

LEEDS SCHOOL FORUM

**Meeting to be held in Virtual Meeting on
Thursday, 8th October, 2020 at 4.30 pm**

MEMBERSHIP

Dave Kagai, A. Primary Governors - St Nicholas Primary
Sue Tuck, A. Primary Governor - Ireland Wood Primary
John Garvani (LSF), A. Primary Governors - Broadgate Primary School
Jim Ebbs, A. Primary Governors - Woodlesford Primary
John Hutchinson, B. Primary Heads - St Theresa's Catholic Primary
Claire Harrison, B. Primary Heads - Wetherby Deighton Gates Primary
Barbara Trayer, B. Secondary Governors - Allerton Grange Secondary
Helen Stott, B. Primary Heads - Allerton C of E Primary
Peter Harris, B. Primary Heads - Farsley Farfield Primary
Julie Harkness, B. Primary Heads - Carr Manor Community school - Primary Phase
Jo Smithson, B. Primary Heads - Greenhill Primary
David Webster, C. Secondary Governors - Pudsey Grangefield
Delia Martin, D. Secondary Heads - Benton Park
Lucie Lakin, D. Secondary Heads - Wetherby High
David Gurney, E. Academy Reps - Cockburn School
John Thorne, E. Academy Reps - Co-operative Academy Priesthorpe
Emma Lester, E. Academy Reps - Woodkirk Academy
Ian Goddard, E. Academy Reps - Ebor Gardens/Victoria Primary Ac
Siobhan Roberts, E. Academy Reps - Cockburn John Charles Academy
Joe Barton, E. Academy Reps - Woodkirk Academy
Anna Mackenzie, E. Academy Reps - Richmond Hill Academy
Danny Carr, E. Academy Reps - Dixons Academy
Ben Mallinson, G. Academy (AP) - The Stephen Longfellow Academy
Neil Miley, G. Academy Reps - Dixons Academy
Diane Reynard, I. Special School Principal - East / NW SILC - SILC Principals
Patrick Murphy, J. Non School - Schools JCC
Angela Cox, J. Non School - Leeds Catholic Diocese
Vicky Hallas-Fawcett, J. Non School - PVI Nursery Provider
Cllr Dan Cohen (Leeds School Forum), J. Jewish Faith Schools

A G E N D A

Item No	Title	Lead	Time	Purpose
1.	APOLOGIES		16:30	For decision
2.	MINUTES OF PREVIOUS MEETING See attached <i>5 - 10</i>		16:35	For decision
3.	MATTERS ARISING		16:40	For decision
4.	DSG BUDGET MONITORING REPORT 2020-2021 See attached <i>11 - 18</i>		16:50	For information
5.	DSG MEDIUM TERM FINANCIAL STRATEGY PROJECTIONS REPORT See attached <i>19 - 24</i>		17:15	For information
6.	SCHOOL FUNDING UPDATE 2021-2022 See attached <i>25 - 32</i>		17:40	For information
7.	COVID CONTINGENCY FUND For consultation with maintained mainstream members See attached <i>33 - 38</i>		17:55	For information
8.	SCHOOLS FORUM MEMBERSHIP		18:15	For information

9.	ANY OTHER BUSINESS		18:20	For information
10.	MEETING DATES FOR 2020/2021 AND FORWARD PLAN See attached <i>39 - 40</i>		18:25	For information

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Leeds Schools Forum

Microsoft Teams Meeting
Thursday 9th July 2020 at 16:30

Membership (Apologies in Italics)	
GOVERNORS	HEADTEACHERS
Primary (5 seats)	Primary (6 seats)
<i>Sara Nix</i> <i>Rawdon Littlemoor</i> <i>Jim Ebbs</i> <i>Woodlesford</i> Sue Tuck Ireland Wood <i>David Kagai</i> <i>St Nicholas</i> <i>John Garvani</i> <i>Broadgate</i>	<i>John Hutchinson</i> <i>St Theresa's Catholic Primary</i> <i>Helen Stott</i> <i>Allerton C of E Primary</i> <i>Peter Harris</i> <i>Farsley Farfield Primary</i> Julie Harkness Carr Manor Community School Jo Smithson Greenhill Primary Vacancy
Secondary (2 seats)	Secondary (3 seats)
<i>Barbara Trayer</i> <i>Allerton Grange</i> David Webster Pudsey Grangefield	Delia Martin Benton Park <i>Lucie Lakin</i> <i>Wetherby High</i> Vacancy
Special (1 seat)	Special (1 seat)
Vacancy	Diane Reynard East SILC
Non School	Academies – Mainstream (9 seats)
<i>Vicky Hallas-Fawcett</i> <i>PVI Providers</i> Vacancy PVI Providers <i>Patrick Murphy</i> <i>Schools JCC</i> <i>Louise Turner</i> <i>16-19 Providers</i> Angela Cox OBE Catholic Diocese <i>Dan Cohen</i> <i>Jewish Faith Schools</i>	David Gurney Cockburn School Danny Carr Dixons Academy <i>Adam Ryder</i> <i>Bruntcliffe Academy</i> John Thorne Co-op Academy Priesthorpe Emma Lester Woodkirk Academy <i>Ian Goddard</i> <i>Ebor Gardens/Victoria Primary</i> Siobhan Roberts Cockburn John Charles Joe Barton Woodkirk Academy <i>Anna McKenzie</i> <i>Richmond Hill</i>
Local Authority Reps:	Academy – Special School (1 seat)
Sal Tariq, OBE, Director	Vacancy
<i>Tim Pouncey, Chief Officer Strategy & Resources</i>	
<i>Phil Mellen, Deputy Director Learning</i>	Academy – Alternative Provision
Louise Hornsey, Head of Service, Finance	Vacancy
Lucie McAulay, Finance	
<i>Val Waite, Head of Learning Inclusion</i>	
Rebecca McCormack, Lead for Admissions and Family Information	
Minutes:	
Lesley Gregory, PA	

Item	Title	Actions
1	Apologies Dan Cohen, Jim Ebbs, Sara Nix, Barbara Trayer, Vicky Hallas-Fawcett, Patrick Murphy.	
2 2.1 2.2 2.3	Introductions 2.1 The Chair welcomed everyone to the meeting. 2.2 Sal Tariq, Director of Children and Families introduced himself and thanked everyone for all the work they are doing both during the pandemic and beforehand. 2.3 Councillor Pryor introduced himself and explained that as an elected member he was precluded from joining the Forum but was there to listen in. He wanted to add his own thanks to Saleem's for all the support and challenge over the years and the work taking place during the pandemic.	
3 3.1	Minutes of last meeting 3.1 The minutes were agreed.	
4 4.1	Matters Arising 4.1 <i>Page Two, Items 4.5 and 4.6:</i> reworded as requested <i>Page Three, Item five – Early Years Action Plan:</i> Progress to be checked. <i>Page Four, Item 6.5 - Early Years staff:</i> Progress to be checked <i>Page Six, Item Eight – DfE Consultation:</i> The proposed arrangements have been put in place and the Council's insurance team have provided details through the Council's offer.	LH LH
5 5.1 5.2 5.3	Schools Admission Appeals 5.1 Following the changes to the School Appeals service last year a number of schools had raised concern around the burden on them to undertake the presenting officer role at appeals. As a result the Forum asked that a traded offer be looked at where schools can buy services of a presenting officer. Unfortunately the pandemic has put additional pressure on the service and caused a delay in appeals being heard. Consequently some appeals will be heard during the summer break with the local Authority acting as the presenting officer for all schools. Schools can choose to present the appeal themselves if they wish. There will be no cost over the summer period to cover the presenting officer role for any school; existing admission resources will be made available. 5.2 Funding regulations state that we have to ensure that all schools have the same offer where a service is funded by the Central Schools Services Block. After the summer period the expectation is to introduce a presenting officer role funded by the local authority to provide that offer for any school wishing to buy it. The charge is £100 per appeal. It is expected that over the year the role will be fully funded by traded income, resulting in no cost to the Local Authority. 5.3 The figure of £100 was arrived at by looking at the costs and estimating the expectation/ interest in the service. In reality if the service generates more income then the cost would be reviewed for next year.	

