

SCHOOLS FUNDING UPDATE – JANUARY 2021

To: Cambridgeshire Schools Forum

Date: 15 January 2021

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

Purpose: To provide Schools Forum with an update on the latest local funding formula proposals for Schools and Early Years for the 2021/22 budget setting round.

Recommendations:

2021/22 School Funding Arrangements

1) Schools Forum are asked to comment on the local budget proposals as set out in the presentation.

Early Years Funding Arrangements

2) Schools Forum are asked to comment on the Early Years funding arrangements.

3) Members of Schools Forum are asked to approve the planned Centrally Retained amounts for 2021/22 as set out on slide 19 in appendix A of the report.

1.0 CONTEXT

1.1 The presentation (appendix A) accompanying this report provides information to support the 2021/22 Schools budget setting process and will cover the following areas:

- Update on the Dedicated Schools Grant (DSG) position following December announcements.
- Update on the local budget proposals, including illustrative school by school budgets (appendix B – to follow).
- Update on the proposed Early Years funding proposals
- Summary and Next Steps

1.2 **Please note:** Appendix B which will provide illustrative school level figures will be circulated prior to the meeting to ensure it reflects the very latest position available. Likewise, at the time of writing a key decision from the DfE in respect of the proposed block transfer is still outstanding. As such an addendum will be circulated should this information become available prior to the date of the January meeting.

1.3 During the presentation by Officers, Members of Schools Forum will have opportunity to comment on the content and where required will be asked to make decisions as set out in the recommendations.

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

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

<ul style="list-style-type: none"> • remission of boarding fees at maintained schools and academies • places in independent schools for non-SEN pupils • admissions • servicing of schools forum • Contribution to responsibilities that local authorities hold for all schools 			
<p>Central spend on:</p> <ul style="list-style-type: none"> • capital expenditure funded from revenue – projects must have been planned and decided on prior to April 2013 so no new projects can be charged • contribution to combined budgets – this is where the schools forum agreed prior to April 2013 a contribution from the schools budget to services which would otherwise be funded from other sources • existing termination of employment costs (costs for specific individuals must have been approved prior to April 2013 so no new redundancy costs can be charged) • prudential borrowing costs – the commitment must have been approved prior to April 2013 	Proposes up to the value committed in the previous financial year and where expenditure has already been committed.	Decides for each line	Adjudicates where schools forum does not agree local authority proposal
<p>Central spend on:</p> <ul style="list-style-type: none"> • high needs block provision • central licences negotiated by the Secretary of State 	Decides	None, but good practice to inform forum	None