funded budgets has continued to rise. At the end of 2021/22 the High Needs Block overspent by approximately £14.85m, which was slightly higher than previous forecasts. However, there were a number of one-off underspends in other areas of the DSG, and adjustments relating to early years which resulted in a lower net DSG overspend to the end of the year.

When added to the existing DSG deficit brought forward from previous years, and allowing for required prior-year technical adjustments, this results in a cumulative deficit of £39.26m to be carried forward into 2022/23.

8.3 Any local authority that has an overall deficit on its DSG account, or whose DSG surplus has substantially reduced during the year, must co-operate with the Department for Education (DfE) in handling that situation. In particular, the local authority must:

- Provide information as and when requested by the department about its plans for managing its DSG account in the 2021 to 2022 financial year and subsequently.
- Provide information as and when requested by the department about pressures and potential savings on its high needs budget.
- Meet with officials of the department as and when they request to discuss the local authority's plans and financial situation.
- Keep the schools forum regularly updated about the local authority's DSG account and plans for handling it, including high needs pressures and potential savings.

The Secretary of State reserves the right to impose more specific conditions of grant on individual local authorities that have an overall deficit on their DSG account, where he believes that they are not taking sufficient action to address the situation.

8.4 The DfE introduced the safety valve intervention programme in 2020-21 in recognition of the increasing pressures on high needs. A total of 14 local authorities have now signed up to agreements, and the programme is being expanded to a further 20 local authorities, including Cambridgeshire in 2022-23.

8.5 The programme requires local authorities to develop substantial plans for reform to their high needs systems, with support and challenge from the DfE, to rapidly place them on a sustainable footing. If the authorities can demonstrate sufficiently that their DSG management plans create lasting sustainability and are effective for children and young people, including reaching an in-year balance as quickly as possible, then the DfE will enter into an agreement with the authority, subject to Ministerial approval.

8.6 If an agreement is reached, local authorities are held to account for the delivery of their plans and hitting the milestones in the plans via quarterly reporting to the DfE. If adequate progress is being made, authorities will receive incremental funding to eliminate their historic deficits, generally spread over five financial years. If the conditions of the agreement are not being met, payments will be withheld.

Appendix A – Maintained School Revenue Balances as at 31st March 2020, 31st March 2021 and 31st March 2022 as per FD01/FD02

<u>School Name</u>	<u>c/f 19/20 (+Surplus -Deficit) Fund 01/02</u>	<u>c/f 20/21 (+Surplus -Deficit) Fund 01/02</u>	<u>c/f 21/22 (+Surplus -Deficit) Fund 01/02</u>	<u>Change between Years £ Fund 01/02</u>
Brunswick Nursery School	£155,701	£128,911	£77,955	-£50,956
Colleges Nursery School	£170,583	£175,818	£172,463	-£3,355
Histon Early Years Centre	£104,106	£49,028	£27,607	-£21,421
Homerton Children's Centre	£187,624	£167,198	£166,332	-£866
Huntingdon Nursery School	£27,249	-£49,410	-£79,573	-£30,163
Kings Hedges Nursery School	£163,486	£81,385	£95,258	£13,874
The Fields Early Years Centre	£33,707	£48,020	-£83,471	-£131,491
Total Maintained Nursery Schools	£842,456	£600,949	£376,570	-£224,379
Abbots Ripton Primary School	£52,856	£54,958	£88,613	£33,655
Alconbury Primary School	£27,960	£34,952	£22,634	-£12,318
Alderman Payne Primary School	£65,071	£102,790	£105,825	£3,035
Arbury Primary School	£203,309	£311,494	£274,144	-£37,350
Ashbeach Primary School	£26,321	£40,115	£49,395	£9,280
Barnabas Oley Primary School	£45,110	£101,351	£141,065	£39,714
Barrington Primary School	£42,739	£67,079	£61,252	-£5,827
Barton Primary School	£46,956	£71,317	£77,876	£6,559
Bassingbourn Primary School	£105,788	£176,975	£146,316	-£30,660
Beaupre Primary School	£77,283	£116,369	£105,287	-£11,082
Bellbird Primary School	£167,408	£178,443	£260,195	£81,752
Benwick Primary School	£95,195	£129,397	£119,333	-£10,064
Bewick Bridge Comm. Primary School	£69,306	£91,877	£86,715	-£5,162
Brampton Village Primary School	-£21,417	£198,639	£416,869	£218,230
Brington Primary School	£86,045	£79,868	£69,887	-£9,981
Burrough Green Primary School	£86,255	£99,803	£90,373	-£9,431
Burwell Primary School	£54,361	£342,128	£578,315	£236,187
Bushmead Primary School	-£16,506	-£30,459	-£41,731	-£11,272
Caldecote Primary School	£52,120	£55,149	£29,759	-£25,389
Castle Camps Primary School	£40,796	£65,643	£38,769	-£26,874
Cherry Hinton Primary School	£35,027	£28,746	-£42,121	-£70,867
Cheveley Primary School	£72,888	£98,555	£104,524	£5,969
Clarkson Infant School	£191,739	£254,289	£179,155	-£75,134
Coates Primary School	£178,267	£260,909	£249,341	-£11,568
Colville Primary School	£57,851	£252,119	£262,069	£9,949
Coton Primary School	£15,504	£45,019	£38,042	-£6,976
Cottenham Primary School	£136,464	£285,430	£286,203	£773
Dry Drayton Primary School	£82,424	£65,853	£59,128	-£6,724

School Name	<u>c/f 19/20</u> <u>(+Surplus</u> <u>-Deficit)</u> Fund 01/02	<u>c/f 20/21</u> <u>(+Surplus</u> <u>-Deficit)</u> Fund 01/02	<u>c/f 21/22</u> <u>(+Surplus</u> <u>-Deficit)</u> Fund 01/02	<u>Change</u> <u>between</u> <u>Years £</u> <u>Fund 01/02</u>
Duxford Primary School	£75,116	£108,112	£48,086	-£60,027
Eastfield Infant School	£72,676	£47,211	£26,425	-£20,786
Elsworth Primary School	£111,462	£105,862	£90,240	-£15,622
Elton Primary School	£61,897	£71,440	£64,411	-£7,029
Ely St John's Primary School	£63,258	£108,237	£67,960	-£40,278
Eynesbury Primary School	£35,131	£49,405	£6,442	-£42,963
Fawcett Primary School	£188,491	£180,000	£238,778	£58,778
Fen Drayton Primary School	£37,640	£65,159	£10,885	-£54,275
Fenstanton and Hilton Primary School	£55,254	£57,460	£57,508	£48
Folksworth Primary School	£13,769	£23,838	£33,273	£9,435
Fordham Primary School	£327,187	£516,120	£673,218	£157,098
Fourfields Primary School	£240,523	£289,329	£310,444	£21,115
Fowlmere Primary School	£24,411	£13,021	-£977	-£13,998
Foxton Primary School	£60,525	£71,801	£57,846	-£13,955
Friday Bridge Primary School	£78,188	£74,295	£26,851	-£47,444
Fulbourn Primary School	£124,990	£107,228	£104,015	-£3,213
Great Abington Primary School	£35,937	£53,562	£24,618	-£28,945
Great Gidding Primary School	£38,349	£23,450	-£4,997	-£28,447
Great Paxton Primary School	£33,638	£35,193	£19,921	-£15,273
Great Wilbraham Primary School	£34,583	£34,961	£24,597	-£10,364
Grove Primary School	£196,837	£105,323	£49,726	-£55,596
Gt & Lt Shelford Primary School	£20,639	£40,637	£29,392	-£11,246
Hardwick and Cambourne Primary School	£266,426	£298,777	£338,696	£39,919
Harston & Newton Primary School	£47,127	£30,107	£48,232	£18,125
Haslingfield Primary School	£115,664	£83,007	£87,037	£4,030
Hauxton Primary School	£51,270	£65,945	£67,781	£1,835
Hemingford Grey Primary School	£94,903	£131,719	£125,055	-£6,664
Holywell Primary School	£35,824	£23,178	£7,895	-£15,283
Houghton Primary School	£168,272	£85,538	£78,985	-£6,552
Huntingdon Primary	£120,585	£238,673	£218,039	-£20,634
Isleham Primary School	£76,930	£72,729	-£3,737	-£76,466
Kettlefields Primary School	£18,271	£41,834	£100,387	£58,553
Kinderley Primary School	£43,195	£46,753	£50,614	£3,861
Kings Hedges Primary School	£368,640	£540,884	£596,392	£55,508
Linton Infant School	-£8,473	-£20,050	-£60,729	-£40,678
Lionel Walden Primary School	£103,396	£162,575	£144,329	-£18,246
Little Paxton Primary School	£88,997	£200,201	£267,149	£66,948
Little Thetford Primary School	£15,016	£43,018	£27,014	-£16,004
Littleport Primary School	£204,987	£188,442	£253,780	£65,338
Manea Primary School	£78,546	£122,810	£108,914	-£13,896
Mayfield Primary School	£93,671	£50,214	£47,708	-£2,506