<p>5.4</p> <p>5.5</p> <p>5.6</p> <p>5.7</p>	<p>The matter of Voluntary Aided/Diocesan schools was raised and commented on that this arrangement would disadvantage these schools particularly as the presenting officer would not have the experience of religious practice.</p> <p>Action: to be discussed at the Diocesan meeting next week</p> <p>It was confirmed that no consultation had taken place because the Forum requested it be explored. It is worth noting that the cost of this service would not come out of the DSG. It will be funded by the Local Authority where the traded income did not meet the full cost, although the intention is that the post is fully traded.</p> <p>The appeal does not have to be presented by the Head and can be done by other members of staff or governors. It was suggested that training could be offered to schools if they choose to present their own cases.</p> <p>After discussion it was decided that further work would need to take place before the recommendation could be supported. At the same time it was recognised that the Authority was asked to look into a traded service and it is not a decision the Forum can make on whether or not the service is offered. If the service is to be ready for the Autumn term then recruitment of the presenting officer would have to start now. A view will be taken following the Diocesan meeting next week.</p>	<p>Rmc/AC</p>
<p>6.</p> <p>6.1</p> <p>6.2</p> <p>6.3</p> <p>6.4</p>	<p>DSG Outturn Report 2019</p> <p>There is an overall in year overspend of £5m which is largely around pressure on the high needs block. There are some variations in the core schools funding as a result of schools converting to academies.</p> <p><u>De delegate Services</u> There was an underspend of £596k in year. The proposal is to use this to redistribute to mainstream schools to help cover Covid-19 costs not covered by Government funding. Contributions will be reviewed for next year and if possible schools will be asked for a lower contribution. A more detailed update will be provided at a future Forum.</p> <p><u>Early Years Block</u> Consistent with previous years there has been an underspend. This year the underspend amounted to approximately £1m+ although the amount cannot be confirmed until later in the year. Due to the effects of the pandemic many early years providers are struggling and in response to this the Authority has arranged for a one-off PPE pack to be provided which in turn introduces them to the Council's supplier chain.</p> <p><u>High Needs Block</u> This has the largest overspend and is in line with trends reported during the year and previous years. Overall in 2019-2020 the overspend was £7.2m with pressures coming from external residential placements and SEN top ups to institutions. Children and Families is developing a positive behaviour service which will help to support more learners' needs within the city. Previously a risk was reported around additional costs for SEMH provision.</p> <p>We now have an agreement with the ESFA re rates paid therefore no further costs or risks are expected. There has been a focus in Children's Social Work Service over the years on a much more preventative early help offer which will help to reduce demand on specialist services. It is hoped that the funding announcement will be made mid to late July.</p>	

<p>6.5</p> <p>6.6</p> <p>6.7</p> <p>6.8</p>	<p><u>Central School Services Funding Block</u> A small underspend of £185k is reported and this is mainly due to savings in the Admissions Services due to vacancies and late recruitment.</p> <p><u>2019-2020 Reserves</u> In year position takes us to an overall deficit on the general dedicated schools grant by £3.9m although there is an underspend on de-delegation of £721k. Previously local authorities posting a deficit of more than 1% had to submit a recovery plan to the ESFA. This has now been removed. Any deficit will mean the local authority has to cooperate with the ESFA and provide a plan around how it will manage its DSG account. Leeds is expected to have to take part in this process as it sees a reduction in all DSG reserves of £4.6m Action: to be brought to a future meeting (October or November).</p> <p><u>Forward View to 2020-2021</u> It is relatively early in the financial year however there are some risks and uncertainties due to the impact of Covid-19. At this stage we are projecting a similar trend to the position for 2019-20 and previous years and there may still be an underspend on the Early Years Block, albeit lower due to the increase to early years rates.</p> <p>It is worth noting that the high needs pressure has increase funding compared to 2019-20 but this is still subject to a cap on gains. Without the cap the fund would be in a fairly healthy position.</p> <p>Overall we are looking at a projected overspend on the Dedicated Schools Grant of £3.2m and a slight underspend on the de-delegated grant of £250k.</p> <p><u>Recommendations</u> Schools Forum noted the recommendations of the report</p>	<p>LH</p>
<p>7.0</p> <p>7.1</p> <p>7.2</p> <p>7.3</p> <p>7.4</p> <p>7.5</p>	<p>School Balances Outturn 2019</p> <p>At the end of 2019-20 the school balances showed a net surplus of £24.4m for maintained and extended schools. Within this school balances have increased by £1.7m to £18.2m at the end of 2019/2020.</p> <p>Twenty-three schools are showing a total deficit to the value of £5.7m. Of these two were below £10k, 12 between £10-100k, seven between £100k-£1m and two over £1m. Work is taking place with all schools in deficit to produce action plans.</p> <p>All schools with a surplus of 15% over three years are subject to claw back. This will be brought back to the Forum for discussions.</p> <p>Extended school balances total £6.2m which include, £3.7m for extended school facilities, £2.5m for Clusters and £0.1m for Area Inclusion Partnerships.</p> <p><u>Recommendations:</u> Schools Forum noted the content of the report.</p>	
<p>8.</p> <p>8.1</p>	<p>School Forum Membership</p> <p>There are four members whose term of office will be complete at the end of August. As is customary the places will be advertised.</p>	

8.2	The Chair informed the meeting that his two year tenure was now at an end. Expressions of interest will be invited from School Forum members for the role of Chair and Vice Chair. The Chair was thanked for the work he had done over the last couple of years.	
9.	Any Other Business There was no other business	
10.	MEETING DATES FOR 2020-21 AND FORWARD PLAN All meetings will take commence at 1630 until 1830 Thursday 8 October Thursday 19 November Tuesday 19 January 2021 Thursday 25 February	

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Report of the Director of Children and Families Services

Report to the Leeds Schools Forum

Subject: Dedicated Schools Grant 2020/21 – Budget Monitoring Month 5

**Report authors: Louise Hornsey
(Head of Finance –Children and
Families)**

Contact number: 0113 3788689

**Shirley Maidens
Senior Financial Manager**

Contact number: 0113 3788532

1 Summary of main issues

- 1.1 This report is to inform members of Schools Forum of the latest 2020/21 budget monitoring position on the Dedicated Schools Grant (DSG) as at the end of August 2020.
- 1.2 This report projects an in year overspend of £2.34m. This is made up of an overspend on the High Needs Block (HNB) largely as a result of increased expenditure on SEN top-ups and outside placements. This is partly offset by a small underspends on all other blocks.
- 1.3 As a result of the COVID 19 pandemic, it has been difficult to accurately calculate some of the projections, particularly on early years. This is because many of the settings have been fully or partially closed for a number of months. As a result, it is expected that there will be greater than usual activity in the autumn term.
- 1.4 Schools Forum agreed to a transfer of £2.65m from the schools block to the high needs block in 2020/21 and a further £350k was transferred from the central school services block to the high needs block.
- 1.5 Overall, the variation on general DSG is analysed as follows:

