

## SCHOOLS FORUM AGENDA ITEM

For Action

For Information



**Brief Description of Item** (including the purpose / reason for presenting this for consideration by the Forum)

**This report sets out the position of the funding of Schools Block, Central Schools Services Block and Early Years Block central and de-delegated items, to enable Members to make recommendations and decisions under agenda item 12.**

**Date (s) of any Previous Discussion at the Forum**

An initial report on funds to be held in 2020/21 was presented to the Schools Forum at the last meeting (16 October 2019, Document LC). From this report:

- Members representing maintained primary schools decided that de-delegation for the purposes of subscribing to Fischer Family Trust should continue from the Schools Block in 2020/21.
- Members did not request any further information and did not identify any further areas of review.

The Authority requested feedback from schools on centrally managed funds within the autumn 2019 consultations, including on the criteria / methodology for the allocation of Growth and Falling Rolls funding.

**Background / Context**

A detailed breakdown of funds is given in Appendix 1. An analysis of per pupil contributions to de-delegated funds (maintained schools only) within the Schools Block is provided in Appendix 2. Appendix 2 also includes a summary of carry forward balances forecasted to be held in these de-delegated funds at the end of 2019/20. Appendix 3 shows the changes in values of the total contributions from individual maintained primary and secondary schools to the de-delegated funds proposed to be 'top-sliced' in 2020/21.

Within the National Funding Formula framework, de-delegated funds remain funded by maintained primary and secondary schools within the Schools Block and, where applicable, from the Early Years Block for maintained nursery schools. The non-de-delegated centrally managed items previously funded from the Schools Block are now transferred into the Central Schools Services Block (CSSB). Forum Members are asked to note that the restrictions on Schools Forum costs and School Admissions funds within the CSSB, which limited the values of these funds to those held in the previous year, have now been removed. Authorities are not permitted to retain for central use more than 5% of their 3&4 year old funding allocated within the Early Years Block.

We understand that there is currently no intention to change current Schools Block de-delegation arrangements in the medium term. There had been a suggestion that de-delegation as a way of financing certain services for maintained schools would not be permitted in the future under National Funding Formula.

**Details of the Item for Consideration**

The information in this report is presented primarily for reference and is mostly a re-statement of the information presented to the Forum on 16 October. The Forum is now required to make its final recommendations on central funds to be held in 2020/21 and will be asked to do so within agenda item 12.

**General Parameters and Expectations 2020/21 De-Delegated Funds (updated from 16 October)**

It is expected that:

- The Forum will not wish to revisit decisions made in previous years to cease de-delegated funds.
- De-delegation will continue from both the primary and secondary phases for FSM Eligibility Assessment, at 2019/20 per FSM values, with contributions continuing to be taken using FSM Ever 6 data.
- As the Forum reviewed in some detail in May 2018 (and again in December 2018) the Authority's Trade Unions Facilities Time arrangements, that de-delegation will continue from all phases at the same per pupil contribution values as in 2019/20.

### **Details of the Item for Consideration**

- Remaining costs of safeguarded salaries incurred from the re-organisation of maintained schools will continue to be funded via de-delegation from primary and secondary schools on an actual costs basis.
- The Forum will continue to support retaining a de-delegated fund for the Authority's maternity / paternity insurance scheme, and public duties cover, for primary and maintained nursery schools. The Forum will support using a proportion (£0.3m) of this fund's brought forward balance to reduce the new in year cost of contributions to this fund in 2020/21. The impact of this in reducing the value of contributions from individual primary schools can be seen in Appendix 3.
- The Forum will support the 'pausing' in 2020/21 of contributions to the de-delegated fund held to meet costs of deficit balances of maintained primary schools that convert to academy status under sponsored arrangements. This means that no new cost will be charged to school budgets in 2020/21. The impact of this in reducing the value of contributions from primary schools can be seen in Appendix 3. This position will be reviewed again for 2021/22.
- The Forum will continue to support retaining a de-delegated fund in support of exceptional costs pressures / financial difficulties in maintained primary schools.
- The surplus carry forward balance of de-delegated funds will continue to be ring-fenced and will be deployed in support of managing the costs of these funds as well as reducing the on-going (new year) contribution taken from maintained schools where this is possible.

### **Central Schools Services Block 2020/21**

The table below (and Appendix 1) lists the commitments that are present within the Central Schools Services Block and that are expected to continue in 2020/21. The values of the funds shown below incorporate the increases that are proposed for 2020/21 for inflation / pay award. The cost of access to the national copyright licences agreement has been confirmed by the DfE and we have budgeted for this on an actuals basis.

| <b>Commitment</b>                                                          | <b>Value</b>      |
|----------------------------------------------------------------------------|-------------------|
| Copyright Licences (confirmed actual)                                      | £374,983          |
| Schools Forum costs (as 2019/20)                                           | £10,000           |
| School Admissions (as 2019/20 + inflation)                                 | £614,906          |
| Statutory Duties (former ESG) (as 2019/20 + inflation + £15k for SACRE)    | £1,425,951        |
| Activities transferred from the HNB at April 2018 (as 2019/20 + inflation) | £412,340          |
| <b>Total Central Schools Services Block Committed in 2020/21</b>           | <b>£2,838,181</b> |

This allocation of the CSSB for 2020/21 is set out on the following basis:

- Copyright licences costs for all state funded schools and academies must be managed centrally within the DSG as this is a 'national' top-slice. It is reasonable to apportion this cost between the blocks, with the cost for primary and secondary schools and academies being charged to the CSSB. The apportionment of this cost can be seen in Appendix 1.
- The Schools Forum will agree to continue the small budget for Schools Forum costs at £10,000.
- The Forum will agree to continue the existing budget commitments, plus pay / award inflation provision, for School Admissions and for transferred High Needs Block activities.
- The Schools Forum will agree to continue the pass back to the Authority of the statutory retained duties (former ESG) funding that was transferred into the DSG at 1 April 2017. The functions that this funding supports, for all state funding schools, are shown in Appendix 4. The 2020/21 allocations for these activities have been increased by £15,000 to provide a small budget for SACRE activities and for inflationary / pay award uplift at 6%, recognising that these budgets have remained cash flat without inflationary / pay award increase for a number of years and also that these services cannot access the teacher pay grant funding that is available to schools.
- The costs of the CSSB activities, including increases for inflation / pay award, are fully met within the DfE's CSSB allocation without reliance on, or transfer from, any other block. The CSSB commitments total £2,838,181, which means that there is a balance of £74,348 remaining unallocated within the CSSB after providing for a cumulative pay award / inflation increase of 6%. As in 2019/20, the remaining budget headroom is transferred to the High Needs Block.

### **Schools Block Growth Fund 2020/21**

The proposed criteria for the allocation of the Schools Block Growth Fund in 2020/21 were part of the consultation on Schools Block funding arrangements, considered by the Forum on 16 October. These criteria are unchanged from 2019/20. The Forum will be asked under agenda item 12 to formally agree these criteria. The Forum will also be asked to agree the allocations to existing expansions and bulge classes that are listed in Document LK Appendix 1. In 2019/20, we held sums of £0.20m primary and £0.645m secondary for new Growth Fund allocations during 2019/20. The 2020/21 planned budget contains provision of £0.20m primary and £0.80m secondary for new expansions during 2020/21.

### **Details of the Item for Consideration (continued)**

#### **Schools Block Falling Rolls Fund 2020/21 (Primary Phase)**

The proposed criteria for the allocation of the Falling Roll Fund in the primary phase in 2020/21 were part of the consultation on Schools Block funding arrangements, considered by the Forum on 16 October. These criteria are unchanged from 2019/20. The Forum will be asked to formally agree the criteria under agenda item 12. In 2019/20, we held a sum of £0.25m. Proposed allocations relating to 2019/20 will be presented to the Schools Forum in March 2019.

Members will see that a continuing sum of £0.25m for Falling Rolls is included in the list of funds for 2020/21 shown in Appendix 1.

#### **Early Years Block Additional Centrally Managed Funds**

Two funds proposed to be held in the 2020/21 Early Years Block shown in Appendix 1 are highlighted for Members:

- SEND Early Years Inclusion (EYIF) monies will continue to be 100% funded from the Early Years Block. A budget of £1.50m was held in 2019/20, split £1.3m for 3&4 year olds and £0.2m for 2 year olds. We currently anticipate needing a total budget in the region of £1.15m in 2020/21; £1.0m for 3&4 year olds and £0.15m for 2 year olds. We anticipate allocating a full year sum of £47,000 (+ £25,000 on the part year 2019/20 figure) in the Early Years Block to support capacity for administering the Inclusion Fund.
- In 2019/20 the Early Years Block began to contribute £0.30m to the cost of support for high needs early years aged children, which include the pre-5 service and portage. The charging of the Early Years Block for such SEND support services is in line with practice in other local authorities. Local authorities are required to 'pass through' to providers at least 95% of their 3&4 year old Early Years Block funding i.e. they can retain up to 5% for centrally-managed functions. Benchmarking based on 2018/19 indicates that the national average pass through rate was 96.4% and the average of our statistical neighbours was 97.5%. Inclusive of the £0.318m contribution (which is £0.30m plus inflation), we currently estimate that our pass-through rate in 2020/21, excluding the use of brought forward balances and delivery lag, will be 98.1%. The Authority did originally propose that this contribution be increased in 2020/21 from £0.30m to £0.60m, as we indicated during our 2019/20 DSG discussions on 'cross-block actions'. However, given the size of the increase in our High Needs Block funding in 2020/21 compared against the Early Years Block settlement, we are minded to pause this increase and review for 2021/22. We propose therefore, that the Early Years Block's contribution is retained in 2020/21 at £0.30m plus inflation = £0.318m.

#### **Implications for the Dedicated Schools Grant (DSG) (if any)**

Recommendations will have direct implications for the distribution of the Central Schools Services Block, Schools Block and Early Years Block.

#### **Recommendations**

**The Forum is asked to note the information provided. This will inform decisions and recommendations to be taken under agenda item 12.**

#### **List of Supporting Appendices / Papers (where applicable)**

Appendix 1 – Detailed Summary of Schools, Early Years and Central Schools Services Block funds.  
Appendix 2 – Analysis of Per Pupil Contributions to Schools Block De-delegated Funds & Forecasted carry Forward Balances.  
Appendix 3 – Contributions to De-Delegated Funds from maintained primary & secondary schools  
Appendix 4 – Description of Statutory Duties permitted by the funded by the transferred ESG Centrally Retained Duties grant.

#### **Contact Officer (name, telephone number and email address)**

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