Schol Name	c/f 19/20 (+Surplus -Deficit) Fund 01/02	c/f 20/21 (+Surplus -Deficit) Fund 01/02	c/f 21/22 (+Surplus -Deficit) Fund 01/02	Change between Years £ Fund 01/02
Melbourn Primary School	-£31,996	£99,926	£114,515	£14,588
Meldreth Primary School	£65,451	£40,422	£67,052	£26,630
Meridian Primary School	£119,617	£83,560	£30,717	-£52,844
Milton Road Primary School	£93,400	£211,752	£230,790	£19,037
Monkfield Park Primary School	£318,615	£403,328	£591,339	£188,010
Morley Memorial Primary School	£397,302	£463,371	£408,577	-£54,794
Newnham Croft Primary School	£70,849	£94,824	£71,061	-£23,763
Newton Primary School	£37,271	£130,882	£116,143	-£14,739
Orchard Park Comm. Primary School	£91,252	£134,159	£94,382	-£39,777
Over Primary School	£50,781	£27,297	£14,534	-£12,763
Park Street Primary School	£78,631	£82,319	£55,612	-£26,707
Pendragon Primary School	£84,834	£156,553	£198,539	£41,986
Petersfield Primary School	£47,006	£69,469	£82,486	£13,017
Priory Junior School, St Neots	£266,276	£380,530	£397,748	£17,218
Priory Park Infant School	£140,298	£219,133	£211,348	-£7,785
Queen Edith Primary School	£149,521	£225,810	£280,196	£54,386
Queen Emma Primary School	£281,554	£119,175	£125,744	£6,569
Rackham Primary School	£42,493	£109,234	£157,638	£48,404
Ridgefield Primary School	£176,465	£233,481	£209,284	-£24,198
Robert Arkenstall Primary School	£82,431	£92,964	£90,077	-£2,887
Sawtry Infant School	£3,401	£93,056	£86,600	-£6,456
Shirley Primary School	£64,282	£66,185	-£64,764	-£130,949
Spaldwick Primary School	£109,173	£95,648	£75,962	-£19,685
Spinney Primary School	£12,817	-£50,835	-£201,348	-£150,513
Spring Meadow Infant School	£25,088	-£31,383	-£20,697	£10,686
St Alban's Primary School	£28,402	£69,779	£81,668	£11,889
St Anne's Primary School	£65,112	£48,025	£65,694	£17,670
St Helen's Primary School	£36,713	£70,675	£38,204	-£32,471
St Matthew's Primary School	-£14,090	£104,526	£12,140	-£92,386
St Paul's Primary School	£136,794	£149,856	£166,441	£16,585
St Philip's Primary School	£45,006	£54,984	£74,165	£19,182
Steeple Morden Primary School	-£10,097	£30,545	£63,264	£32,719
Stretham Primary School	£150,409	£135,625	£118,812	-£16,812
Stukeley Meadows Primary School	£57,135	£118,683	£136,720	£18,037
Sutton Primary School	£38,259	£85,939	£50,303	-£35,637
Swavesey Primary School	£112,828	£133,389	£100,493	-£32,896
Teversham Primary School	-£23,746	£17,529	-£13,619	-£31,148
The Vine Inter-Church Primary School	£130,314	£115,814	£130,731	£14,917
Thorndown Primary	£61,008	£189,621	£290,133	£100,511
Townley Primary School	£114,595	£122,516	£101,183	-£21,333
Trumpington Meadows P	£25,285	£65,295	£128,996	£63,701

School Name	<u>c/f 19/20</u> <u>(+Surplus</u> <u>-Deficit)</u> Fund 01/02	<u>c/f 20/21</u> <u>(+Surplus</u> <u>-Deficit)</u> Fund 01/02	<u>c/f 21/22</u> <u>(+Surplus</u> <u>-Deficit)</u> Fund 01/02	<u>Change</u> <u>between</u> <u>Years £</u> <u>Fund 01/02</u>
Waterbeach Primary School	£41,031	£94,095	-£3,934	-£98,029
Westfield Junior School	£76,228	£108,124	£131,087	£22,963
Wheatfields Primary School	£122,476	£93,913	£137,420	£43,508
Wilburton Primary School	£63,868	£91,320	£91,557	£237
William Westley Primary School	£116,349	£107,802	£82,889	-£24,913
Willingham Primary School	£74,075	£78,921	£107,485	£28,563
Wyton Primary School	-£19,765	£11,110	£19,295	£8,184
Yaxley Infant School	£110,964	£156,585	£150,424	-£6,161
Total Maintained Primary Schools	£10,306,829	£13,972,339	£14,004,519	£32,179
Castle Special School	-£27,869	£241,367	£234,156	-£7,211
Granta Special School	£130,982	£230,959	£523,859	£292,899
Samuel Pepys Special School	£402,389	£461,193	£334,349	-£126,844
Total Maintained Special Schools	£505,501	£933,519	£1,092,363	£158,844
Overall Maintained School Total	£11,654,786	£15,506,807	£15,473,452	-£33,356

Appendix B – Academy Revenue Balances as at 31st August 2019, 31st August 2020 and 31st August 2021 as per Academy Accounting Returns (AAR) – BNCH44001 – Revenue Reserves

<u>School Name</u>	<u>c/f 18/19</u> <u>(+Surplus</u> <u>-Deficit)</u>	<u>c/f 19/20</u> <u>(+Surplus</u> <u>-Deficit)</u>	<u>c/f 20/21</u> <u>(+Surplus</u> <u>-Deficit)</u>
Alderman Jacobs School	£182,000	£290,000	£385,000
All Saints Interchurch Academy	£320,000	£323,000	£352,000
Babraham CoFE (VC) Primary School	£51,000	£15,000	£19,000
Bar Hill Community Primary School	£56,000	£45,000	£58,000
Bottisham Community Primary School	£123,000	£75,000	£63,000
Bourn CoFE Primary Academy	£105,000	£132,000	£81,000
Buckden CoFE Primary School	£74,000	£21,000	£111,000
Burrowmoor Primary School	£348,000	£171,000	£177,000
Bury CoFE Primary School	£195,000	£240,000	£266,000
Cavalry Primary School	£244,000	£188,000	£202,000
Chesterton Primary School	£55,000	£77,000	£124,000
Cromwell Academy	£345,000	£169,000	£200,000
Crosshall Infant School Academy	£95,000	£130,000	£166,000
Crosshall Junior School	£104,000	£145,000	£229,000
Ditton Lodge Primary School	£81,000	£0	£0
Downham Feoffees Primary Academy	£156,000	£135,000	£123,000
Earith Primary School	£75,000	£85,000	£56,000
Elm CoFE Primary School	£81,000	£162,000	£126,000
Elm Road Primary School	£30,000	£99,000	£170,000
Ely St Mary's CoFE Junior School	£350,000	£329,000	£433,000
Ermine Street Church Academy	£54,000	£98,000	£36,000
Farcet CoFE (C) Primary School	£59,000	£55,000	£107,000
Fen Ditton Primary School	£151,000	£161,000	£167,000
Gamlingay Village Primary	£46,000	£7,000	£38,000
Girton Glebe Primary School			£74,000
Glebelands Primary Academy	£13,000	£93,000	£179,000
Godmanchester Bridge Academy	£492,000	£446,000	£425,000
Godmanchester Community Academy	£390,000	£375,000	£463,000
Gorefield Primary School	£89,000	£82,000	£71,000
Great Staughton Primary Academy	£37,000	£55,000	£58,000
Guilden Morden CoFE Primary Academy	£-29,000	£-41,000	£-22,000
Guyhirn CoFE VC Primary School	£208,000	£291,000	£340,000
Hartford Infant School	£201,000	£181,000	£194,000
Hartford Junior School	£12,000	£21,000	£93,000
Hatton Park Primary School	£77,000	£95,000	£190,000
Histon and Impington Infant School	£37,000	£29,000	£199,000
Histon and Impington Junior School	£468,000	£459,000	£420,000

<u>School Name</u>	<u>c/f 18/19</u> <u>(+Surplus</u> <u>-Deficit)</u>	<u>c/f 19/20</u> <u>(+Surplus</u> <u>-Deficit)</u>	<u>c/f 20/21</u> <u>(+Surplus</u> <u>-Deficit)</u>
Holme CofE Primary School	£49,000	-£13,000	-£68,000
Isle of Ely Primary School	£231,000	£316,000	£476,000
Jeavons Wood Primary School	£199,000	£113,000	£64,000
Kennett Primary School	£73,000	£89,000	£107,000
Kimbolton Primary Academy	£52,000	£9,000	£31,000
Kingsfield Primary School	£84,000	£3,000	£215,000
Lantern Community Primary School	£101,000	-£11,000	-£3,000
Leverington Primary Academy	£134,000	£113,000	£185,000
Linton Heights Junior School	£122,000	£7,500	£78,000
Meadow Primary School	£264,000	£290,000	£216,000
Mepal and Witcham Church of England Primary School	£70,000	£77,000	£93,000
Middlefield Primary Academy	£6,000	£0	£19,000
Millfield Primary School	£261,000	£310,000	£324,000
Milton Church of England Primary School	£115,000	£130,000	-£23,000
Murrow Primary Academy *1	£172,000	£160,000	£272,000
New Road Primary School	£73,000	£0	£128,000
Oakington CofE Primary School	£57,000	£29,000	-£25,000
Offord Primary School		£15,000	-£45,000
Orchards Church of England Primary School	£219,000	£112,000	£114,000
Park Lane Primary & Nursery School	£210,000	£0	£436,000
Pathfinder C of E Primary School			£0
Peckover Primary School	£237,000	£278,000	£276,000
Ramnoth Junior School	-£57,000	£111,000	£238,000
Ramsey Junior School	£90,000	£96,000	£140,000
Ramsey Spinning Infant School	£52,000	£71,000	£23,000
Sawtry Junior Academy	£103,000	£81,000	£184,000
Somersham Primary School	£17,000	-£9,000	-£83,000
St Andrew's CofE Primary School	£207,000	£254,000	£281,000
St John's CofE Primary School	£183,000	£224,000	£285,000
St Laurence Catholic Primary School		£229,000	£291,000
St Luke's CofE Primary School	£26,000	£28,000	£19,000
St Mary's Church of England Primary School St Neots	£270,000	£277,000	£224,000
St Peter's CofE Aided Junior School	£119,000	£78,000	£110,000
Stapleford Community Primary School	£43,000	£11,000	£34,000
Stilton Church of England Primary Academy	£63,000	£97,000	£112,000
Swaffham Bulbeck Church of England Primary School	£14,000	£48,000	£60,000
Swaffham Prior Church of England Academy	£85,000	£76,000	£61,000
The Galfrid Academy *2	£0	£0	£0
The Icknield Primary School			£106,000
The Nene Infant & Nursery School	£281,000	£390,000	£492,000
The Round House Primary Academy	£390,000	£308,000	£375,000
The Shade Primary School	£506,000	£536,000	£461,000