	Estimated Funding £000	Projection £000	Variance £000
Schools Block	307,636	307,047	(589)
Early Years Block	58,685	58,138	(547)
High Needs Block	79,957	83,553	3,596
Central Schools Services Block	4,867	4,746	(121)
Total In Year Overspend	451,145	453,484	2,339
Deficit b/fwd from 2019/20			3,954
Projected deficit at 31/3/21			6,293

2 Schools Block

- 2.1 The majority of the Schools Block is allocated to primary and secondary schools (ISB), with smaller amounts for de-delegated services and the growth fund. These budgets are subject to fluctuations in expenditure throughout the year. The projected costs and variances are summarised below:

	Latest Estimate £000	Projection £000	Variance £000
DSG Income Due	(314,877)	(307,636)	7,241
Individual Schools Budget	307,309	299,829	(7,480)
Growth Fund	3,000	2,650	(350)
	(4,568)	(5,157)	(589)
De-delegated budgets	4,568	4,364	(204)

(note: a bracketed figure is an underspend and a positive figure an overspend)

- 2.2 When a school becomes an academy, funding payments are made directly by the Education and Skills Funding Agency (ESFA). For Leeds City Council this means that there is a reduction in grant income which is largely matched by reduced expenditure, though overall there is an underspend as a result of recoupment adjustments on NNDR and growth funding in respect of schools which have converted to academies during 2020/21.
- 2.3 Overall, de-delegated services budgets are currently projected to be underspent by £204k. There are projected overspends of £50k on maternity pay and £32k on SIMS licences. However, there is additional income of £286k due to the way de-delegated budgets are dealt with when a school becomes an academy. If this conversion happens after 1st September, the authority retains the de-delegated income for the rest of the financial year, though the academy can still access the de-delegated services.

- 2.4 As detailed elsewhere on this agenda, it is proposed to utilise the underspend £596k underspend on de-delegated services from 2019/20 to support mainstream maintained schools that have incurred exceptional COVID-19 related costs not covered by government funding.
- 2.5 The Growth Fund was initially set at £3,000k. The current projections are that growth fund expenditure will be £2,650k which will result in an underspend of £350k.

3 Early Years Block

- 3.1 The projected costs and variances within the Early Years block are summarised below:

	Latest Estimate £000	Projection £000	Variance £000
DSG Income Due	(64,216)	(58,685)	5,531
FEEE 3 & 4 Year Olds	50,897	47,629	(3,268)
FEEE 2 Year Olds	10,147	7,443	(2,704)
SEN Inclusion Fund	545	565	20
Early Years Pupil Premium	580	521	(59)
Disability Access Fund	194	130	(64)
Early Years Centrally Retained	1,853	1,850	(3)
	0	(547)	(547)

(note: a bracketed figure is an underspend and a positive figure an overspend)

- 3.2 Early Years funding is paid to the local authority based on January 2020 and January 2021 census. The funding is paid out to providers based on termly headcounts of the children attending settings. As a result, there is a difference between the funding received by the LA and that paid out to providers. The hourly rate received was increased by 8p per hour and that full increase was passed onto providers.
- 3.3 For 2020/21, there is a great deal of uncertainty around the projections as a result of the COVID 19 pandemic. This may result in a reduction of children on the January 2021 early years census which would result in reduced income in 2020/21. This is also likely to have an impact on the income that will be received in 2021/22. The impact on 2020/21 has been mitigated by a slight change in the way the income due is calculated. For 2020/21 only, the January 2021 early years census will only affect the income due for 3 months of the year, rather than the usual 7 months. This should reduce the potential volatility of the grant due.
- 3.4 In addition, in order to maintain childcare provision availability, DfE instructions were to continue to pay providers even though the childcare may not have been provided. For the summer term 2020 this meant that all providers received income based on their estimates regardless of whether they had children attending. Following the updated DfE guidance, for the autumn term 2020,

providers in Leeds will be funded on either the actual children attending or 95% of the value of the autumn 2019 term, whichever is the greater.

- 3.5 Based on activity in previous years, adjusted for the above changes in DfE guidance, it is estimated that there will be an underspend of approximately £500k on the payments to providers of 2 year old and 3 & 4 year old places. We continue to review the DfE guidance around the use of the early years block as new guidance is being issued regularly. As such the projection on this block is subject to change.
- 3.6 As reported to Schools Forum in February, the implementation of the “golden ticket” approach to increase the uptake of 2 year old places has been significantly affected by the pandemic which is expected to result in reduced expenditure and income.
- 3.7 The SEND Inclusion Fund is projected to be £20k overspent. However activity on this budget has also been significantly affected as a result of the pandemic which means these projections could change once the autumn term activity is known.
- 3.8 There are further underspends projected on the Disability Access Fund and Early Years Pupil Premium. In addition, it is expected there will be a small underspend on the Early Years Contingency Fund, as the majority of this has been used to provide PPE to early years providers.
- 3.9 As part of the 2019/20 outturn it was reported that the Early Years grant for 2019/20 was estimated as the statutory deadlines for finalising the accounts were earlier than the final grant notification. The final grant received was only £2k different than was included in the 2019/20 accounts which is a negligible impact on 2020/21.

4 High Needs Block

- 4.1 The projected costs and variances within the High Needs Block are summarised in the table below:

	Latest Estimate £000	Projection £000	Variance £000
DSG Income Due	(79,831)	(79,957)	(126)
Funding Passported to Institutions			
- SILC and Resource Provision Places	14,034	14,095	61
- Out of Area and residential placements	8,954	10,217	1,263
- Alternative Provision (including AIP's)	5,056	5,056	0
- SEN Top-ups to Institutions	41,428	44,791	3,363
- Mainstream additional places (£6k blocks)	751	1,068	317
- Increase in Special School places	2,106	1,202	(904)
- Education provision for mental health beds	100	100	0
Commissioned Services			
- Hospital & Home Tuition	1,724	1,724	0
- PD & Medical Service	97	97	0
Children's Services			
- Autism support (STARS)	450	472	22
- Children missing out on education	446	447	1
- Management of high needs services	284	259	(25)
- SEN adaptations	141	141	0
- SEN Inclusion Team	1,287	1,162	(125)
- Sensory Service	2,415	2,164	(251)
Other items			
- Prudential borrowing for SEMH provision	558	558	0
	0	3,596	3,596

(note: a bracketed figure is an underspend and a positive figure an overspend)

4.2 As detailed in the table above, the projected overspend on the High Needs Block is £3,596k. This is following the transfers from the schools block and the central school services block totalling £3m.