<u>School Name</u>	<u>c/f 18/19</u> <u>(+Surplus</u> <u>-Deficit)</u>	<u>c/f 19/20</u> <u>(+Surplus</u> <u>-Deficit)</u>	<u>c/f 20/21</u> <u>(+Surplus</u> <u>-Deficit)</u>
The Weatheralls Primary School	-£422,000	-£544,000	-£629,000
Thomas Eaton Primary Academy	£19,000	£0	£40,000
Thongsley Fields Primary and Nursery School	£445,000	£442,000	£454,000
Thriplow CofE VA Primary School	£73,000	£89,000	£103,000
Trumpington Park Primary School	£312,000	£467,000	£621,000
University of Cambridge Primary School	£253,000	£324,000	£432,000
Upwood Primary Academy	£201,000	£228,000	£214,000
Warboys Primary Academy	£66,000	£51,000	-£55,000
Westwood Primary School	£114,000	£158,000	£295,000
William de Yaxley Church of England Academy	£71,000	£42,000	£71,000
Winhills Primary Academy	£1,000	£26,000	£84,000
Wintringham Primary Academy	£333,000	£507,000	£515,000
Wisbech St Mary CofE Academy	£37,000	£49,000	-£17,000
Total Academy Primary Schools	£11,999,000	£12,010,500	£14,784,000
Abbey College, Ramsey	-£22,000	£141,000	£505,000
Bassingbourn Village College	£174,000	£263,000	£494,000
Bottisham Village College	£1,106,000	£1,147,000	£1,211,000
Cambourne Village College	£770,000	£358,000	£449,000
Cambridge Academy for Science and Technology *2	£0	£0	£0
Chesterton Community College	£128,000	-£135,000	-£539,000
Coleridge Community College *2	£0	£0	£0
Comberton Village College	£1,019,000	£374,000	£540,000
Cottenham Village College *2	£0	£290,000	£0
Cromwell Community College	£878,000	£967,000	£1,386,000
Ely College	-£494,000	-£426,000	£68,000
Ernulf Academy *2	£0	£174,000	£0
Hinchingbrooke School	£515,000	£552,000	£733,000
Impington Village College	£770,000	£49,000	£813,000
Linton Village College	£313,000	£418,000	£708,000
Littleport & East Cambs Academy	£218,000	£499,000	£535,000
Longsands Academy *2	£0	£222,000	£0
Melbourn Village College	£537,000	£377,000	£449,000
Neale-Wade Academy	£508,000	£870,000	£1,608,000
North Cambridge Academy	-£152,000	-£27,000	£271,000
Northstowe Secondary College *3			£187,000
Parkside Community College *2	£0	£0	£0
Sawston Village College	£575,000	£784,000	£903,000
Sawtry Village Academy	£8,000	£402,000	£620,000
Sir Harry Smith Community College	£857,000	£0	£1,626,000
Soham Village College	£921,000	£1,103,000	£1,374,000
St Bede's Inter-Church School	£304,000	£634,000	£1,223,000

School Name	<u>c/f 18/19</u> <u>(+Surplus</u> <u>-Deficit)</u>	<u>c/f 19/20</u> <u>(+Surplus</u> <u>-Deficit)</u>	<u>c/f 20/21</u> <u>(+Surplus</u> <u>-Deficit)</u>
St Ivo Academy *2	£0	£103,000	£0
St Peter's School	£543,000	£420,000	£519,000
Swavesey Village College	£238,000	£224,000	£368,000
The Netherhall School	£342,000	£184,000	£372,000
Thomas Clarkson Academy	-£567,000	-£460,000	-£465,000
Trumpington Community College *2	£0	£0	£0
Witchford Village College	£544,000	£84,000	£116,000
Total Academy Secondary Schools	£10,033,000	£9,591,000	£16,074,000
Highfield Ely Academy	£303,000	£277,000	£321,000
Highfield Littleport Academy	£140,000	£473,000	£786,000
Meadowgate Academy	£43,000	£274,000	£491,000
Spring Common Academy	£470,000	£519,000	£628,000
Riverside Meadows Academy	£866,000	£0	£181,000
The Centre School *2	£0	£30,000	£0
The Harbour School - Ely			£498,000
The Martin Bacon Academy *3	£0	£74,000	£187,000
Total Academy Special Schools	£1,822,000	£1,647,000	£3,092,000
Overall Academy Total	£23,854,000	£23,248,500	£33,950,000

Please note, where balances are missing or £0 it could be due to a number of reasons:

*1 - Inconsistencies with prior-year AAR data due to mid-year change

*2 - Trust has not reported individual school balance in AAR

*3 - New School

Dedicated Schools Grant (Safety Valve) and Financial Management

To: Schools Forum

Meeting Date: 15 July 2022

From: Director of Resources & Chief Finance Officer
Cambridgeshire County Council

Electoral division(s): All

Outcome: Schools Forum considers the financial context and consequences of the high needs block deficit and the way forward in the context of the DfE safety valve programme

Recommendation: Schools Forum is invited to note and comment on this report.

Officer contact:

Name: Tom Kelly
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Tel: 01223 703599

1. Background

- 1.1 This report aims to summarise the current financial position arising from the deficit in the high needs block, some of the implications for local financial management and the importance of the opportunity presented by the safety valve process. Mindful of the growth in the deficit to date and the opportunity to address this now presented, I have submitted this report in my capacity as the chief finance officer for the County Council, which includes a statutory role to make arrangements for the proper administration of the financial affairs of the local authority.
- 1.2 Schools Forum is very familiar with the annually recurrent and carried forward deficit that has arisen in the high needs block of the dedicated schools grant (DSG). The growth in the year-end deficit carried forward at each year end is shown in the final column of the table below:

	EHCPs (as at January Census)		High Needs Budget		High Needs Expenditure		High Needs Deficit	
	Numbers	Annual Growth	£000	Annual growth	£000	Annual growth	In year £000	Accumulated £000
2016/17	3429	7.0%	63,001	1.7%	65,701	3.9%	2,700	113
2017/18	3822	11.5%	65,006	3.2%	69,632	6.0%	4,626	642
2018/19	4198	9.8%	68,360	5.2%	77,196	10.9%	8,836	7,286
2019/20	4690	11.7%	71,041	3.9%	82,619	7.0%	11,578	16,630
2020/21	5327	13.6%	76,627	7.9%	89,163	7.9%	12,536	26,829
2021/22	6100	14.5%	85,327	11.4%	100,178	12.4%	14,851	39,264

This shows that whilst there has been significant growth in the size of the high needs block budget since 2016/17, the growth in expenditure has been even quicker, and therefore the carried forward deficit each year is accumulating at a growing rate.

- 1.3 The accumulated deficit as at 31 March 2022 was £39.3m and is projected to exceed £50m by 31 March 2023. Based on the current trajectory the deficit would exceed £100m by 2027-28. There is widespread consensus that this is not a sustainable or acceptable financial position

2. Current handling of the deficit

- 2.1 Since the mid-2000s, dedicated schools grant has been provided on a ringfenced basis. This means that the grant can only lawfully be expended for the purposes set out in the regulations, such as schools and settings delegated budgets, and for high needs and early years provision. In 2020, as the national picture with overspending in the high needs block continued to worsen, further Regulations¹ were made which created a ringfence in the other direction, prohibiting Councils from contributing general funds to the deficits and effectively requiring local authorities to ringfence the deficit and hold this as a negative reserve.

- 2.2 This accounting treatment and statutory regime is unlike other areas of local government

¹ The Local Authorities (Capital Finance & Accounting) (England) (Amendment) Regulations 2020.

finance. In its general fund budget, the Council is not permitted to set an unbalanced budget and must take statutory action to avoid exhausting its reserves where this is at risk. Schools Forum will be aware of high-profile examples nationally and locally where Councils have needed to follow the statutory process due to financial resilience failures and the implications for national intervention and service delivery that follow.

- 2.3 The Regulations permitting a ringfenced deficit were made by the Department for Levelling Up, Housing and Communities (rather than DfE) and expire in March 2023. There is uncertainty as to whether they will be extended, given that they are anomalous compared to the wider local government finance regime, which brings into sharp focus the risk of the local area carrying a large and growing deficit and how this would need to be treated in that event. In other words, without renewal of the Regulations, or collectively addressing the deficit through DfE's safety valve process, the local area faces finding £50m to pay off the accumulated deficit, alongside addressing the recurrent overspend each year.
- 2.4 The above paragraphs explain how the Council has *accounted* for the deficit to date. In *cashflow* terms, the deficit represents funds that have already been expended by the Council to deliver services to children and young people with high needs. Although it is currently unlawful for the Council to account for deficit from its general funds, in effect it has had to use the cash in its general and earmarked reserves, and working capital, to enable the level of expenditure on the high needs block to continue above the budgeted level. There are both actual and opportunity costs from this necessary deployment of cashflow.

3 County Council financial context

- 3.1 The County Council's annual revenue net budget for 2022-23 is £456.6m. The Council's current policy is to maintain a general unearmarked reserve equivalent to 4% of its budget. Holding this level of reserve is a recent development - prior to setting its budget in February 2022, policy was to hold this balance at 3%. The increase is principally a reflection of the assessment that the risks and uncertainties facing the Council are elevated, chief amongst these are the impacts of the pandemic on expenditure and income, inflationary pressures and the uncertainty relating to the high needs block deficit. In February 2022, Full Council voted a County Council precept increase of 4.99% in total, the maximum allowable, in view of these risks and deploying funds to local services.
- 3.2 Notwithstanding these steps as part of financial risk management, an adverse scenario for the high needs block deficit would be a very significant financial challenge. It is also evident that DfE anticipate local areas will fully identify and implement savings opportunities inside the DSG (across the blocks) *before* considering other national and local funding sources. This means we need to successfully secure a safety valve deal, and deliver the actions and initiatives required. The alternative is implementation of more difficult and deeper savings measures locally without national support.
- 3.3 The majority of the Council's revenue expenditure in the general fund is focused on demand led budgets, which, like the high needs block, are relied on by vulnerable people and their families:
- Older People and Adult Social Care (£109.6m revenue budget in 2022-23)
 - Learning Disability Partnership (£79.6m)
 - Safeguarding Children (£53.3m)
 - Home to School Transport (£29.2m)

- 3.4 All of these budgets have faced growing demand and a constrained funding envelope in recent years. The level of recurrent overspend on the high needs block is pronounced relative to the spending pressures the Council has experienced in those other demand-led budgets. While this is the case in many areas across the country and is reflective of the current national SEND framework, it is also acknowledged that more steps will need to be taken locally to address overspending and bring the position into control. Cross-referencing the other budgets the Council is responsible for also illustrates the risk should the accumulated deficit or part of it revert to the local authority general fund. There would be significant knock-on implications for the funding of these relied on local services in that scenario.

4. Safety valve

- 4.1 Through the Council's Chief Executive, Executive Director of People Services, Service Director: Education and Chief Finance Officer, the Department for Education has invited the Council to participate in the third round of the safety valve programme. Officials have been clear with the Council, at the outset, that although the challenging national context and Cambridgeshire's low funding base is acknowledged, the focus of the programme and negotiations must be on proactive local steps to bring the deficit under control. Only once Ministers are confident that the local area has a sustainable plan for bringing the annual deficit into in-year balance, will some national funding support for the historic deficit be considered.
- 4.2 The report submitted to Schools Forum by the Service Director: Education and Head of SEND Services 0-25, at this meeting, outline in more detail the transformation programme, planning and review activity and initiative development that are underway to address these challenges. This is in anticipation of submitting credible and comprehensive plans to the DfE in September and October.
- 4.3 For the financial year 2022-23, Schools Forum agreed a block transfer from the Schools Block to the High Needs Block of 0.5%. This was strongly welcomed by the local authority and has enabled positive investment in transformative activity in the high needs block, providing a springboard so that we can accelerate engagement with the DfE process. The Council has been informally advised that all of the safety valve deals in the first and second round of the programme have included a recurrent block transfer from schools block to high needs block across the multi-year span of the deals. We understand block transfers at a higher level than currently agreed in Cambridgeshire, for one year, have been permitted on a multi-year basis. Linked to this, in DfE's current consultation on a move to a direct national funding formula, it is proposed to retain the facility to make block transfers, including for multi-year agreements such as the safety valve. This supports the likelihood that this could form a long-term part of the schools funding architecture.
- 4.4 There is a tight window leading up to mid-September for the preparation and submission of a DSG deficit management plan as part of the safety valve programme. For the reasons set out in this paper, it is imperative for the local funding of high needs services, as well as the Council's wider financial position, that a safety valve deal is reached, national funding is unlocked and progress to a sustainable annual spending position is then continuously delivered. This will require the collective leadership of the Council and Schools Forum, on behalf of the local education system, to commit to and endorse the reforms and decisions necessary in the overall interests of the local area.

High Needs Block and Safety Valve Update – July 2022

To: Schools Forum

Meeting Date: 15 July 2022

From: Jonathan Lewis – Service Director: Education
Jo Hedley – Head of SEND Services 0-25

Purpose: To provide Schools Forum with an update on the High Needs Block and Safety Valve arrangements.

Recommendation: Schools Forum are asked to comment on the content of the presentation at appendix A.

Officer contact:

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1. Context

1.1 The presentation (appendix A) accompanying this report provides information to update Schools Forum on the High Needs Block, SEND Transformation Programme and the DfE's Safety Valve process:

- Introduction - Cambridgeshire context
- SEND Strategy Phase 2
- Governance
- SEND Transformation programme principles, high level plan, workstream and enablers summary, progress and successes.
- Invest to transform funding and committed spend to date
- High Needs budget, expenditure and projected deficit growth
- Safety Valve context, outcomes and timeline.
- The Plan

1.2 During the presentation by Officers, Members of Schools Forum will have opportunity to comment on the content and ask questions.

High Needs Block and Safety Valve Update

**Schools Forum
15 July 2022**



Cambridgeshire

Context (slide 1 of 2)



- ◆ Historically low numbers of assessments but demand patterns have changed.
- ◆ Complexity of need is increasing –
 - ◆ Birth survival rates
 - ◆ Greater identification of need – especially Autism and SEMH
- ◆ Schools Funding pressures
- ◆ Demographic increases – rapidly growing area – migration and mobility an issue – Addenbrookes ‘effect’
- ◆ Covid – higher level of needs and number presenting increase beyond modelling – circa 200 pupils requiring a specialist placement – plans to deliver in place.

But...we are an inclusive county; schools demonstrate commitment to inclusion in mainstream schools, we have a significantly low number of permanent exclusions and Cambridgeshire special schools work in close partnership with the Local Authority to meet rising demand.

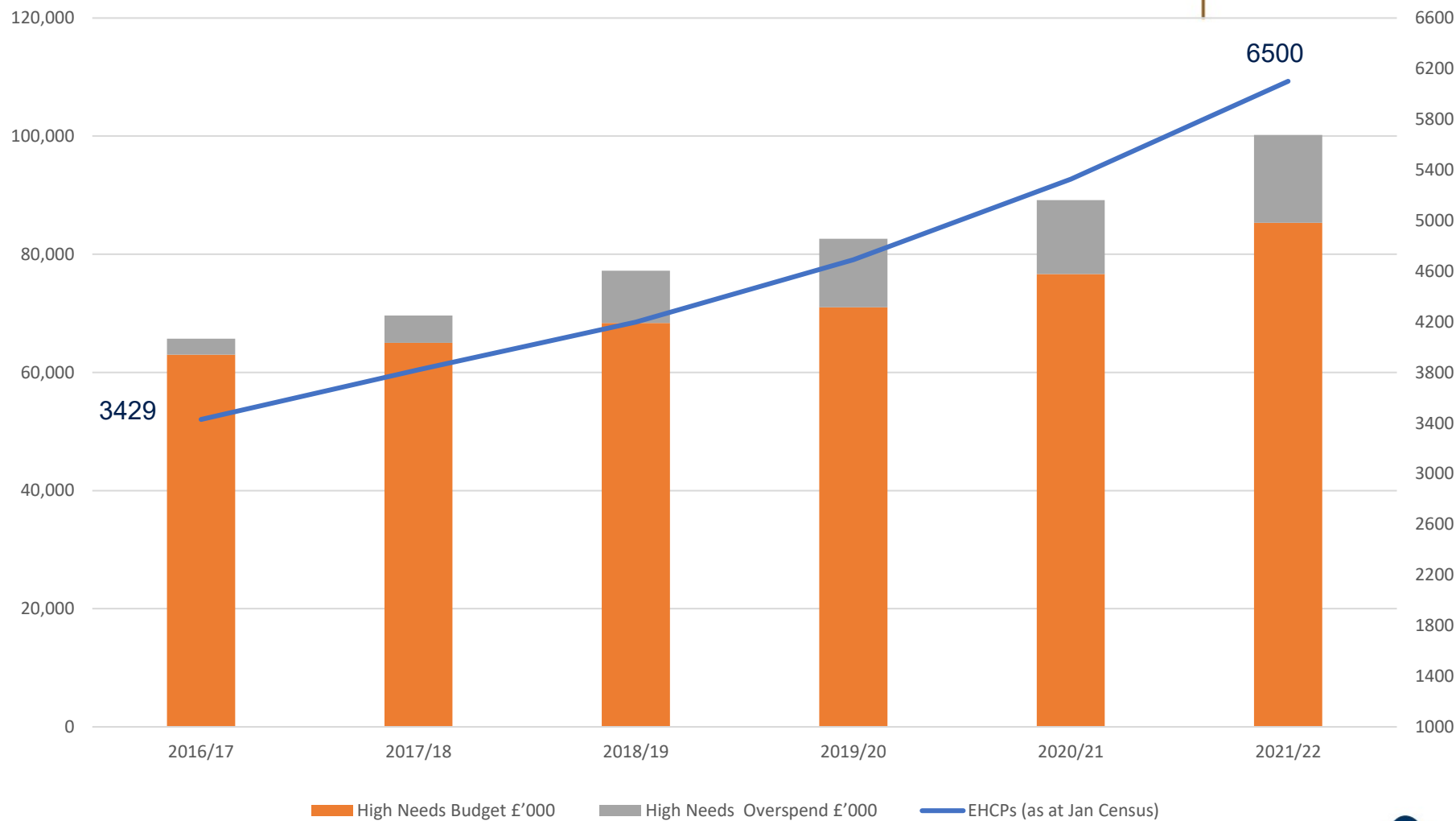
Cambridgeshire

Context (slide 2 of 2)



- ◆ Our relationships with schools provides a good foundation for collaborative working - raising expectation of ordinarily available provision will be a key element of the journey to financial balance.
- ◆ Exceptionally high demand which is placing a stress on the service. We are addressing timeliness and further resources are being deployed to support performance improvement (EP capacity significant barrier).
- ◆ Capacity is now in place to support the transformation programme including using sector capacity and specialist providers to deliver.
- ◆ We know our transformation programme will impact and reduce costs.
- ◆ We are keen to learn from other LAs and have begun engaging at a strategic level to ensure our transformation programme is as effective as possible.