4.3 Previous reporting identified a significant rise in the requests for new assessments (80% rise in new assessments in 2018/19 compared to 2014/15). The LA is currently responsible for 4,672 EHC plans. During the pandemic period we continued to deliver our statutory role with some adjustments to service. During this time the number of requests did reduce slightly although we are now seeing a rise back to the level prior to the lockdown after only a few weeks into term. We are therefore now anticipating an even greater number of requests over the next few terms than previously projected. DFE national data shows that at the present time the capacity of LA SEND teams across the country remains stretched, with case work high, and expected to rise, both in terms of requests for new assessments and re-assessment of need. This is due to the fact that many children are returning with even greater difficulties and gaps in learning or presenting with significant social, emotional and mental health needs requiring support. As restrictions continue and bubbles break down in schools, children and young people will lose even more education potentially causing ongoing difficulties. It is too early to give clear projections of the impact of COVID on the rise in requests for new assessment; however, our previous estimates of requests being doubled by 2025 to over 7,000 children may now be an

underestimation despite work being undertaken to support at an earlier intervention level. National statistics indicate that around 50% of learners with an EHCP then move into specialist provision. At the present time we are working to develop specialist resourced bases in mainstream schools for specific areas of identified need alongside the creation of two new generic special schools. In addition we have also increased the capacity in our existing SILCs across the city to meet this demand. It must also be noted that even though we have a planned programme of developing additional provision across the city there will still remain the need to commission out of authority places for those learners with highly complex and individual needs that require bespoke package.

- 4.4 SEN top-ups to institutions continues to be the largest area of overspend. The projected overspend for 2020/21 is now £3,363k and the largest areas within this are as follows:-
- A continued increase in high need pupils at mainstream schools and academies has resulted in a projected over spend of £ 2,511k. This is also an increase of £3,523k compared to 2019/20.
 - There is an increase in external post 18 placements which is expected to result in an overspend of £765k and a further increase in post 16 students at colleges from September 2020 is expected to result in an overspend of £500k on that budget.
 - A projected underspend of approximately £600k on top up funding at SILCs and resourced provision units is expected as a result of vacant places between April and August compared to the budget.
- 4.5 Another impact of the increase in SEN top-ups to mainstream schools is that the budget for the additional £6k blocks paid to schools who have a higher number of SEN pupils than their notional SEN budget covers, is expected to be £317k overspent due to an increased number of SEN pupils within schools meeting the criteria for additional £6k blocks. Coupled with the increase in top ups, high needs funding received by mainstream schools and academies is £3,839k greater than 2019/20 and £2,828k over the available budget.
- 4.6 The Out of Area Placements budget is currently expected to be £1,263k overspent. As detailed above, the number of special school places required has outstripped the availability of places in Leeds. This has resulted in an increase in the number of high cost placements outside the city. There is still a risk that this overspend could increase further.
- 4.7 There is expected to be a combined underspend in the services provided by Children and Families of £378k. This is a combination of vacant posts and delays in recruitment.
- 4.8 At the start of the year, it was expected that there would be a need for an extra 212 specialist placements from September 2020. At the time these projections were completed, a number of these placements had been provided, but there were still a number to be resolved.
- 4.9 When the budget is set, there are a number of issues that are not confirmed until after the year has started. As estimate is made of the impact of these issues, but the actual allocation is slightly different. For 2020/21, the grant allocation is £126k more than budgeted.

5 Central School Services Block

5.1 This block provides funding for LAs to carry out central functions on behalf of pupils in state-funded maintained schools and academies in England. CSSB is split into funding for historic commitments and funding for ongoing responsibilities.

5.2 The projected costs on this block are:

	Latest Estimate £000	Projection £000	Variance £000
DSG Income Due	(4,867)	(4,867)	0
Historic Commitments	646	645	(1)
Ongoing Responsibilities	4,071	3,951	(120)
Severance / Pension costs	150	150	0
	<u>0</u>	<u>(121)</u>	<u>(121)</u>

(note: a bracketed figure is an underspend and a positive figure an overspend)

5.3 This underspend is due to savings in the Admissions Service as a result of vacancies and delayed recruitment.

6 2020/21 Reserves

6.1 The table below shows the expected position as at 31st March 2021 as a result of all the variances detailed above.

	General £000	De-delegated £000	Total £000
Balance b/fwd from 2019/20	3,955	(722)	3,233
Use of reserves	0	596	596
2020/21 Variances			
- Schools Block	(589)	(204)	(793)
- Early Years Block	(547)		(547)
- High Needs Block	3,596		3,596
- Central Schools Services Block	(121)		(121)
Balance c/fwd to 2021/22	6,294	(330)	5,964

6.2 The conditions of grant for the Dedicated Schools Grant requires that any local authority with an overall deficit on its DSG account at the end of 2019/2020

financial year must be able to present a plan to the DfE for managing their future DSG spend. The DfE has recently issued a management plan template to aid local authorities in this. This template is very detailed and will take a considerable amount of time to complete. The result from this template will be presented to a future Schools Forum.

7 Recommendations

- 7.1 Schools Forum is requested to note the projected overspend on General DSG of £2.34m which will be added to the deficit on General DSG brought forward from 2019/20. This will make the current projected cumulative deficit £6.29m, with projected de-delegated surplus balances standing at £330k.



Report of the Director of Children and Families

Report to the Leeds Schools Forum

Date: 08 October 2020

Subject: Dedicated Schools Grant – Medium Term Financial Strategy 2021/22 – 2025/26

**Report Authors: Louise Hornsey /
Shirley Maidens**

Contact telephone number: 0113 3788689

Summary of main issues

1. The Dedicated Schools Grant (DSG) is allocated in four blocks: schools, high needs, early years and central schools services.
2. Over the five year period 2021/22 – 2025/26 the DSG is projected to overspend at a rate of between £6.8m and £8.1m per year if no action is taken. The majority of the overspend is on the high needs block and the council is currently reviewing the options available for managing this as required by the Department for Education.
3. Further details of the council's DSG management plan will be brought to the November Schools Forum.

Recommendations

4. Schools Forum is asked to note the medium term projections for the Dedicated Schools Grant and the work ongoing to identify and implement actions in order to achieve a balanced financial position.

1 Main issues

1.1 Background

- 1.1.1 The Dedicated Schools Grant (DSG) is allocated by the Education and Skills Funding Agency (ESFA) and is the main source of income for local authorities' schools budgets. It consists of four funding blocks: schools, high needs (special educational needs), early years and central school services. The Council is forecast to receive DSG Funding of £2,652m over the next 5 years and further details are provided in Table 1.
- 1.1.2 Along with many other local authorities, Leeds is currently not receiving the full allocation of DSG due under the national funding formula, as there is a cap on some of the funding increases and this has created pressures on the DSG account. If the cap on gains had not been in place, Leeds would have been allocated an additional £26.4m of funding between 2018/19 and 2020/21 across the schools block (£9.5m) and high needs block (£16.9m).
- 1.1.3 In accordance with requirements set out in the Education Act, some of the DSG can be retained by the council to provide services for schools, however the majority is passed directly on to schools and other educational settings. There is some flexibility within the regulations in how funding is allocated out to schools and it is also possible to move some funding between the different blocks of the DSG to address pressures if required. Funding arrangements are reviewed annually, taking into account available funding and priorities set out with the Best Council Plan and supporting strategies. Funding allocations are agreed following consultation with schools and the Leeds Schools Forum.