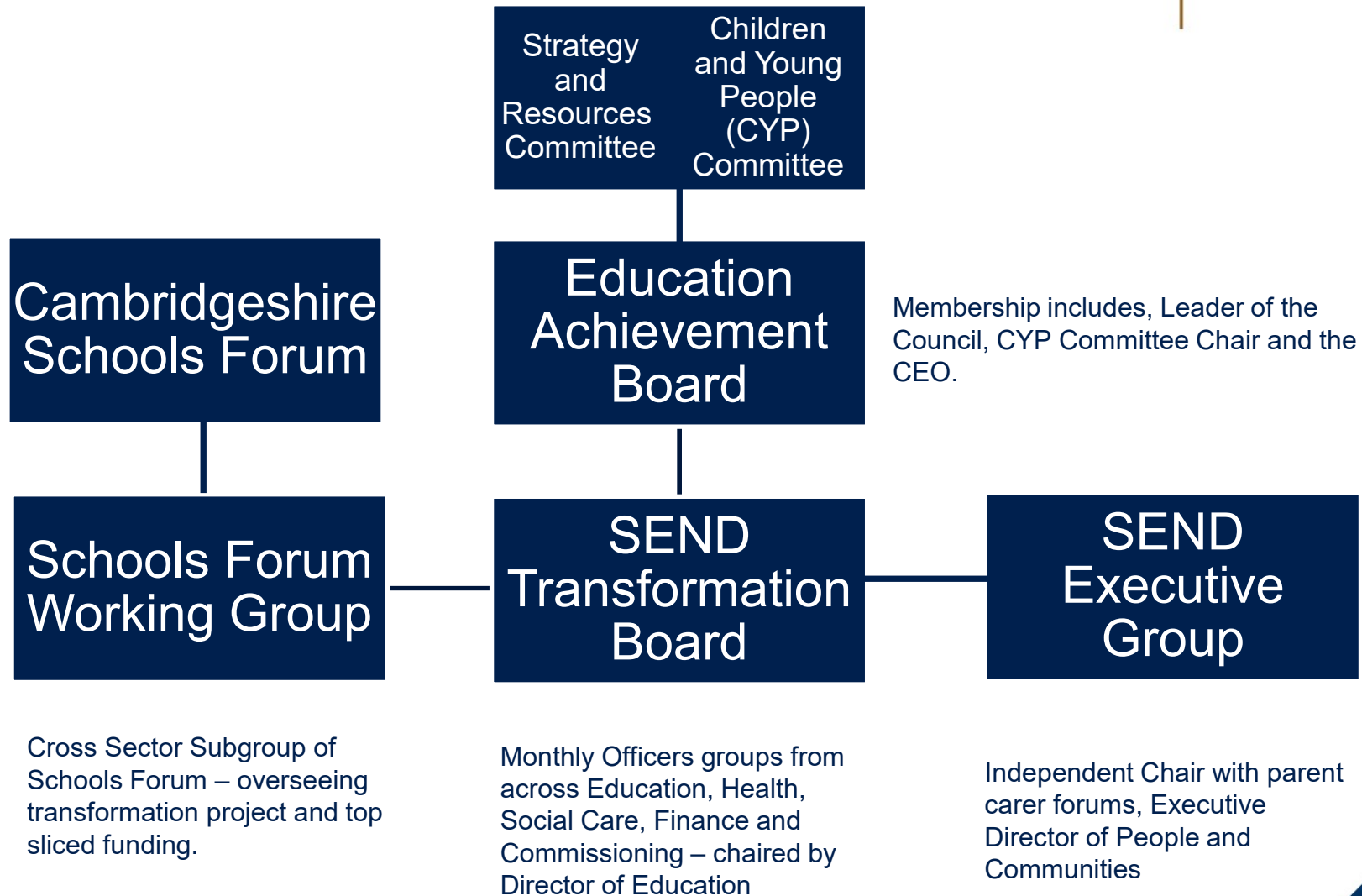
Growing budget, growing overspend and numbers of EHCPs



SEND Strategy- Phase 2

- ◆ Joint SEND Strategy agreed in 2019 – co-produced with Peterborough.
- ◆ Main themes for phase 1 co-produced in 2019
- ◆ Pandemic required focussed approach to outcomes – creation of Phase One encompassing agreed co-produced themes.
- ◆ SEND Transformation plan developed separately in 2021.
- ◆ Phase two of Joint SEND strategy will be agreed through co-production and workshop conference in July 2022 and will be based upon our Transformation plan and the key elements of the Green Paper, alongside our existing themes.
- ◆ There will be a separate strategic action plans and this will be based upon our transformation plan.

Governance



Our Principles for SEND Transformation

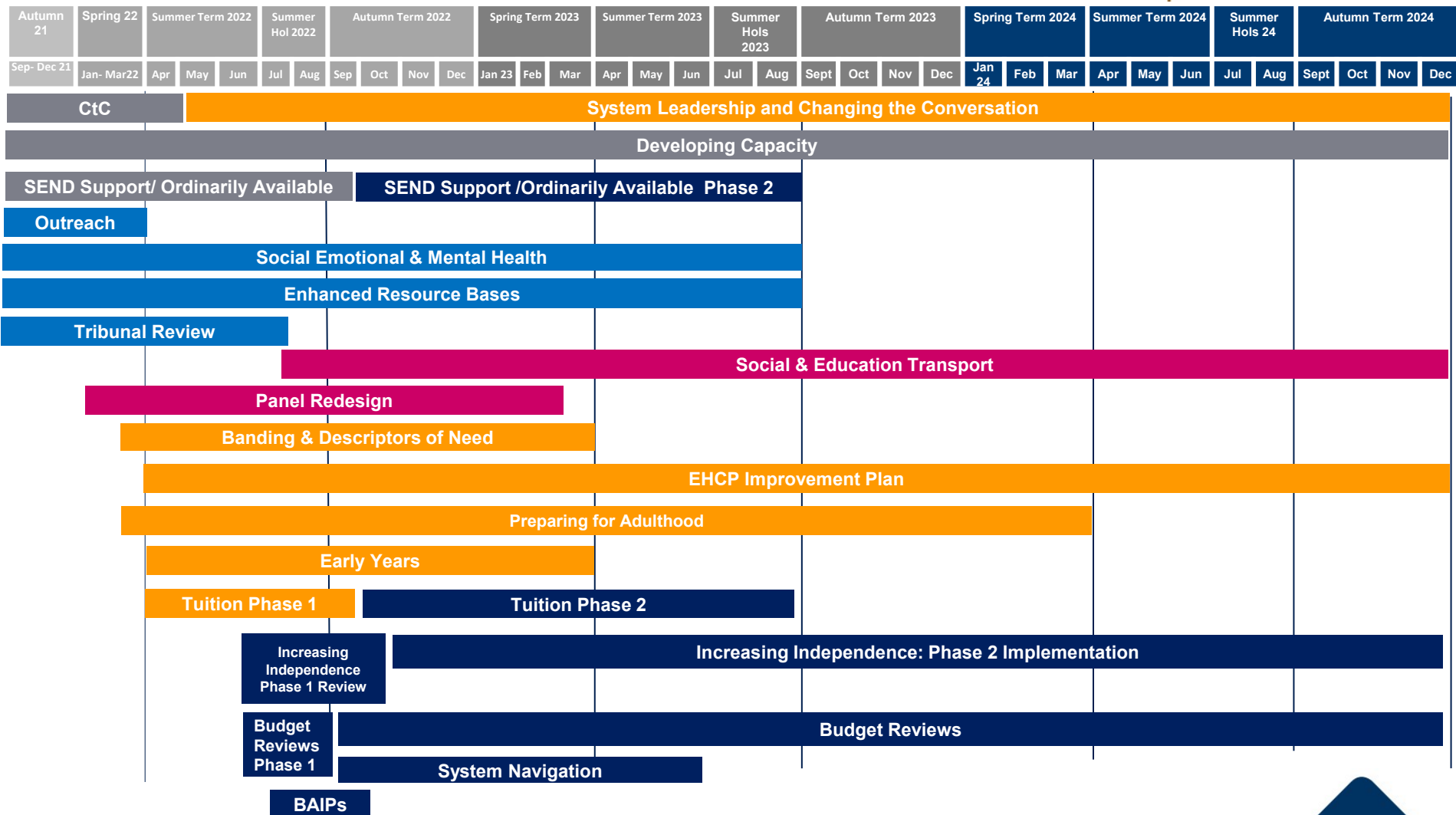
**Investing in early years
and earlier prevention**

**Embedding a focus on
outcomes**

**Developing a system-
wide view and working
with partners to shape
and deliver change**

**Measuring and sharing
our impact**

SEND Transformation | High-level plan



SEND Transformation Workstreams



SEND Support/ OAP: Designing a SEND support system, toolbox, and a shared understanding about mainstream provision



Outreach Model: To facilitate supporting pupils with SEND in mainstream provision through Special Schools outreach



Banding & Descriptors: Bring clarity to graduated approach with consistent understanding and planning to meet needs



SEMH: achieving positive outcomes for children experiencing SEMH needs while remaining in mainstream education



System Leadership: Embedding a strengths-based, person-centred approach to enable positive, sustainable change



System Navigation: To improve navigation of SEND System for families and improve consistency in access and provision



BAIP: Arrangements review to bring greater clarity in relation to funding, roles and responsibilities



Panel Redesign: Developing consistent, transparent, strengths-based multi-agency decision making.



Tuition: Review to ensure appropriate use of tuition packages, promoting reintegration to mainstream school settings



Increasing Independence: Targeted reviews to ensure provision is proportionate, meets need and promotes independence



Preparing for Adulthood: Ensuring YP can access high quality transition and provision to achieve independence & wellbeing



EHCP Improvement Plan: Improve timeliness, quality, confidence in the system and increased transparency in decision-making



Developing Capacity: Ensuring we can provide the right support, at the right time for the right cost.



Enhanced Resource Bases: Confirming the commissioning arrangements for ERBs, and develop the Cambridgeshire offer.



SEND Transport: Review, rationalise and retender SEND Transport



Early Years: To provide a more cohesive and comprehensive SEND Support offer to early years children.



Tribunals: Review of tribunal process and resources



Budget Reviews: Review to ensure value for money and aligned to support SEND Transformation Principles

SEND Transformation Enablers



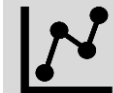
Communication & engagement: Developing a consistent & regular approach to engaging, consulting and co-designing changes across the programme



Workforce Development: Ensuring all staff across the system has access to training to enable them to work in a way that compliments the transformation programme



IT Transformation: Updating systems to ensure they are fit for purpose, enabling more efficient processes and access to more reliable data



Trajectory Management: Establishing an approach to tracking impact by bringing together finance and activity data, enabling everyone to understand impact of work



Quality Assurance: Focus on the continuous improvement in the quality of services delivered

Progress and successes



Workstream	Progress
Outreach	Outreach Model launched to facilitate supporting CYP with SEND who are at risk of placement breakdown to remain in mainstream provision through Special Schools outreach
Tribunal Review	Some elements of mediation and tribunal has been brought 'in house' for decision making, rather than using external Legal Services. £20k saving this year.
SEND Support/ OAP	Development of SEND Support web-based toolkit in progress for publication in September 2022.
Preparing for Adulthood	Multi-agency steering group established, plus working groups around Health, Employment, Independence & Communities to take forward development of PfA strategy.
Banding and descriptors	SEND4Change commissioned to lead this work. Analysis of the HNB undertaken. Agreed starting point and priority focus should be ERBs , initial session held with ERBs. SEND4Change will visit a sample of ERBs during July to discuss effectiveness and impact of the current funding system and ways of bringing about improvements.
System Leadership	Changing the Conversation has been introduced to the Statutory Assessment Team, Additional Needs (14-25) Team and Access & Inclusion Officers to support strengths-based approaches. Plans are in place to start a pilot around transitions with early years and schools and to support the Social and Education Transport Programme. We will be recruiting two System Leadership Co-ordinators

Progress and successes

Workstream	Progress
Tuition	Analysis of all CYP on tuition nearing completion with themes emerging for improvement
SEMH	5 July SEMH Conference held. Options appraisal for ERB (SEMH) underway
EHCP Improvement	Project resource allocated to progress an ambitious and far-reaching EHCP and Annual Review Improvement Plan – initial areas of focus agreed.
Panel Redesign	New Post Assessment Panel introduced, to determine whether an EHCP should be issued and if so what funding/provision should be linked.
SEND Transport	Recruitment underway for 2 Engagement Officers and an Operational Officer to review and re-tender transport serving special schools.
Capacity	Additional investment in the Statutory Assessment Team to build capacity , this and smarter working including focus days, is starting to improve timeliness and quality.
Data	Measures taken to improve SEND data quality , plus new SEND Performance & Compliance Officer role introduced.
Case management system	Procurement of a new case management system completed. The system will drive process efficiencies and free up staff capacity. Implementation planning in process

Invest to Transform Funding



Activity		Progress	Committed spend to date
SEND Transformation - Contribution to a system-wide change programme.(£526,045)		Detailed in slides above	£359,227
SEND Contingency - To support those schools with higher numbers of SEND / EHCPs than notional SEN supports. (£450k)		Initial figures have been calculated using EHCP numbers as at May 2022. Qualifying schools will be notified of the initial allocations to be funded in July, with the exercise repeated in the autumn term to capture any changes in overall numbers	TBC
SEMH Training - Training programme for schools to upskill their ability and awareness when working with CYP who experience SEMH difficulties.(£75k)		Steps - Free tutor and refresher places - Additional courses booked to take place starting Sep 2022. Emotional Literacy project - Brief written and negotiated with Therapeutic Thinking. Writing has begun, next steps agreed. Available for free next school year. SEMH virtual conference held 5 July.	£30,323
SENCO Training - roll out SEND whole school audits and individualised support for each school/ setting (£75k)		10 full day programme initial visits undertaken this financial year with a further two booked before end of summer term. Recruitment campaign for September 2022 to backfill to free up more time to roll out programme and support package.	£6,615
New Provision - One-off revenue support to develop additional provision and support increasing needs. (£975,955)		Paper presented to CYP Committee on the 5 July outlining 16 project proposals to be taken forward. Funding will support the associated revenue costs (set up and running costs)	TBC
Block Transfer	£2,102k	Page 47 of 92	£396,165

Budget and spend has grown, but not as fast as EHCP numbers

	EHCPs (as at January Census)		High Needs Budget		High Needs Expenditure		High Needs Deficit	
	Numbers	Annual Growth	£000	Annual growth	£000	Annual growth	In year £000	Accumulated £000
2016/17	3429	7.0%	63,001	1.7%	65,701	3.9%	2,700	113
2017/18	3822	11.5%	65,006	3.2%	69,632	6.0%	4,626	642
2018/19	4198	9.8%	68,360	5.2%	77,196	10.9%	8,836	7,286
2019/20	4690	11.7%	71,041	3.9%	82,619	7.0%	11,578	16,630
2020/21	5327	13.6%	76,627	7.9%	89,163	7.9%	12,536	26,829
2021/22	6100	14.5%	85,327	11.4%	100,178	12.4%	14,851	39,264

Deficit growth projected

£m DSG	Accumulated deficit	Deficit Growth
2018-19	7.3	
2019-20	16.6	9.3
2020-21	26.8	10.2
2021-22	39.3	12.4
2022-23	49.1	9.9
2023-24	62.3	13.1
2024-25	77.1	14.9
2025-26	93.2	16.0

Based on previous forecasts the deficit could potentially grow to in excess of £93m by the end of 2025-26 if left unchecked

Safety Valve Context

- The government recognises that, over recent years, significant pressures on high needs budgets have resulted in many local authorities accruing deficits on their Dedicated Schools Grant (DSG)
- There is an urgent need to resolve issues with the sustainability of high needs systems which are essential for the effective ongoing support of children and young people with SEND, and this will be the focus for any future high needs system
- In 2020-21, the Department for Education introduced the 'safety valve' intervention programme for those local authorities with the very highest percentage DSG deficits, recognising that help would be needed for these authorities to turn things around in a short space of time
- The DfE has now entered into agreements with a number of local authorities. These agreements will hold the local authorities to account for delivery of reforms to their high needs systems, so that they can function sustainably and therefore in the best interests of the children and young people they serve.
- These local authorities will be expected to reach an in-year balance on their DSG as quickly as possible, and over time eliminate their deficits.

Deadlines

- ◆ Initial proposal submission to DfE: **15 Sept 2022**
- ◆ Final proposal submission to DfE: **6 October 2022**
- ◆ Approval from DfE: **December 2022**

The Plan

1. Act to reduce the number of requests for assessment, building resilience in the system to support children with SEND, recognising particular pressures around Autism and SEMH.
2. Look at our current cohort, ensure the support they are getting is as closely aligned with their needs as possible, now and in the future.
3. Look at individual budget areas to ensure value for money and efficient use of the High Needs Block.

How....

Enablers to strengthen confidence in the SEND System

SEND Ordinarily Available Provision

Changing the conversation

Banding

Panel redesign

Decrease demand for EHCNA requests.
Increased resilience in schools.

Reviews to increase independence

Tuition reviews

Increasing independence

Preparing for adulthood

Cease to maintain

ISEPs

Reviews will ensure proportionate resources whilst promoting increased independence for pupils across Cambridgeshire.

Other activities to address specific parts of the budget

Developing capacity

Transport

Early Years / SENIF

Budget reviews

Improve PEX / managed moves

Any comments or questions?

Schools Funding Formula Update – July 2022

To: Schools Forum

Meeting Date: 15 July 2022

From: Martin Wade - Strategic Finance Business Partner

Purpose: To provide Schools Forum with a final update on the latest national announcements in respect of the Schools Funding Formula.

Recommendation: Schools Forum are asked to comment on the content of the presentation at appendix A.

Officer contact:

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Tel: 01223 699733

1. Context

- 1.1 The presentation (appendix A) accompanying this report provides information to update Schools Forum on the recently published government consultation on the move towards a direct national funding formula, and will cover the following areas:
- Introduction to the Consultation
 - Interaction between direct national funding formula (NFF) and High Needs
 - Growth and Falling Rolls
 - Premises Funding
 - Minimum Funding Guarantee
 - Annual Funding Cycle
 - Information to Schools and data to be collected from the LA
 - Other Issues
 - Forward Timeline
 - Legislation
 - Next Steps
- 1.2 The full consultation document can be viewed at: [Implementing the direct national funding formula - Department for Education - Citizen Space](#) and has a submission deadline of 9 September 2022.
- 1.3 During the presentation by Officers, Members of Schools Forum will have opportunity to comment on the content and ask questions.