1.2 Projections

- 1.2.1 As shown in Table 1 below, the schools block and early years block budgets are expected to balance over the next five years, based on previous trends and forecast data.
- 1.2.2 In line with national trends, the key pressure anticipated relates to the high needs block, which provides funding in relation to pupils with special educational needs. The assumptions and risks associated with the projections for this funding block are set out in further detail in the sections that follow. There is also a smaller pressure on the central school services block from 2022/23, due to the phased reduction in DSG for any council expenditure no longer deemed eligible for funding.
- 1.2.3 Table 2 shows the projected cumulative DSG deficit at the end of each year. Also shown is the positive impact if the ESFA removed the cap on gains for high needs funding and if funding continued to be transferred from the schools block to support the pressures on the high needs block, following consultation with schools and approval by Schools Forum. This would however still leave a projected deficit which the Children and Families directorate is developing a plan to address. Further details on this are provided in the sections that follow.

Table 1 – Dedicated Schools Grant projected income and expenditure

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Schools Block					
DSG Income	(343.1)	(357.9)	(367.0)	(372.6)	(379.7)
Individual Schools Budgets	335.7	350.4	359.4	365.0	372.0
De-delegated budgets	4.4	4.5	4.6	4.6	4.7
Growth Fund	3.0	3.0	3.0	3.0	3.0
	0.0	0.0	0.0	0.0	0.0
Central School Services Block					
DSG Income	(4.9)	(4.8)	(4.7)	(4.6)	(4.6)
CSSB Expenditure	4.9	5.0	5.0	5.1	5.2
	0.0	0.2	0.3	0.5	0.6
Early Years Block					
DSG Income	(59.5)	(58.7)	(58.6)	(58.8)	(58.3)
FEEE 3 and 4 year olds	49.0	48.5	48.0	47.4	46.8
FEEE 2 year olds	7.4	7.2	7.7	8.5	8.7
Other early years provision	3.1	3.0	2.9	2.9	2.8
	0.0	0.0	0.0	0.0	0.0
High Needs Block					
DSG Income	(87.9)	(94.8)	(102.1)	(110.2)	(119.1)
Funding passported to institutions	87.3	93.7	101.7	109.1	116.6
Commissioned services	2.0	2.1	2.3	2.4	2.6
Directly Managed by Children & Families	5.6	5.8	5.9	6.0	6.1
	7.0	6.8	7.8	7.3	6.2
Total Dedicated Schools Grant overspend	7.0	7.0	8.1	7.8	6.8

Table 2 – Dedicated Schools Grant projected cumulative deficit

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
DSG balance brought forward	6.3	13.3	20.3	28.4	36.2
In year deficit (from table 1)	7.0	7.0	8.1	7.8	6.8
Total cumulative deficit on General DSG before further actions	13.3	20.3	28.4	36.2	43.0
Potential additional funding:					
High needs block cap on gains removed by ESFA	(3.9)	(3.9)	(3.9)	(3.9)	(3.9)
Transfer of 0.5% of schools block to high needs block	(3.0)	(3.1)	(3.2)	(3.2)	(3.3)
Potential revised cumulative deficit	6.4	6.4	7.4	8.1	7.7

1.3 Assumptions and risks

Funding increases

- 1.3.1 Local authorities are allocated DSG funding based on a combination of pupil data and historical funding. Since 2018/19 the government has been moving towards a national funding formula to address historical funding differences for local authorities and schools. In 2019/20, the Government also announced a three year funding settlement for the schools and high needs blocks of the DSG, providing a combined national rise of £7.1bn by 2022/23 compared to 2019/20. Local authority allocations are released on an annual basis and it is not yet known how this increase will be allocated in 2022/23, or what increases may be available beyond this.
- 1.3.2 Projections in Table 4.18 assume that the minimum funding increases will follow the same trends as in recent years. If increases were not as high as expected for the schools and early years blocks this would be matched by a reduction in funding allocated out to settings. In relation to future high needs block funding, the figures presented in the table assume increases in funding will continue at the same rate as recent years. This would however still not provide Leeds with its full high needs funding allocation under the national funding formula, as increases are currently capped. Further details on this are provided below.

Cap on gains

- 1.3.3 Although funding has increased since the move towards the national funding formula, some local authority funding increases have been subject to a cap on gains. Although this cap has been removed from the schools block from 2020/21 onwards it is still in place for the high needs block until at least 2021/22.
- 1.3.4 If the cap on gains had not been in place, Leeds would have been allocated an additional £26.4m of funding between 2018/19 and 2020/21 across the schools block (£9.5m) and high needs block (£16.9m). A further funding cap of £3.9m will apply in 2021/22 to the high needs block, based on provisional funding allocations released by the ESFA.
- 1.3.5 It is not currently known whether a cap will continue to be applied to the high needs block beyond 2021/22. Table 2 above shows the impact on the projected deficit of the current level of cap continuing, as well as the estimated impact on the deficit if the cap ended.

High needs demand

- 1.3.6 In line with the national picture, Leeds has experienced an increase in high needs demand and complexity in recent years, with this trend expected to continue. However Leeds has historically been underfunded in comparison to other local authorities. Before the transition to the national funding formula started, in 2017/18 the high needs block funding for Leeds was 25% lower per pupil than the national average. The ESFA's national funding formula seeks to address this historical issue, however as noted above there is currently still a cap on funding increases and to date any additional funding received by Leeds has been exceeded by increased costs.

- 1.3.7 The projections in Tables 1 and 2 are based on the current data available on forecast increases in special educational needs within the population. There are however risks that demand could be higher than projected, particularly in relation to the impact of COVID-19 on learning and deprivation, the effects of which may only become apparent following the recent re-opening of schools.

Funding transfers between DSG blocks

- 1.3.8 Since 2017/18 a total of £9.8m has been transferred to the high needs block from other funding blocks of the DSG, in order to redirect funding to support special educational needs pressures (£8.15m from the schools block and £1.65m from the central school services block).
- 1.3.9 Beyond 2021/22 it is not known whether funding can continue to be moved between DSG blocks in this way, as the ability for local authorities to do this may become more limited once the full national funding formula is introduced. In addition, any future transfers from the schools block would require annual consultation with schools and approval by the Leeds Schools Forum.
- 1.3.10 Table 2 above shows the estimated funding available if a transfer of 0.5% of schools block funding to the high needs block continued and the impact on the overall deficit. The 0.5% transfer is in line with the current limit that Schools Forums can agree without further approval from the Secretary of State.

1.4 DSG savings plan

- 1.4.1 With effect from the end of 2019/20, new provisions have been added to the School and Early Years Finance Regulations which require local authorities to carry forward any DSG overspends or deficit balances to the following year. These should be dealt with from future DSG income, rather than being funded by the council, unless otherwise authorised by the Secretary of State. In practice Leeds, along with many local authorities, has historically dealt with any overspends on DSG in this way. The new regulations however reinforce that councils should not fund a DSG deficit from their core budget.
- 1.4.2 However any local authority with 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 managing that situation, including providing information on plans for managing the DSG account and meeting with officials from the DfE as and when requested. The Secretary of State may also 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.
- 1.4.3 In September the DfE released a management plan template to help local authorities to manage their DSG. The DfE is encouraging all local authorities to use the template as a planning tool. They expect the plan to be updated and presented at Schools Forum meetings regularly. Local authorities should aim to present the first version of the plan to the Schools Forum in time for budget planning discussions for 2021/22 and before the deadline for any requests to move funding between blocks of the DSG. The DfE

recognises that the management of DSG balances, both bringing spend in line with income and repaying deficits, will take time for some local authorities and the template has been developed in such a way that it is intended to be a live document. The council is planning to bring the first version of the plan to the November Schools Forum meeting.

- 1.4.4 A previous review by Children and Families of the high needs block in 2017 identified a range of options to reduce costs, which were consulted on with stakeholders and implemented as appropriate at the time. The Children and Families directorate are carrying out further work to identify a medium term plan which looks to bring the high needs block back into balance and addresses the current DSG deficit, to the extent that this is possible given any limitations in funding and increases in demand. Options are currently being considered for creating high needs provision in the city, with the intention of improving outcomes while also reducing costs.
- 1.4.5 The DfE also expects to approach selected local authorities with deficits to begin more detailed discussions with them during 2020. In order to make this process manageable, discussions will be limited to a fairly small number of authorities in 2020/21 and will be expanded to other authorities during 2021/22 and subsequent years. The Council is likely to be required to take part in this process at some point, as a DSG deficit of £4m was carried forward from 2019/20 and current projections are for this to increase to £6.3m at the end of 2020/21. However as there are a number of other authorities with more significant DSG deficits than Leeds it is possible that this process may take place in future years.

2 Recommendations

- 2.1 Schools Forum is asked to note the medium term projections for the Dedicated Schools Grant and the work ongoing to identify and implement actions in order to achieve a balanced financial position.



Report of the Director of Children and Families

Report to the Leeds Schools Forum

Date: 8th October 2020

Subject: School funding update 2021/22

Report Author: Lucie McAulay

Contact telephone number: 0113 3788766

Summary of main issues

1. The Dedicated Schools Grant (DSG) is allocated in four blocks: schools, high needs, early years and central schools services. The Education and Skills Funding Agency (ESFA) uses the national funding formula to calculate the blocks within the DSG that are allocated to local authorities. Local authorities currently have some flexibility in how this funding is allocated to schools, within the constraints set out by the ESFA.
2. The ESFA has published some of the indicative DSG funding allocations for 2021/22. These show an increase for Leeds of £43.6m for the Schools Block and £11.5m for the High Needs Block. The final allocations for 2021/22 will be confirmed later in the year using the latest pupil data. There has also been a decrease of £168k to the Central Schools Services Block. Funding for the Early Years Block has not yet been confirmed.
3. Local authorities are required to consult with schools on proposals for funding arrangements and report back to their Schools Forum. Schools Forums are then responsible for either making decisions or providing views on the various proposals, in line with the powers set out by the DfE.
4. Financial modelling will be carried out for 2021/22 to establish options for consultation with schools once the relevant information has been received from the ESFA. The consultation with schools on the 2021/22 funding arrangements and de-delegation will provisionally start during the week commencing 19th October 2020 and end early in the week commencing 2nd November 2020. Online briefing sessions will be provided for schools during this period.

Recommendations

5. Schools Forum is asked to note the latest position on the 2021/22 school funding arrangements and the work planned to develop and consult on the allocation of this funding.

1 Background information

- 1.1 The Dedicated Schools Grant (DSG) is allocated in four blocks: schools, high needs, early years and central schools services. The ESFA uses the national funding formula (NFF) to calculate the blocks within the DSG that are allocated to local authorities. Local authorities currently have some flexibility in how this funding is allocated to schools, within the constraints set out by the ESFA.
- 1.2 In light of the need to focus efforts on meeting the challenges of COVID-19 the ESFA has not changed local authorities flexibility over the distribution of school funding in 2021-22. The government will shortly put forward proposals to move to a hard 'NFF in future which will then determine budgets directly, rather than through local formulae set independently by each local authority.
- 1.3 The ESFA has published illustrative local authority level allocations for 2021/22 for schools, central school services, and high needs blocks, based on October 2019 pupil data. Details are provided in the relevant sections below and these figures will be used for consultation with schools in October 2020. The final local authority allocations will be confirmed in December 2020 and will take into account October 2020 pupil data.
- 1.4 For 2021/22 the basic structure of the schools NFF is not changing however the ESFA is changing some existing features of the formula alongside some technical changes, key details of which are included within the relevant sections of the report below.

2 Main issues

2.1 Dedicated Schools Grant balance

- 2.1.1 Previously the ESFA required a report and supporting evidence from any local authority that had a cumulative DSG deficit of more than 1% at the end of the financial year. As from 2020/21 the ESFA will now require that any authority with a DSG deficit of any size, or that is likely to fall into a DSG deficit in the near future should have a plan for managing its DSG account going forward and must keep its schools forum regularly updated about its plan including high needs pressures and potential savings. It must also respond to enquiries from the DFE about the plan

2.2 Schools Block

Funding allocation

- 2.2.1 In 2021/22, the national funding formula will continue to set notional allocations for each school, which will be aggregated and used to calculate the total Schools Block funding received by each local authority.
- 2.2.2 The Schools Block indicative allocation for Leeds in 2021/22 is £590,205k which is an increase of £43,601k compared to 2020/21 (based on October 2019 pupil data). The final Schools Block allocation for 2021/22 will be received in December 2020 and will reflect the October 2020 pupil numbers in mainstream schools and academies.

2.2.3 Whilst the funding factors used in the formulae to calculate the NFF allocations remain the same, two technical changes have been made:

- Funding from the teachers pay grant (TPG) and the teachers pension employer contribution grants (TPECG) has been added to the schools NFF allocations. The funding has been added to the basic per pupil entitlement, to the minimum per pupil funding levels and to schools baselines so that it is protected through the funding floor.
- The 2019 update to the Income Deprivation Affecting Children Index has been incorporated so that deprivation funding allocated through the formulae is based on the latest data.

Rolling Grant Funding into the NFF

2.2.4 The Teachers Pay Grant (TPG) was introduced in September 2018 to support schools to implement the 2018 teachers pay award, in September 2019 the grant was increased to help schools implement the 2019 teachers pay award as well as the ongoing cost of the 2018 award. The Teachers Pension Employer Contribution Grant (TPECG) was introduced to fund schools and LAs for the increase in teacher pension employer contribution costs from September 2019.

2.2.5 These grants will now be rolled into the schools notional NFF allocations and will affect core budgets that maintained schools will receive from April 2021 and that academies will receive from September 2021.

2.2.6 These grants have been rolled into the notional NFF allocations, the funding has been added to the basic per pupil entitlement (£180 per pupil for primary schools and £265 per pupil for secondary schools), to the minimum per pupil funding levels and to schools baselines so that it is protected through the funding floor.

2.2.7 In 2021/22 whilst LAs still remain responsible for determining final allocation it is expected that as far as possible additional funding from the previous pay and pension grants should be passed onto individual schools. We will provide further details on these calculations and their inclusion within the formulae within the consultation to schools.

Update to the Income Deprivation Affecting Children Index (IDACI)

2.2.8 The IDACI is an area-based index measuring the relative deprivation of different areas, the 2019 update provides a more up to date measure of the relative deprivation of different areas.

2.2.9 For both the schools and high needs NFF the IDACI scores are divided into seven bands, A to G with band A representing the most deprived areas. This banding structure has been updated to reflect the new 2019 data to ensure that the amount of deprivation funding allocated through IDACI does not decrease and as such the proportion of pupils attracting funding through each band should remain broadly unchanged from 2020/21.

Transfers out of the schools block

- 2.2.10 Local authorities will continue to be able to transfer up to 0.5% of their Schools Block to other blocks of the DSG, with Schools Forum approval. Based on 2020/21 funding this would be approximately £2.65m for Leeds. In 2021-22, the total schools block available for such transfers must exclude the additional funding local authorities have been allocated for the teachers' pay and pension grant, thereby guaranteeing that all of this funding remains with schools.
- 2.2.11 If the council wishes to transfer more than 0.5%, or transfer any amount without Schools Forum approval, a request would need to be made to the DFE to disapply the regulations in this area.
- 2.2.12 As High Needs Block funding is unlikely to be sufficient to cover costs in this area, we will be consulting with schools in October 2020 on a transfer of funding in 2021/22 from the Schools Block to the High Needs Block. The amount to be consulted on will be decided following further consideration of the pressures on the High Needs Block.

Schools block funding formula

- 2.2.13 The minimum funding guarantee (MFG) for schools will continue, and local authorities continue to have the flexibility to set a local MFG between plus 0.5% and plus 2% per pupil. The MFG we seek to set will be determined by the modelling of the formula options, so that all schools will see an increase in per pupil funding.
- 2.2.14 The indicative allocations for Leeds have increased in 2021/22 due to changes to the key areas of the national funding formula as detailed below.
- The minimum per pupil funding levels will increase to £5,150 for secondary schools (compared to £5,000 in 2020/21) and £4,000 for primary schools (compared to £3,750 in 2020/21). On top of this schools will receive an additional £265 and £180 per pupil respectively to cover the additional teachers pay and pension costs previously funded through separate grants.
 - The funding floor will increase to ensure that the funding allocated to the local authority includes at least a 2% gain per pupil against the 2020/21 baseline.
 - Additional funding for small and remote schools will increase in 2021/22 with primary schools attracting up to £45,000 compared to £26,000 previously and from £67,000 to £70,000 for secondary schools.
- 2.2.15 As in previous years, we will be consulting with schools on the local funding formula to be used for 2021/22. We will be proposing to continue to move as close as possible to the national funding formula, as this was the approach taken for 2020/21. As we will be proposing to transfer some funding out of the Schools Block it will not be possible to move fully to the national funding formula and we are currently modelling options for adjusting the national funding formula to take account of this. Details of the proposed formula allocations will be provided to schools during the consultation in October 2020.

Formula factor increases

- 2.2.16 The majority of funding provided through the formula factors is related to pupil numbers and characteristics, plus some additional premises based funding. The premises funding consists mainly of a flat rate lump sum for all schools plus additional funding for PFI schools to recognise increased costs. Pupil-led funding comprises basic entitlement rates for all pupils, plus targeted funding across areas such as deprivation (measured based on Free School Meal entitlement and a deprivation index), prior attainment and English as an additional language.
- 2.2.17 Factors in the NFF allocations to local authorities will be increased by 3% apart from free school meals (increased at inflation) and premises based funding (allocated based on actual local authority spend in 2020/21 with an inflationary increase for the PFI factor only). There will be some local discretion to set lower rates for the funding factors if needed.

Minimum funding increases

- 2.2.18 A minimum increase of 2%, this is broadly in line with current inflation forecasts, will be guaranteed per pupil in local authority allocations compared to the 2020/21 NFF. As there is still some local discretion in the formula, local authorities will be able to set a minimum funding guarantee for schools of between +0.5% and +2% per pupil.

Growth fund

- 2.2.19 Growth funding will be allocated to local authorities as part of the Schools Block, based on growth in pupil numbers between the October 2019 and October 2020 censuses. Growth funding allocations for 2021/22 will not be confirmed by the ESFA until December 2020.
- 2.2.20 As in previous years, Schools Forum are responsible for agreeing the amount of growth funding to be top-sliced from the Schools Block (which does not have to be the same as the amount of growth funding allocated by the ESFA). Details will be brought to a future Schools Forum of the proposed amount and criteria for allocation to schools of the 2021/22 growth fund.

2.3 **High Needs Block**

- 2.3.1 The High Needs Block (HNB) indicative allocation for 2021/2022 is £97,359k. This is an increase of £11,499k compared to 2020/21. This increase also includes the teachers pay (TPG) and pension (TPECG) grants.
- 2.3.2 The high needs national funding formula ensures that every local authority receives an increase of at least 8% per head of population, with some authorities receiving up to 12% more than this year. For Leeds the increase is the maximum 12%, with a cap on gains of £3,939k. Without this cap, the indicative allocation would have been £101,298k.

The High Needs Operational Guide has only recently been published and so further guidance will be available on the high needs funding when this has been reviewed in detail.

2.4 **Central School Services Block**

- 2.4.1 The indicative allocation for the Central School Services Block (CSSB) in 2021/22 is £4,899k which is a decrease of £168k compared to 2020/21.
- 2.4.2 Funding for this block is split between historic commitments and ongoing services. Local authorities will continue to be funded for the ongoing responsibilities with a 3.8% national increase compared to 2020/21 to keep up with inflation and pupil numbers. This element of the CSSB is calculated using a simple per pupil formula which remains unchanged.
- 2.4.3 In line with reforms to move to a fairer funding system and avoid maintaining significant differences in funding between local authorities which reflect historic decision, the historic element of the CCSB funding began to be reduced from 2020/21. In 2021/22 the historic commitments funding will continue to reduce by 20% (£272k) on 2020/21 allocations.
- 2.4.4 The ESFA will provide further details in due course as to how they will continue to reduce this funding in future years however in 2021/22 they are not changing the requirement in regulations that authorities spend no more on these commitments than they did in the previous year.

2.5 **Early Years Block**

- 2.5.1 As in previous years, the Early Years Block allocation is based on pupil numbers in the January census and therefore allocations for 2021/22 have not yet been released.

2.6 **De-delegation of services**

- 2.6.1 Schools Forum can agree that some funding for maintained primary and secondary schools is retained centrally each year, so that the council can provide certain services to schools that they would otherwise have to pay directly from their budget (such as reimbursing schools for the cost of staff on maternity leave). This arrangement is known as de-delegation and we will be consulting with maintained mainstream schools later in the autumn on the proposals for their de-delegated contributions in 2021/22.
- 2.6.2 The ESFA has not provided any clarity on how de-delegation will operate once the NFF is brought in fully, however it is possible that the ability for schools to de-delegate funding may cease at some point in the future. If this is the case we will look at providing alternative arrangements for schools who wish to continue using these services.

2.7 **Consultation with schools**

2.7.1 The 2021/22 consultation with schools will provisionally run from 19th October to 2nd November 2020 and will cover:

- The local schools funding formula
- Any proposals to transfer funding between the blocks of the Dedicated Schools Grant
- De-delegation of services for maintained schools
- Maintained school contributions to severance costs

2.7.2 We will be writing to schools to provide advance notice of the consultation so that they have time to plan for any arrangements they may want to make to be able to respond.

2.7.3 At the start of the consultation period we will send out detailed information including indicative school level figures, in addition to providing specific briefing sessions for schools.

2.7.4 We will report the outcome of the consultation to Schools Forum on 19th November 2020. A further update will also be provided at the meeting on 19th January 2021 once the final funding allocations have been confirmed by the ESFA.

3 **Recommendations**

3.1 Schools Forum is asked to note the latest position on the 2021/22 school funding arrangements and the ongoing work to develop and consult on the allocation of this funding.

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Report of the Director of Children and Families Services

Report to the Leeds Schools Forum

Subject: Schools Covid Contingency Fund 2020/21

**Report author: Lucie McAulay
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1 Summary of main issues

- 1.1 This report is to ask the maintained mainstream members of Schools Forum to consider a proposed Covid Contingency Fund 2020/21 for maintained mainstream schools.
- 1.2 As reported to Schools Forum (June 2020) in the DSG Outturn Report 2019/20 the de-delegated service budgets 2019/20 were underspent by £596k overall largely as a result of an underspend of £516k on schools contingency.
- 1.3 A proposal was put forward to schools forum to use this underspend of £596k to create a Schools Covid Contingency fund 2020/21, this will support mainstream maintained schools that have incurred exceptional Covid related costs which are not covered by government funding.
- 1.4 The following report will outline the proposed criteria and application process for the Schools Covid Contingency Fund 2020/21.

2 Covid Government Funding

- 2.1 Whilst schools have continued to receive their core funding allocations through the pandemic crisis, it was recognised by the government that in some instances schools faced additional costs due to Covid which could not be covered from their existing resources.
- 2.2 To address these additional pressures and ensure that schools could continue to focus on their vital roles at this time, financial support was provided by the government to cover schools up until the end of the summer term 2020. This financial support was restricted to the following criteria:
 - increased premises-related costs of keeping schools open during holidays
 - support for free school meals (FSM) for eligible children who are not attending school
 - additional cleaning – required due to confirmed or suspected coronavirus cases

- 2.3 This funding was available to all maintained schools, academies and free schools but only if they were unable to meet such additional costs from their existing resources or which they could only meet by drawing down on reserves and undermining their long term financial sustainability. Schools were not able to make a claim against this fund if they expected to add to their existing historic surpluses in the current financial year.
- 2.4 Schools were asked to make the necessary payments from their existing budgets and then make a claim for the exceptional costs which fell within the above criteria. Schools were able to make claims up to the following set limits:

Mainstream Schools:

- 250 pupils or fewer £25,000
- 251 – 500 pupils £30,000
- 501 – 1000 pupils £50,000
- Over 1000 pupils £75,000

Special Schools and Alternative Provision:

- All schools £50,000

- 2.5 This funding was focused on additional costs that schools faced over and above their expected expenditure, in delivering appropriate support for their pupils through the period of partial school closures over the summer term. The initial window for these claims has now closed and approved payments have been made to qualifying schools.
- 2.6 Although no further details have been confirmed at this time, the DFE has indicated that there will be an opportunity for schools to make another claim against this funding in the autumn term however claims will still be restricted to the criteria as above and only for costs incurred between March and end of July 2020.
- 2.7 There are currently no indications that further government funding will be available for Covid related costs incurred outside of either this period or this restricted criteria. However the local authority does recognise that schools may have incurred Covid related costs both outside of this criteria and timescale, as such it is proposed that a Covid Contingency Fund is established to further support school budgets during this pandemic.

3 Proposed Covid Contingency Fund

- 3.1 It is proposed that the underspend on the DSG de-delegated services budgets 2019/20 of £596k is used to create a Covid Contingency Fund to provide financial support to schools who have incurred exceptional costs due to Covid pressures in the 2020/21 financial year. The Covid Contingency Fund will only be available to mainstream maintained schools as they contribute to the de-delegated service budgets from where this fund is derived.

Criteria for Funding Applications

- 3.2 All maintained mainstream schools will be able to apply for additional funding from this fund subject to the following criteria:

- The costs are outside the scope of the government Covid funding as demonstrated in paragraph 2.2, if any costs fall within the criteria and timescales of the government funding then it is expected that schools will apply to this central fund in the first instance or until the individual school claim limit is reached.
- The costs are exceptional and specific to Covid related issues, the costs should not be considered normal school running costs.
- The fund is to support only additional expenditure and will not consider application for loss of income for example in extended school provisions

Application Process

- 3.3 Schools will need to submit an application form for funding, for your information a proforma for application is attached as appendix A. This will ask schools to outline the exceptional costs they are claiming for and provide supporting evidence such as invoices to verify the claimed amount.
- 3.4 All applications should be submitted to finance by the end of December 2020, this will allow sufficient time for applications to be considered and agreed by Childrens and Families with payments to be made by the end of March 2021.
- 3.5 If the total value of claims against the Covid Contingency fund exceeds the initial fund of £596k then applications will be paid in proportion to the total value of claims made. However any bids that cannot be paid from the funding set aside by Covid could potentially be accommodated through the current year fund for schools in financial difficulty, and if this is the case we will have further discussions with maintained mainstream members of Schools Forum as to the best way to consider these.

Approval process

- 3.6 The use of de-delegated funding for Covid related costs falls within the scope of the contingency fund already approved by Schools Forum, as it will provide funding towards exceptional costs for schools in financial difficulty.
- 3.7 Ordinarily, individual applications for the schools in financial difficulty fund would go to the Schools Forum panel who would review these and make a recommendation to Children and Families on whether the application should be approved. The final decision on applications for the schools in financial difficulty fund rests with Children and Families.
- 3.8 Due to the volume of applications that could be received in relation to Covid costs we are proposing that mainstream maintained Schools Forum members pre-approve the criteria set out above. The council would then review the claims against the agreed criteria and grant approval if they are satisfied that the conditions have been met. Approval would be granted by the Director of Children and Families or an officer who has been given delegated authority to take this decision. In practice, these decisions are usually delegated to the Chief Officer, Resources and Strategy (Tim Pouncey).
- 3.9 The amounts agreed would then be reported back to Schools Forum. If the full amount set aside for Covid related costs is not paid out through these claims, then the remaining balance would either be distributed out to mainstream

maintained schools proportionate to their original contribution, or offset against future de-delegated contributions, depending on how significant the values concerned were.

- 3.10 Applications for schools in financial difficulty funding that do not relate to Covid would still be taken to the Schools Forum panel as usual.

4 Recommendations

- 4.1 Schools forum are asked to consider this proposal to establish to establish a Covid Contingency Fund which maintained mainstream schools can apply to for support with exceptional Covid related costs which are not covered by the existing government funding available. Maintained mainstream members are asked to vote on whether they support the proposals.

SCHOOL APPLICATION FOR COVID CONTINGENCY FUNDING 2020-21

School:	Amount requested :	
<p>Exceptional Covid Costs incurred: <i>(provide details of the costs incurred and provide evidence of the expenditure ie copy invoices; please note that only costs outside the remit of the government Covid scheme will be considered)</i></p>		
<p>Impact on School Balance March 2021:</p>		
Enclosures:		
3-year projection summary		
<p>Comments from Schools Finance Team</p>		
Decision:	Date	

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Schools Forum forward plan 2020/21

Schools Forum date	Agenda items	Purpose	Responsible officer
Thursday 19/11/2020	School funding formula arrangements 2020/21, including any transfers of funding between the DSG blocks	Decision and consultation	Lucie McAulay
	Review of SIMS de-delegation	Information	Lucie McAulay
	De-delegation 2020/21 decision	Decision	Lucie McAulay
	DSG deficit management plan	Information	Louise Hornsey/Shirley Maidens
	Early Years Report	Information	Rebecca McCormack
Tuesday 19/01/2021	Final school funding arrangements 2021/22	Information	Lucie McAulay
Thursday 25/02/2021	Free Early Education Entitlement rates and centrally retained funding 2021/22	Decision and consultation	Rebecca McCormack
	DSG budget monitoring 2020/21	Information	Louise Hornsey/Shirley Maidens

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