Consultation on Move to Direct National Funding Formula for Schools

Schools Forum – 15th July 2022

Introduction

The purpose of today's presentation is to update Schools Forum on the latest position in relation to the move towards a direct national funding formula:

1. Introduction to the Consultation
2. Interaction between direct national funding formula (NFF) and High Needs
3. Growth and Falling Rolls
4. Premises Funding
5. Minimum Funding Guarantee
6. Annual Funding Cycle
7. Information to Schools and data to be collected from the LA
8. Other Issues
9. Forward Timeline
10. Legislation
11. Next Steps

Introduction to the Consultation

- On 7th June 2022 the Department for Education (DfE) published a consultation on the next stage of the move towards a direction national funding formula. Full details can be found on the DfE website at the following link:
- [Implementing the direct national funding formula - Department for Education - Citizen Space](#)
- The consultation closes on the **9th September 2022**

Introduction to the Consultation

- Follows on from the first stage consultation undertaken in 2021 – [Fair school funding for all: completing our reforms to the National Funding Formula - Department for Education - Citizen Space](#)
- Stage 1 focussed on principles of moving to a direct formula
- Current consultation focuses on some of the detail of implementation...

Introduction to the Consultation

- No definitive “end date” for implementation.
- Expectation of movement to the direct NFF within the next 5 years – by 2027-28 at the latest...
- Further consultations planned on related funding issues..
- ...but still a lot of unanswered questions...

Interaction between NFF and High Needs

- Future consultations plan to cover the operation of funding bands and tariffs to support the development of a national framework for SEND provision
- Will aim to address a range of complex issues, and potentially result in significant changes to the current system.
- Current consultation focusses on:
 1. Continued flexibility to transfer funding from the Schools Block to the High Needs Block
 2. Continuation of notional SEN budget in the direct NFF

Interaction between NFF and High Needs – Flexibility to transfer to HNB

- Currently LA's can transfer up to 0.5% of their schools block with the approval of schools forum, but transfers above 0.5%, or where the schools forum does not agree, must be decided by the Secretary of State.
- Flexibility will remain under direct NFF – Secretary of State to approve.
- Multi-year transfers could be approved – Safety Valve LA's.
- Impact on mainstream schools from a list of options:
 - % reduction in all mainstream schools' NFF allocation.
 - % reduction in the NFF funding that mainstream schools attract through the basic entitlement factor (rather than additional needs factors)
 - % reduction in the NFF funding that schools attract through additional needs factors.

Interaction between NFF and High Needs – Indicative SEND Budget

- Currently notional SEN set at local level by each LA
- Proposal to calculate at a national level as part of the direct NFF.
- Despite some calls for the identified budget to be ringfenced for SEND it will remain notional.
- Link back to the SEND and AP green paper which proposes to introduce nation standards for SEND provision to be available in mainstream schools.
- Consideration to be given to appropriateness of £6,000 threshold?
- £6,000 will remain in the short-term, guidance to be issued to LA's on calculating notional SEN for 2023-24.
- Propose moving Cambridgeshire towards the national average to minimise impact when direct NFF is implemented.

Growth and Falling Rolls Funding

- LA's have a statutory responsibility to ensure there are enough school places available in their area for every child aged 5 to 16.
- Current growth fund discretionary, but required in Cambridgeshire to:
 - Meet the revenue costs associated with new and expanding schools.
 - Support growth in pre-16 pupil numbers to meet basic need. (cannot be used to support increases due to parental preference, or maintain existing class structure for this schools in financial difficulty.)
- Not applied to support Infant Class Size regulations due to overall cost.
- Not applied to support falling rolls due to mandatory DfE criteria – good or outstanding, evidence places will be required again within 3 to 5 years. (only 24 LA's nationally – 12 in London apply)
- ESFA also funds “popular growth” to academies, but not maintained schools.

Growth and Falling Rolls Funding

- **Approach one:** retain some local flexibility
 - Standard formulation
 - Minimum requirements
 - Minimum expectations
 - Requirement for LA's to retain funding centrally
 - Standardise the eligibility criteria for falling rolls fund
 - Requirement for LA's to use School Capacity Survey (SCAP) to assess whether school places will be required in the next 3 to 5 years.
 - Mandatory “good” or “outstanding” requirement being considered.
- **Approach one** is the DfE's preferred approach.

Growth and Falling Rolls Funding

- Under **approach one** funding would still be allocated to LA's:
 - Proposal to re-baseline levels of spend nationally – current basis dates back to 2018-19
 - Funding would be allocated based on **both** growth and falling rolls within LA areas (MSOAs – Middle Layer Super Output Areas).
 - Currently only based on increases.
 - Concern that MSOAs don't currently recognise some of the changes at individual schools level.
 - Would need to see illustrative data of interaction of increases with reductions to assess the overall impact for Cambridgeshire.

Growth and Falling Rolls Funding

- Proposal to increase the scope of growth funding:
 - This would allow LA's and schools/trusts to work together to reduce or repurpose space where there is spare capacity.
 - Consideration could be given to a range of options for the reutilisation of space, including, for example:
 - co-locating nursery or SEND provision,
 - options for reconfiguration, including via remodelling, amalgamations or mergers/closures where this is the best course of action.
- Proposal would allow LA's to use growth and falling roll funds to support revenue costs.
- Overall available funding likely to be a limiting factor within Cambridgeshire.

Growth and Falling Rolls Funding

- **Approach two:** national standardised system
 - LA's would submit data to the DfE and DfE would publish national eligibility criteria and funding rates.
 - Funding to be based on area cost adjustment (ACA) basic entitlement rates.
 - Threshold for growth based on stepped costs:

School Size	Threshold for significant growth
Fewer than 300 pupils	15 pupils
Between 300 and 600 pupils	5% increase in NOR
Greater than 600 pupils	30 pupils

- Opportunity for LA's to provide evidence of exceptional circumstances / costs.
- National system would require pupil number adjustments – clawback?

Growth and Falling Rolls Funding

- **Popular Growth** – currently funded for academies, but not maintained schools
- System for popular growth in academies to remain.
- Consulting on whether maintained schools should also be able access popular growth funding by basing funding on estimates.
- LA's would apply on behalf of maintained schools providing evidence of expected popular growth and evidence of improvements in school performance.
- Would support this approach to ensure consistency across academies and maintained schools.

Premises Funding

- **Split Sites** – currently an optional factor which is only applied for one school in Cambridgeshire.
- Proposal is to base funding on basic eligibility + distance eligibility
- Basic Eligibility:
 - separated by a public road or railway as a clear marker of separateness
 - sites must be used primarily for the education of 5-16-year-olds, and must share a single unique reference number (URN).
 - sites must have a building (excluding ancillary buildings, such as storage sheds).

Premises Funding

- Distance Eligibility:
 - the site would have to meet the basic criterion and meet a distance threshold of 500 metres (0.3 miles) by road
 - same data as sparsity factor to be used to measure distances - Ordnance Survey AddressBase Plus and MasterMap Highways Network data sets
 - a site could trigger additional funding, on top of funding through the basic criterion, to reflect the additional costs of having a second site that is at a greater distance, such as travel time.
 - Recognition 500 metres is a cliff edge – so taper could be considered to allocate funding on a sliding scale.

Premises Funding

- Multiple split sites - capped to a maximum of three 'basic eligibility' payments and three 'distance eligibility' payments
- Payments would be a lump sum. Proposals to set at a maximum of 60% of the NFF lump sum.
- 20% basic eligibility / 40% distance eligibility
- Amounts not yet set for 2024-25, but illustrative figures of £25k basic eligibility and £50k distance eligibility – lower than current Cambridgeshire allocation.
- Protection via MFG and funding floor.
- Potential requirement to change current Cambridgeshire approach from 2023-24 (move to basic and distance criteria), prior to direct NFF implementation from 2024-25?

Premises Funding

- **Exceptional Circumstances** – currently applied in Cambridgeshire for PFI (1 school – circa £207k) and exceptional rental / building costs (5 schools – circa £95k)
- Proposal to standardise what is funded:
- Building Schools for the Future (BSF) school: to be incorporated into a modified PFI factor.
- Amalgamating school: automatically allocate through the lump sum factor. These schools may also become eligible for split site funding.
- Super-sparse school: automatically incorporate this into the sparsity factor.

Premises Funding

- Examples of categories which are currently funded through exceptional circumstances that are proposed to be retained include:
 - Farm school: Schools with a farm attached and used for its educational provision.
 - Rental agreements: Schools which rent additional premises in order to deliver their curriculum because they have inadequate facilities.
 - Dual or joint use agreements: Schools which share the use of a facility in order to deliver their curriculum because they have inadequate facilities.
- Proposal to raise the exceptional circumstances funding threshold to account for at least 2.5% of a school's budget, up from the current 1%.
- If applied this would potentially result in 4 of the 5 primary schools who are currently in receipt of additional funding not longer qualifying.

Minimum Funding Guarantee

- MFG currently protects schools per pupil funding year-on-year.
- The NFF funding floor mirrors the MFG in local formulae and ensures overall affordability.
- These will merge into one single protection mechanism under the direct NFF.
- Proposal is to use local formulae and GAG (general annual grant) as baselines for comparison in the year of transition to the direct NFF.
- Proposal for “simplified” pupil-led funding protection for the MFG under the direct NFF.
- Suggestion is that this approach would remove the “under” / “over” protection of the current methodology. Could benefit some Cambridgeshire schools.

Minimum Funding Guarantee

- Adjusting the floor for changes in year groups.
- The NFF floor is calculated on an overall per pupil basis. This can lead to undesirable effects if a school is changing its year-group structure. For example, if a secondary school expands to become an all-through school, the NFF floor – as it currently operates – would protect the funding for their primary pupils at the same per-pupil funding rates as for their secondary pupils. This would not be fair to other schools which are funded at lower levels for their year 6 pupils.
- Under the direct NFF, the proposal is to make adjustments to the baselines such that schools that change their year-group structures will not be unfairly “overprotected” compared to other schools.
- Seems sensible to remove inconsistencies.

Annual Funding Cycle

Timing	Current arrangements	Proposed Changes
Spring (usually)	DfE usually consults on any planned significant changes to the NFF in the spring before the NFF is published.	No change proposed to the current DfE-led consultation processes.
July	NFF structure and factor values published for the subsequent funding year, together with notional allocations and local authority primary and secondary units of funding (PUFs and SUFs).	Propose to keep the timing of the NFF publication on the structure and factor values unchanged, although what we publish alongside the formula will change.
Autumn	Local authorities consult with their schools forums on local funding formulae, de-delegation and block-transfers.	Local authorities will still need to consult by autumn on de-delegation and transfers to high needs.
December	Local authorities' Dedicated Schools Grant (DSG) allocations published.	DSG allocations will no longer be published for the schools NFF, but they will still be published for early years, high needs and the CSSB.
December-January	Local authorities submit the "Authority Proforma Tool" (APT) with the local funding formulae as well as information on the school estate and pupil data.	Local funding formulae will no longer be produced. We will still need to gather some information from local authorities, but to a slightly different timescale from now. (See below for details).
February	Deadline for local authorities to confirm funding allocations for maintained schools	ESFA will issue the allocations under the direct NFF, and will try to get them out to all schools and academies as early as possible – and no later than current deadlines.
March	Deadline for mainstream academies to be informed of GAG allocations by ESFA	

Providing Information to Schools

- Propose to continue publishing the national funding formula in July each year. Under a direct NFF, the published formula will apply directly to schools, so schools will have earlier knowledge of the final formula which will apply to them. Unlike now, primary and secondary units of funding (PUFs and SUFs) would not be published for local authorities, as they will no longer be needed.
- In order to help schools understand what the formula will mean for them in practice, there are two proposed options:
 - Continuing to publish notional allocations as we do now, showing what each school's funding would look like the following year if their pupil numbers and pupil characteristics remained unchanged. And/or
 - Publishing a “calculator” tool which allows schools to plug in their own pupil numbers and pupil characteristics, to see what their funding would be.

Providing Information to Schools

- Other information not captured by either notional allocations and a “calculator” tool would be:
 - Any de-delegation which would be determined at local level and which local authorities would deduct from the amount maintained schools are allocated from the NFF.
 - Any transfer to the high needs budget, where the Department would be adjusting mainstream school funding allocated from the schools NFF – subject to the outcome of the consultation on that question.
 - Any Exceptional Circumstances funding, which would be subject to the separate application process which local authorities and Academy Trusts would undertake. However, as we would not expect significant year-on-year changes in exceptional circumstances funding, this should only affect a very small minority of schools.
 - Any growth funding which would be provided separately later in the year. When and how growth funding will be provided depends on the outcome of this consultation.

Data to be collected from LA's

- Under the direct NFF, the October census will form the basis of most school and pupil data used to calculate allocations. LA's will no longer complete an APT, since they will not set a local formula, but we will still continue to need some additional information from local authorities.
- Proposal is to collect information related to:
 - PFI
 - Exceptional circumstances
 - Split Sites
 - Growth Funding
 - Transfers to the High Needs Budget

Other Issues

- LA's will need to inform the ESFA of any planned school reorganisations and changes in pupil numbers related to any such reorganisations.
- For academies, trusts will continue to be responsible for supplying information on forecast pupil numbers in respect of academies funded on estimates, and local authorities will need to provide information on forecast pupil number changes which relate to structural changes or basic need.
- Information will need to be collected earlier than under the current system:
 - ESFA could issue a request earlier without the use of a pre-populated form. This means that LA's would need to input data on, for example, planned pupil number changes without access to a form which includes the pupil-numbers recorded in the October census. – *LA Preference*
 - ESFA could issue the request in December, using a form pre-populated with data from the October census. LA's would then need to return this form with a relatively short turnaround – by the end of the first full week in January at the latest.

Other Issues

- ESFA uses information on de-delegation to make an adjustment to the general annual grant (GAG) funding academies receive for mid-year converters. Information is currently collected through the APT. Two options under the direct NFF:
 1. a separate data collection in March to cover the amounts schools will pay for de-delegated services; - *LA Preference*, or
 2. information on de-delegation not collected as a matter of course from local authorities. Instead, it is only collected when needed for mid-year converters.
- A separate collection in March, would allow the ESFA to continue to publish information on de-delegation, which would be beneficial for transparency purposes. Depending on the number of converters, it could also be simpler to do one single collection (option 1) than several bespoke collections for all mid-year converters (option 2).

Forward Timeline

- **Developing the schools NFF**

- **Split sites:** Subject to the outcome of the consultation, changes to the split sites factor planned for 2024-25.
- **Exceptional circumstances:** Depending on the outcome of the consultation, proposal to implement changes to the exceptional circumstances factor at the time of the introduction of the direct NFF.
- **Growth funding:** Depending on the outcome of the consultation, changes could be implemented to the growth factor in 2024-25.
- **Area cost adjustment:** Plan is to update the Area Cost Adjustment (ACA) methodology in light of the updated GLM data published by DLUHC, with changes coming into force in 2024-25.
- **Private Finance Initiative (PFI):** ESFA plan to consult on options for reform to the PFI factor in advance of the introduction of the direct NFF.

Forward Timeline

- **Transition Arrangements**
- The ESFA will start transitioning towards the direct NFF in 2023-24 by requiring:
 - Local authorities to use all, and only, NFF factors in their local formulae;
 - All local formulae factor values to move at least 10% closer to the NFF, except where local formulae are already “mirroring” the NFF.
 - Local authorities to use the NFF definition for the English as an Additional Language (EAL) factor (although flexibility over the sparsity factor methodology will remain in 2023-24).
 - The approach to transition in subsequent years will depend on the impact in the first year.
 - This should have minimal impact in Cambridgeshire, subject to overall affordability, as the local formula is already based on the NFF rates (excluding ACA).

Legislation

- The Schools Bill supports the move towards a “direct” national funding formula, and the measure will mean that the Secretary of State in relation to England:
 - must determine funding for all mainstream schools through a single, national funding formula
 - must pay this funding to academy trusts and to local authorities for maintained schools
 - has the power to request information from local authorities and academies, such as pupil numbers, information on school reorganisations (planned school closures and mergers), planned school expansions, and information on whether a school has split sites
 - has the ability, on application of the local authority, to reallocate funding from the NFF allocations to local education budgets in order to meet local funding pressures (most likely relating to high needs), in place of the current “block transfer” mechanism

Legislation

- This measure will mean that local authorities:
 - will have a local education budget (“locally-determined education budget”) in order to deliver their education responsibilities, which will be provided by the Secretary of State
 - this includes providing any supplementary funding provided to schools (“locally-determined supplementary funding”) where the Secretary of State determines that local authorities are best placed to determine funding in line with their other duties
 - and includes spending on and other local education expenditure, covering high needs, early years, and central school services
 - can continue ‘de-delegation’, which is where local authorities can deduct funding from maintained schools’ budgets to fund central services for those schools

Legislation

- This measure will mean that Schools Forums:
 - will retain their responsibilities around local education spending, with both supplementary school allocations and other locally-determined education expenditure (early years, high needs, central school services)
 - will no longer advise on setting local formula for core schools funding

Next Steps

- **July/August** - LA to produce draft response to consultation and share with key stakeholders.
- **August/First week of Sept** – Consultation response to be finalised and submitted by 9th September deadline.
- **Autumn Term** – Schools Forum meeting to consider impact on 2023/24 local budget.

Cambridgeshire Schools Forum – Forward Agenda Plan

All meetings will be held at 10.00am unless otherwise specified. Some of the dates below may be retained as workshops / training sessions if a formal meeting of Forum is not required.

Date of meeting	Agenda Item	Report author	Reports due to reach Democratic Services by:
Friday 15 July 2022	Review of Proportionality and Membership	Jon Lewis/Democratic Services	
	School and Dedicated Schools Grant Financial Health Paper	Jon Lewis/Martin Wade	
	Safety Valve and Dedicated Schools Financial Management	Tom Kelly	
	High Needs Block and Safety Valve Update	Jon Lewis/ Jo Hedley	
	Schools Funding Formula Papers for Schools Forum	Jon Lewis/Martin Wade	
Friday 4 November 2022 (2pm – 5pm)	Budget setting for 2023-24	Jon Lewis/Martin Wade	
Friday 25 November 2022 - Additional reserve date			
Wednesday 14 December 2021	Budget setting for 2023-24	Jon Lewis/Martin Wade	

Friday 13 January 2023	Future Schools Forum dates	Democratic Services	
	Final Budget Proposals for 2023-24	Jon Lewis/Martin Wade	
Friday 24 February 2023 (Reserve or workshop date)			
Friday 24 March 2023			
Wednesday 24 May 2023 (Reserve or workshop date)			
Friday 14 July 2023	Review Terms of Reference	Jon Lewis/Democratic Services	
	Review of Proportionality and Membership	Jon Lewis/Democratic Services	

To be scheduled: